

Registered number: 6157133

# **Go Daddy Europe Limited**

**Annual Report and Financial Statements**  
**for the year ended 31 December 2021**

FRIDAY



\*AC4CKP63\*

A12

26/05/2023

#6

COMPANIES HOUSE

# Go Daddy Europe Limited

## Table of Contents

	Page
Company information	1
Strategic report	2
Directors' report	7
Directors' responsibilities statement	9
Independent auditor's report	10
Income statement	13
Balance sheet	14
Statement of changes in equity	15
Notes to the financial statements	16

# **Go Daddy Europe Limited**

## **Company information**

**Directors** Nick Daddario  
Michele Lau

**Registered Office** 5th Floor,  
The Shipping Building,  
Old Vinyl Factory  
252-254 Blyth Road,  
Hayes  
UB3 1HA

**Bankers** BNP Paribas Bank  
7 Harewood Avenue  
London NW1 6AA

**Independent Auditor** Ernst & Young LLP  
R+ Building  
2 Blagrove Street  
Reading  
RG1 1AZ

# Go Daddy Europe Limited

## Strategic report

### For the year ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

#### Review of the business and principal activity

The company's principal activity during the year was sale of business application product and the provision of sales and support for internet related products and services, for the United Kingdom (UK) and European customers of its sister company GoDaddy.com, LLC and other administrative services. These activities are expected to continue for the foreseeable future. The company had 223 employees at 31 December 2021 and 164 employees at 31 December 2020. The increase in the employees was mainly as a result of creating an in house customer care team and additional marketing team.

#### Key performance indicators (KPIs)

The company has financial KPIs which it monitors on a regular basis at group level and, where relevant, at business unit management meetings as follows:

	Year ended 31 December 2021	Year Ended 31 December 2020 (Restated)
	\$000	\$000
Revenue	95,954	70,360
Gross profit	42,464	30,825
Gross profit margin	44%	44 %
Profit before tax (PBT)	2,722	3,468

The sale of business application was up by 44% \$51,681,075 (2020: \$35,954,299) and the intercompany revenue was also up by 29% \$44,273,237 (2020: \$34,405,400). The increase in cost of sales was relative to the increase in revenue therefore the gross profit margin is stable at 44%. The 43% of the total revenue is from the provision of service to sister company GoDaddy.com LLC therefore company's business strategy is dependent on GoDaddy.com, LLC's market focus on selling business application internet related products and services to customers in the United Kingdom and European region. The market focus on this region was evident due to increase in marketing cost of 42% compared to last year. This market growth resulted in additional headcount during the year.

#### Principal risks and uncertainties

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management, risk management and internal audit. Compliance with regulation, legal and ethical standards is a high priority for the company. The Board is responsible for satisfying itself that a proper internal control framework exists to manage financial risks and that controls operate effectively.

The Company has developed a framework for identifying the risks the company is exposed to and their impact on economic capital. The principal risks from our business arises from demand of our sister company's products and foreign currency fluctuations. The level of profitability in the coming year will primarily be dependent on the volume of sales from the UK and European customers of our sister company and the sale of the business application product mainly Microsoft Office 365.

The business has assessed the impact of Covid-19, Russia-Ukraine war and has determined that there has been no significant impact on any areas of the business.

## **Go Daddy Europe Limited**

### **Strategic report (continued)** **For the year ended 31 December 2021**

#### **Strategic report (continued)**

We have also considered the impact of the general macro-economic conditions, such as rise in interest rates and inflation of energy costs. We are experiencing inflationary pressures in certain areas of our business, however we believe we have been able to offset such pressures through our medium-term contracts. Our business has not yet been materially impacted by inflation.

The board's policy is to ensure that the business units are empowered to run their business effectively and appropriately, bearing in mind the requirements for timely decision-making and commercial reality.

Through management reports, risks are highlighted and monitored to identify potential business risk areas and to quantify and address the risk wherever possible.

A full description of the principal risks and uncertainties applicable to the Go Daddy Group, of which this company is a wholly owned sub, are disclosed on pages 20 to 56 of FY21 accounts Form 10-K of GoDaddy Inc, which are available on the GoDaddy website - ([investors.godaddy.net](http://investors.godaddy.net)).

#### **Section 172 statement for Go Daddy Europe Limited**

The Directors of Go Daddy Europe Limited are bound by their duties under the Companies Act 2006, including their duty to promote the success of the Company for the benefit of its members as a whole.

The table below sets out how the directors have, in performing their duties, had regard to the matters set out in section 172(1)(a) - (f) of the Companies Act 2006, for the year ending 31 December 2021.

# Go Daddy Europe Limited

## Strategic report

For the year ended 31 December 2021

Statement by the directors in performance of their statutory duties in accordance with Section 172 Companies Act 2006 (continued)

Stakeholder	Why it's important	Our principal decisions
Customers	We are focused on executing against a customer led strategy to strengthen our platform, increase experimentation and accelerate our products. Our customers are essential to the success of our business.	<p>At any stage of an entrepreneur's journey the GoDaddy Group provides intuitive experiences to help navigate their journey through 'Digital Identity, Ubiquitous Presence and Connected Commerce'. The GoDaddy Group is proud to be the place customers come to name their idea, create a compelling brand and a great looking website, attract customers with digital and social marketing, and sell their products and services. We give our customers direct, one-on-one guidance with a human connection that is unlike any other technology company in the industry.</p> <p>We're on a mission to make opportunity more inclusive for all. As we continue to catalyse a new wave of inclusive entrepreneurship, the GoDaddy Group is changing the way people around the world work, and live, for the better. We believe in providing customized experiences to support entrepreneurs across every stage of their journey, and that means delivering nuanced resources that accommodate individual needs and circumstances.</p> <p>The entrepreneur's journey and challenges have evolved and our thinking has evolved with them.</p>
Employees	Employee engagement is key to our success. We are committed to the safety, well-being and engagement of our employees and engage with our employees to ensure we are meeting expectations, and can retain and develop top talent.	<p>The GoDaddy Group strives for a workplace culture where everyone has the opportunity to thrive. We continually challenge ourselves to evolve to the changing needs of our employees.</p> <p><b>Professional Development</b></p> <p>We provide many opportunities for individuals to learn, stretch and contribute so anyone in any role can advance their personal and professional development:</p> <p>My Career: an internal career management website that provides a one-stop shop of curated resources for career development planning. The My Career platform empowers employees to proactively take charge of their careers by connecting them to on-demand trainings, workshops, rotational programs and professional network.</p> <p>LinkedIn Learning: partnership with LinkedIn Learning, an award-winning industry leader in online training, with a digital library of over 16,000 courses covering a wide range of technical, business, software and creative topics. Participants have the opportunity to refine or develop professional skills, learn new software, and explore other areas as they plan their career growth.</p> <p>Decision Lab: what if we could make better decisions, faster and in a way that 'sticks' to drive outcomes and contribute to us achieving our business goals? That's what we're focused on doing with Decision Lab. These experimental sessions help us learn about blockers and enablers unique to our GoDaddy culture, give participants strategies on how they might navigate decision making in different ways, and provide a decision-making framework that can help set employees up for success.</p>

# Go Daddy Europe Limited

## Strategic report (continued)

For the year ended 31 December 2021

Statement by the directors in performance of their statutory duties in accordance with Section 172 Companies Act 2006 (continued)

Stakeholder	Why it's important	Our principal decisions
Employees (continued)		<p>We also offer opportunities for employees to explore new pathways and train across teams. Through GROW, our 6-month rotation program, participants can explore their interests in a specific function outside their current role, network with teams through project-based roles gain valuable knowledge and skills and learn more about GoDaddy.</p> <p>In 2021, we completed our first full year of Elevate, a care and services leadership program for Guides. During the year-long training program, Guides are connected with opportunities to learn, practice and apply new skills and knowledge. Elevate participants gain insights into how the business works while expanding their operational and leadership capabilities.</p> <p><b>Listening to our employees</b>  *Over 90% of employees responded to the 2021 GoDaddyVoice survey – a 3% increase from 2020.</p> <p>Despite the global challenges of the past two years, results showed that our employees believe GoDaddy is succeeding in creating a culture of trust and respect with transparent communication. Survey highlights include:</p> <ol style="list-style-type: none"> <li>More than 93% believe colleagues treat each other with respect</li> <li>More than 91% believe that their manager creates an environment that allows them to be themselves at work</li> <li>Over 91% believe GoDaddy's leaders maintain high ethical standards</li> <li>93% have the flexibility to manage other aspects of life while working from home</li> </ol> <p>Employee surveys take place on a Global basis, across the entire GoDaddy group; as such the figures and statistics quoted reference the whole of the GoDaddy Group.</p> <p><b>Employee engagement and socialising opportunities</b></p> <p>In a remote work environment, it's critical to strengthen employee connections and instill a sense of unity. The GoDaddy Fun Fund provides resources for employees to have fun and create morale-boosting opportunities for our teams. Each year, people managers receive "fun funds" to create memorable bonding experience for their teams.</p>

# Go Daddy Europe Limited

## Strategic report

For the year ended 31 December 2021

Statement by the directors in performance of their statutory duties in accordance with Section 172 Companies Act 2006 (continued)

Stakeholder	Why it's important	Our principal decisions
Shareholders	Engagement with our shareholders occurs through regular meetings and our AGM. We are committed to delivering on the financial results that we've promised	<p>In 2021, the GoDaddy group:</p> <ul style="list-style-type: none"><li>• Grew to serve 21.2million customers, a 5% CAGR</li><li>• Generated over \$3.82 billion in revenue, a 15% year over year growth</li><li>• Reported unlevered free cash flow** of \$960 million, a 18% CAGR</li></ul> <p>**Unlevered Free Cash Flow is a measure of our liquidity used by management to evaluate our business prior to the impact of our capital structure and after purchases of property and equipment. Such liquidity can be used by us for strategic opportunities and strengthening our balance sheet. However, given our debt obligations, unlevered free cash flow does not represent residual cash flow available for discretionary expenses.</p>
Communities	The Board continues to fully champion the cause of making opportunity more inclusive for all. It also invests in philanthropic and social initiatives targeted towards entrepreneurs.	<p>In 2021, GoDaddy launched its first Environment, Social, and Governance (ESG) report. In the report we detailed GoDaddy's sustainability objectives, key priorities, and our commitment to these important issues.</p> <p>Empower, our global community and philanthropic program, equips entrepreneurs in underserved communities with training, tools and peer networks to accelerate their journeys.</p> <p>In the past year, the GoDaddy group continued running virtual programs to get needed training and resources into the hands of small business owners.</p> <p>In the past year, in the UK, we specifically worked to serve migrant populations, refugee populations, and BAME (Black, Asian and minority ethnic) populations through Empower by GoDaddy. We have developed a 16-week entrepreneurial cohort with Impact Hub King's Cross to help the entrepreneurs in underserved communities start and grow their own business. Through this program we offered 16 weeks of course content on topics ranging from branding, to building a website, to search engine optimization. GoDaddy employees volunteered to teach workshops and coach the entrepreneurs, and all entrepreneurs received free GoDaddy products to build their digital presence. This program is part of GoDaddy's commitment to make opportunity more inclusive for all.</p>

### Future developments

The company plans to continue its existing activities.

Approved by the Board on 24 May 2023 and signed on its behalf by:



Nick Daddario  
Director



# Go Daddy Europe Limited

## Directors' report For the year ended 31 December 2021

The directors present their Annual Report and financial statements for the year ended 31 December 2021.

In accordance with s414C of the Companies Act 2006, the directors have opted to include the following areas of importance in their strategic report:

- Review of the business
- Future Developments
- Principal Risks and Uncertainties

### Dividends

The directors do not recommend the payment of a dividend (2020: \$nil).

### Director's Insurance and Indemnity

The Directors have the benefit of the indemnity provisions contained in the Company's Articles of Association ('Articles'), and the Company has maintained throughout the year Directors' and officers' liability insurance for the benefit of the Company, the Directors and its officers. The Company has entered into qualifying third party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

### Directors

The directors, who served throughout the year and up until the date of signing of these financial statements, were as follows:

Nick Daddario (appointed on 21 April 2021)

Michele Lau (appointed on 06 August 2021)

The following directors also served and resigned during the year:

Nima Jacobs Kelly (resigned on 17 March 2021)

Jessica Hatley (resigned on 06 August 2021)

Paul McDowell (resigned on 17 March 2021)

### Principal activity

The company's principal activity during the year was sale of business application product and the provision of sales and support for internet related products and services, for the United Kingdom (UK) and European customers of its sister company GoDaddy.com, LLC.

### Going Concern

The company had net current assets of \$22.8m as of 31 December 2021 (2020: \$13.5m). Cash at bank and in hand was \$12.3m as of 31 December 2021 (2020: \$17.9m), and the company has continued to generate profits and positive cash flows since the year end. The company has not needed to furlough any employees or apply for any COVID-19 government financial support.

In assessing whether the going concern basis is appropriate, the directors take into account all available information about the future including financial forecasts up to and including 31 May 2024, which is at least 12 months from the date of the approval of these financial statements. The directors have performed this review at a company level and have also performed a review for the entire group including considering the impact of COVID-19, Brexit and Russia-Ukraine war and have concluded that these macro-economic factors do not impact the going concern of the business and the directors are satisfied that GoDaddy Inc., as the ultimate parent company, has sufficient financial ability to fulfil its obligations under the parental support arrangement based on the available resources and continued strong performance during the pandemic.

# Go Daddy Europe Limited

## Directors' report For the year ended 31 December 2021

### Going Concern (continued)

In making this conclusion, the directors have considered the letter of support the company received from GoDaddy Inc. confirming that it will provide financial support as needed for a period of at least twelve months from the date of approval of these financial statements. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future due to the ongoing financial results of the parent company which are publicly available. The directors noted GoDaddy Inc. continues to be cash generative and had cash and cash equivalents of over \$892.4m as at 31st March, 2023, has no significant debt maturities until 2024 and has an undrawn \$1000m revolving credit facility available as at 31st March, 2023, as described in GoDaddy Inc.'s Form 10-Q filed with the U.S. Securities & Exchange Commission for the period ending March 31, 2023.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Thus they continue to adopt the going concern basis in preparing these financial statements.

### Political Donations

The company did not make any political donations in 2021 (2020: \$nil).

### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the Board on 24 May 2023 and signed on its behalf by:



Nick Daddario  
Director

# **Go Daddy Europe Limited**

## **Directors' responsibilities statement For the year ended 31 December 2021**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102'). Under company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance.
- state whether Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report, which comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

# **Independent auditor's report to the members of Go Daddy Europe Limited**

## **Opinion**

We have audited the financial statements of Go Daddy Europe Limited ("the Company") for the year ended 31 December 2021 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 24, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 31 May 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

## **Independent auditor's report to the members of Go Daddy Europe Limited**

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **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 (UK) 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.

#### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including General Data Protection Regulation (GDPR).

## Independent auditor's report to the members of Go Daddy Europe Limited

- We understood how the Company is complying with those frameworks by making enquiries of management and those responsible for tax, legal and compliance procedures to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through our review of Board minutes, as well as consideration of the results of our other audit procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility to fraud. We also considered performance targets and their propensity to influence on efforts made by management to manage earnings. We considered programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud, and how senior management monitors those programmes and controls. We considered there to be a potential for management override to achieve revenue targets via topside manual journal entries posted to revenue. Walkthroughs of significant classes of revenue transactions were performed to understand significant processes and identify and assess the design effectiveness of key controls.
- We recalculated intercompany revenue and ensured the intercompany margin is in line with transfer pricing policies and benchmarking studies.
- We verified the recognition and measurement of third-party revenue by tracing a sample of transactions, selected at random throughout the year, to cash banked to verify the accuracy of reported revenue.
- We used data analytics across the full population of transactions to address the risk of management override of controls, through testing of journal entries and we obtained corroborating evidence for such entries.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiry with management and those charged with governance. We also read the financial statement disclosures, corroborating to supporting documentation to assess compliance with applicable laws and regulations and evaluated the business rationale of significant transactions outside the normal course of business. We have used the full population of transactions to identify unusual entries that could indicate potential irregularities, agreeing any identified to corroborating evidence.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Ernst & Young LLP*

Katie B. Dallimore-Fox (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Reading  
Date: 24 May 2023

# Go Daddy Europe Limited

## Income Statement As at 31 December 2021

	Note	2021 \$	2020 Restated \$
Revenue	3	95,954,311	70,359,699
Cost of Sales		(53,490,006)	(39,534,641)
<b>Gross Profit</b>		<b>42,464,305</b>	<b>30,825,058</b>
Administrative expenses		(39,889,074)	(27,221,483)
<b>Operating Profit</b>	5	<b>2,575,231</b>	<b>3,603,575</b>
Finance (income)/expense	8	146,639	(146,639)
Interest receivable and similar income	9	—	11,088
<b>Profit on ordinary activities before taxation</b>		<b>2,721,870</b>	<b>3,468,024</b>
Tax credit/(charge)	10	2,129,114	(429,489)
<b>Profit for the financial period</b>		<b>4,850,984</b>	<b>3,038,535</b>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year or the preceding year other than the results above. Therefore, no statement of comprehensive income has been presented.


# Go Daddy Europe Limited

## Balance Sheet

As at 31 December 2021

	Note	2021 \$	2020 \$
<b>Non-current assets</b>			
Tangible fixed assets	12	131,656	250,454
Investment in subsidiary	13	1,264,231	1,093,346
Deferred Tax	11	4,355	—
Other debtors	14	—	1,793
<b>Total non-current assets</b>		<b>1,400,242</b>	<b>1,345,593</b>
<b>Current assets</b>			
Cash at bank and in hand		12,259,521	17,863,933
Other debtors	15	47,783,657	23,291,524
<b>Total current assets</b>		<b>60,043,178</b>	<b>41,155,457</b>
<b>Total assets</b>		<b>61,443,420</b>	<b>42,501,050</b>
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	16	7,771,860	6,144,707
Deferred revenue	17	29,519,736	21,506,399
<b>Total current liabilities</b>		<b>37,291,596</b>	<b>27,651,106</b>
<b>Net current assets</b>		<b>22,751,582</b>	<b>13,504,351</b>
<b>Total assets less current liabilities</b>		<b>24,151,824</b>	<b>14,849,944</b>
<b>Non current liabilities</b>			
Creditors: amounts falling due after one year	18	12,754	458,461
Deferred revenue	17	4,246,231	3,325,734
<b>Total net assets</b>		<b>19,892,839</b>	<b>11,065,749</b>
<b>Capital and reserves</b>			
Called up share capital	19	3,563	3,507
Share Premium	19	170,754	—
Share based payment	20	9,931,670	6,126,374
Profit and loss account		9,786,852	4,935,868
<b>Total shareholder's funds</b>		<b>19,892,839</b>	<b>11,065,749</b>

The financial statements and accompanying notes on pages 16 to 32 of Go Daddy Europe Limited (registration number: 6157133) were approved by the Board on 24 May 2023 and signed on its behalf by:

  
**Nick Daddario**  
 Director



## Go Daddy Europe Limited

### Statement of changes in equity For the year ended 31 December 2021

	Stated capital \$	Share Premium \$	Share Based Payment Reserve \$ \$	Profit & Loss Reserve \$	Total shareholder's funds
At 1 January 2020	3,507	—	1,096,939	1,897,332	2,997,778
Share based payment	—	—	5,029,435	—	5,029,435
Profit for the year	—	—	—	3,038,536	3,038,536
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>5,029,435</b>	<b>3,038,536</b>	<b>8,067,971</b>
<b>At 31 December 2020</b>	<b>3,507</b>	<b>—</b>	<b>6,126,374</b>	<b>4,935,868</b>	<b>11,065,749</b>
Share based payment	—	—	3,805,296	—	3,805,296
Profit for the year	—	—	—	4,850,984	4,850,984
Shares Issued	56	—	—	—	56
Shares issued at a premium (Note 19)	—	170,754	—	—	170,754
<b>Total comprehensive income for the year</b>	<b>56</b>	<b>170,754</b>	<b>3,805,296</b>	<b>4,850,984</b>	<b>8,827,090</b>
<b>At 31 December 2021</b>	<b>3,563</b>	<b>170,754</b>	<b>9,931,670</b>	<b>9,786,852</b>	<b>19,892,839</b>

# Go Daddy Europe Limited

## Notes to the financial statements

### For the year ended 31 December 2021

#### 1. General information

Go Daddy Europe Limited (the company registration number 6157133) is a private company limited by shares incorporated and domiciled in England and Wales and domiciled in the United Kingdom under the Companies Act 2006.

The address of its registered office is:

5<sup>th</sup> Floor,  
Old Vinyl Factory  
252-254 Blyth Road,  
Hayes

The financial statements are presented in United States Dollars (\$), which is the functional and presentational currency of the company.

The income statement for 2020 has been restated to reflect an adjustment between Turnover and Cost of Sales. Please refer to note 22 for further details.

These financial statements are separate financial statements.

The company meets the Company's Act 2006 section 400 criteria required to be exempt from the requirement to present consolidated accounts. In line with s400 2(a), the company is included in the 31 December 2021 group accounts of GoDaddy Inc. GoDaddy Inc. is a public company incorporated in the United States and listed on the NYSE. The group accounts of GoDaddy Inc. are available to the public and can be obtained as set out in note 23.

#### Basis of accounting

The preparation of financial statements in compliance with FRS 102 requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amount reported for revenues and expenses during the year.

There were no judgements or material estimation uncertainties affecting the reported financial performance in the current or prior year.

#### *Financial reporting standard 102- reduced disclosure exemption*

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- the requirements of Section 7 – Statement of Cash Flows – and Section 3 – Financial Statement Presentation, paragraph 3.17(d);
- the requirements of Section 11, paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12, paragraphs 12.26 (in relation to those cross-referenced paragraphs from which a disclosure exemption is available), 12.27, 12.29(a), 12.29(b) and 12.29A; and 12.30 provided disclosures equivalent to those required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.
- the requirements of Section 26 – Share-based Payment, paragraphs 26.18(b), 26.19 to 26.21 and 26.23 and
- the requirement of Section 33 – Related Party Disclosures, paragraph 33.7.

# Go Daddy Europe Limited

## Notes to the financial statements (continued)

### For the year ended 31 December 2021

#### *Basis of Consolidation*

The consolidated financial statements of the Company and its subsidiary companies have not been presented because the Company is itself a wholly-owned subsidiary company. The entity meets the criteria in Company's Act 2006, s400 and is therefore exempt from consolidation. The entity is consolidated within the consolidated financial statements of its ultimate parent undertaking, GoDaddy Inc., which can be obtained from its registered office; 2155 E GoDaddy Way, Tempe, AZ 85284.

#### *Going concern*

The company had net current assets of \$22.8m as of 31 December 2021 (2020: \$13.5m). Cash at bank and in hand was \$12.3m as of 31 December 2021 (2020: \$17.9m), and the company has continued to generate profits and positive cash flows since the year end. The company has not needed to furlough any employees or apply for any COVID-19 government financial support.

In assessing whether the going concern basis is appropriate, the directors take into account all available information about the future including financial forecasts up to and including 31 May 2024, which is at least 12 months from the date of the approval of these financial statements. The directors have performed this review at a company level and have also performed a review for the entire group including considering the impact of COVID-19, Brexit and Russia-Ukraine war and have concluded that these macro-economic factors do not impact the going concern of the business and the directors are satisfied that GoDaddy Inc., as the ultimate parent company, has sufficient financial ability to fulfil its obligations under the parental support arrangement based on the available resources and continued strong performance during the pandemic.

In making this conclusion, the directors have considered the letter of support the company received from GoDaddy Inc. confirming that it will provide financial support as needed for a period of at least twelve months from the date of approval of these financial statements. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future due to the ongoing financial results of the parent company which are publicly available. The directors noted GoDaddy Inc. continues to be cash generative and had cash and cash equivalents of over \$892.4m as at 31st March, 2023, has no significant debt maturities until 2024 and has an undrawn \$1000m revolving credit facility available as at 31st March, 2023, as described in GoDaddy Inc.'s Form 10-Q filed with the U.S. Securities & Exchange Commission for the period ending March 31, 2023.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Thus they continue to adopt the going concern basis in preparing these financial statements.

## **2. Accounting policies**

### **Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Taxation**

Tax is recognized in the income statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

The tax expense represents the sum of the tax currently payable and deferred tax.

# Go Daddy Europe Limited

## Notes to the financial statements

### For the year ended 31 December 2021

#### 2. Accounting policies (continued)

##### Taxation (continued)

###### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

###### *Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax is recognised on an undiscounted basis.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

###### *Current and deferred tax for the year*

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

###### *Foreign currencies*

The financial statements are presented in United States Dollars, which is the functional and presentational currency of the company.

Transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the income statement.

# Go Daddy Europe Limited

## Notes to the financial statements (continued)

### For the year ended 31 December 2021

#### 2. Accounting policies (continued)

##### Fixed assets and depreciation

The cost of fixed assets are depreciated on a straight-line basis over their estimated useful lives on the following bases:

Asset class	Depreciation method and rate
Network infrastructure	2 to 10 years
Fixtures, fittings and office equipment /Computer hardware	3 to 7 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

##### *Impairment of tangible assets*

At each balance sheet date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# Go Daddy Europe Limited

## Notes to the financial statements

### For the year ended 31 December 2021

#### 2. Accounting policies (continued)

##### Financial instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the income statement) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

##### *Financial assets*

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL) and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

##### *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

##### *Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 102 s11.48A (b) *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

# Go Daddy Europe Limited

## Notes to the financial statements (continued)

### For the year ended 31 December 2021

#### 2. Accounting policies (continued)

##### *Financial liabilities (continued)*

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the income statement. The net gain or loss recognised in the income statement incorporates any interest paid on the financial liability.

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

##### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the income statement.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

##### *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement. The original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

##### *Other financial liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

# **Go Daddy Europe Limited**

## **Notes to the financial statements**

### **For the year ended 31 December 2021**

#### **2. Accounting policies (continued)**

##### **Revenue**

Revenue is recognized over the period during which products or services are delivered to the customer. Customers are billed for products, generally in advance, based on their selected contract term duration.

For all customers, regardless of the method used to bill them, cash received in advance of the provision of products is recorded as deferred revenue.

Business applications revenue primarily consists of Microsoft Office 365,. Consideration is recorded as contract liabilities when received, typically at the time of sale, and revenue is recognised over the period in which the performance obligations are satisfied, generally over the contract term.

##### **Investment in subsidiaries**

A subsidiary is an entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

Details of the Company's investments in subsidiaries are disclosed in Note 13 to the financial statements.

##### **Share Options**

The ultimate parent company issues equity-settled share based payments to certain employees. In accordance with FRS 102, section 26, the company reflects the economic cost of rewarding restricted stock to employees by recording an expense in respect of the services received from employees in the income statement at an amount equal to the fair value of the award stock. Awards granted under the plan are measured using the fair value of the stock of the ultimate parent company at the time of grant. The fair value of the stock is determined by reference to either the market value of the options or the Black-Scholes pricing model.

Fair value measured using the Black-Scholes pion pricing model takes into account the following inputs:

- the exercise price of the option;
- the life of the option;
- the market price on the date of grant of the option;
- the expected volatility of the share price ;
- the dividends expected on the shares; and
- the risk free interest rate for the life of the option

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral conditions.

The expense is spread over the period in which the services are received by the company ("the vesting period") on a straight-line basis. An assessment of the number of restricted stock units which are expected to vest is made at the end of each reporting year and any adjustments to the expected charge related to restricted stock units are made in the current year.



# Go Daddy Europe Limited

## Notes to the financial statements (continued)

### For the year ended 31 December 2021

#### 2. Accounting policies (continued)

##### Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

##### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

##### Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 3. Revenue

Business applications revenue primarily consists of Microsoft Office 365. Consideration is recorded as contract liabilities when received, typically at the time of sale, and revenue is recognised over the period in which the performance obligations are satisfied, generally over the contract term.

	2021 \$	2020 \$
Business Applications & Other	51,681,075	35,954,299
Intercompany Revenue	44,273,236	34,405,400
	<u>95,954,311</u>	<u>70,359,699</u>

#### 4. Directors' Remuneration

The directors received no remuneration from Go Daddy Europe Limited for the year ended 31 December 2021 nor for the year ended 31st December, 2020. All directors are employed by GoDaddy group companies and their services as directors is incidental to their employment. Consequently, they do not receive emoluments for their services as directors of this company.

#### 5. Operating Profit

Operating profit have been arrived at after charging/(crediting) the following:

	2021 \$	2020 \$
Goodwill Impairment	101,843	—
Gain on transfer of assets	(59,218)	—
Marketing expenses	16,779,128	11,826,496
Rental expenses	2,781,204	1,902,325
Depreciation – Owned Assets	<u>118,798</u>	<u>61,040</u>

# Go Daddy Europe Limited

## Notes to the financial statements

### For the year ended 31 December 2021

#### 6. Auditor's remuneration

Fees payable to Ernst and Young LLP and their associates for the audit of the company's annual accounts were \$157,417 (2020: \$53,000). There were no non-audit services in either the current or preceding years.

#### 7. Staff cost

The average monthly number of employees (including executive directors) was:

	2021	2020
	No.	No.
Technical and customer operations	164	72
Sales and marketing	16	11
Management and administration	30	20
	<u>210</u>	<u>103</u>

Their aggregate remuneration comprised:

	2021	2020
	\$	\$
Wages and salaries	9,395,330	5,390,554
Social security costs	2,346,588	1,661,195
Other pension costs	421,967	185,136
Bonus	2,675,914	1,239,952
Stock compensation expense	3,805,295	4,148,506
	<u>18,645,094</u>	<u>12,625,343</u>

#### 8. Finance expense/(income)

	2021	2020
	\$	\$
Interest on tax provision	—	146,639
Reversal of interest on tax provision	<u>(146,639)</u>	<u>—</u>

The interest on tax provision was reversed as the provision made on tax was also released.

#### 9. Interest receivable and similar income

	2021	2020
	\$	\$
Bank interest receivable	<u>—</u>	<u>(11,088)</u>

# Go Daddy Europe Limited

## Notes to the financial statements (continued)

### For the year ended 31 December 2021

#### 10. Tax

##### (a) Tax on profit on ordinary activities.

The tax charge is made up as follows:

	2021	2020
	\$	\$
Current tax:		
UK corporation tax on the profit for the year	—	—
Adjustments in respect of prior periods	(1,812,937)	—
Group relief	—	—
Total current tax	(1,812,937)	—
Deferred tax:		
Origination and reversal of timing difference	(24,642)	420,713
Adjustments in respect of prior periods	(287,303)	22,619
Effect of tax rate change on opening balance	(4,232)	(13,843)
Total tax on profit on ordinary activities	(316,177)	429,489
Total tax (credit)/charge	(2,129,114)	429,489

##### (b) Factors affecting tax charge for the year:

	2021	2020
	\$	\$
Profit on ordinary activities before taxation	2,721,870	3,468,025
Rate of tax of corporation tax of 19.00% (2020: 19.00%)	517,155	658,924
Rate changes	—	(13,843)
Expenses not deductible for tax purposes	13,259	1,465
Adjustments to current tax charge in respect of previous periods	(1,812,937)	—
Adjustments to deferred tax charge in respect of previous periods	(291,535)	22,619
Rate change on current year deferred tax movement	(5,914)	—
Group relief surrendered/(claimed) without payment	325,501	(239,676)
Other tax adjustments, reliefs and transfers	(874,643)	—
Total tax charge	(2,129,114)	429,489

# Go Daddy Europe Limited

## Notes to the financial statements

### For the year ended 31 December 2021

#### 10. Tax (continued)

##### (c) Factors that may affect future tax charges

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. However, Finance Act 2021 (enacted on 21 June 2021) provides for the main rate of UK corporation tax to increase to 25% with effect from 1 April 2023. Deferred taxes on the balance sheet have been measured at 25% (2020: 19%) which represents the future corporation tax rate that was enacted at the balance sheet date.

#### 11. Deferred Tax Asset/ (Liability) Non-current

The deferred tax asset/(liabilities) included in the deferred tax balance on the Balance sheet is as follows:

	2021	2020
	\$	\$
Balance at 1 January	(311,822)	117,667
Income statement charge	24,642	(420,713)
Adjustments in respect of prior periods	287,303	(22,619)
Opening rate change	4,232	13,843
Balance at 31 December	<u>4,355</u>	<u>(311,822)</u>

Deferred tax assets are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Deferred tax assets/(liabilities) are comprised of:	2021	2020
	\$	\$
Stock compensation expense	—	(325,225)
Fixed asset temporary differences	(9,872)	3,070
Short term temporary differences	14,227	10,333
Losses and other deductions	—	—
	<u>4,355</u>	<u>(311,822)</u>

The above Deferred tax assets are recognised on the basis that the company will generate future profits.

# Go Daddy Europe Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 12. Tangible Fixed assets

	<i>Computer Hardware</i>	<i>Software &amp; Licenses</i>	<i>Total</i>
	\$	\$	\$
Cost			
At 1 January 2021	356,252	3,551	359,803
Additions	—	—	—
Disposals	—	—	—
<b>At 31 December 2021</b>	<b>356,252</b>	<b>3,551</b>	<b>359,803</b>
Depreciation			
At 1 January 2021	(105,798)	(3,551)	(109,349)
Charge for the year	(118,798)	—	(118,798)
Disposals	—	—	—
<b>At 31 December 2021</b>	<b>(224,596)</b>	<b>(3,551)</b>	<b>(228,147)</b>
Carrying amount			
<b>At 31 December 2021</b>	<b>131,656</b>	<b>—</b>	<b>131,656</b>
At 31 December 2020	250,454	—	250,454

### 13. Investment in Subsidiary

Cost or Valuation	\$
1 January 2021	1,093,346
Addition	170,885
<b>At 31 December 2021</b>	<b>1,264,231</b>

Name	Country incorporat ion	Principal activities	Portion of Ownership	\$ 2021	\$ 2020
GoDaddy WP Europe d.o.o Beograd	Serbia	Technical support	100%	548,795	548,795
GoDaddy Online Services Japan	Japan	Services	100%	544,551	544,551
UK Over Labs Limited	UK	Services	100%	170,810	—
International Online Services Japan	Japan	Services	100%	75	—
				<b>1,264,231</b>	<b>1,093,346</b>

#### Registered address

Serbia - Cika Ljubina 16/II, 11000, Beograd (Stari Grad), Serbia

Japan- c/o CH Projects Management Ltd., Attn: Charles Ochsner 2-6-1 Hirakawa-cho, Chiyoda-ku, Tokyo 102-0093, Japan

UK- C/O Interpath Limited, 10 Fleet Place, London, EC4M 7RB.

# Go Daddy Europe Limited

## Notes to the financial statements

### For the year ended 31 December 2021

#### 13. Investment in Subsidiary (continued)

The Company's ownership in all the above companies is through ordinary shares.

The company acquired 100% shares in UK Over Labs Limited 22 January 2021, in exchange for 41 of its own ordinary shares as consideration (see Note 19). Go Daddy Europe Limited applied the merger method of accounting to account for the business combination as it constituted a group restructuring. Subsequent to the acquisition of UK Over Labs Ltd, there was a transfer of its trade and assets to Go Daddy Europe Limited, which resulted in an increase in amounts owed to group undertakings of \$170,810, an increase in amounts owed by group undertakings of \$128,185, Goodwill of \$101,843 and a gain on acquisition of \$59,218. The goodwill balance has subsequently been impaired as UK Over Labs Limited ceased to trade following the transfer of trade and assets. See Note 24 for more details.

The 100% shares for International Online Services Japan G.K were transferred in 2015 at its incorporation.

#### 14. Other Debtors (Non- Current assets)

The non-current other debtors included in the balance sheet is as follows:

	2021	2020
	\$	\$
Security deposit	—	220
Domain names held for sale	—	1,573
	<u>—</u>	<u>1,793</u>

#### 15. Other Debtors (Current assets)

The current other debtors included in the balance sheet is as follows:

	2021	2020
	\$	\$
Tax receivable	—	1,409,108
Amounts owed by group undertaking	47,501,092	21,360,663
Prepaid expenses	282,565	521,753
	<u>47,783,657</u>	<u>23,291,524</u>

Amounts owed by group undertakings is \$47,501,092 (2020: \$21,360,663). The intercompany receivable balance is for the services provided under normal course of business and is repayable on demand.

#### 16. Creditors: amounts falling due within one year

	2021	2020
	\$	\$
Trade creditors	2,252,135	470,137
Accruals	3,968,064	3,687,493
Social security and other taxes	652,849	1,987,077
Amounts owed to group undertaking	898,812	—
	<u>7,771,860</u>	<u>6,144,707</u>

Amounts owed to group undertakings is \$898,812 (2020: \$nil). The intercompany payable balance is for the services provided under normal course of business and is repayable on demand.

# Go Daddy Europe Limited

## Notes to the financial statements (continued)

### For the year ended 31 December 2021

#### 17. Deferred revenue

	2021	2020
	\$	\$
Short-term revenue from sales of internet services	29,519,736	21,506,399
Long-term revenue from sales of internet services	4,246,231	3,325,734
	<u>33,765,967</u>	<u>24,832,133</u>

#### 18. Creditors: amounts falling due after one year

	2021	2020
	\$	\$
Deferred tax liability	—	311,822
Accrued Interest	—	146,639
Other creditors	12,754	—
	<u>12,754</u>	<u>458,461</u>

#### 19. Issued share capital

		2021		2020
	No.	\$	No.	\$
Allotted, called up and fully paid				
Ordinary shares of £1 each	1,041	<u>3,563</u>	1,000	<u>3,507</u>

The company issued 41 ordinary shares at £1.00 each on 22nd January 2021 to Go Daddy Operating Company, LLC in return of 100% ownership for UK Over labs Limited. Shareholders of all ordinary shares are entitled to one vote for every share. The company's ordinary shares are held at £1 each, which using the yearend foreign exchange rate translates to \$1.352 per share.

#### Share premium

This represents amounts paid in excess of the par value of ordinary shares

On 22nd January 2021, GoDaddy Europe Limited issued 41 Ordinary £1 share to Go Daddy Operating Company for a consideration of \$4,165 per share creating a share premium of \$170,754

#### Profit and loss reserve

The retained earnings reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

# Go Daddy Europe Limited

## Notes to the financial statements

### For the year ended 31 December 2021

#### 20. Equity-settled share based payments

The following options relate to Ordinary shares in the ultimate controlling entity, GoDaddy Inc.

We grant options at exercise prices equal to the fair market value of a GoDaddy Inc. Class A common stock on the grant date. We grant both options and Restricted Stocks Units (RSUs) vesting solely upon the continued employment of the recipient as well as awards vesting upon the achievement of annual or cumulative financial-based targets. We recognize the grant date fair value of equity-based awards as compensation expense over the

required service period of each award, taking into account the probability of our achievement of associated performance targets.

	No.	Weighted
Option outstanding at 31 December 2020	116,795	\$ 66.28
Options granted during the year	25,269	\$ 44.36
Options forfeited during the year	(81,021)	\$ 66.74
Options exercised during the year	(36,049)	\$ 67.03
Options outstanding at 31 December 2021	24,994	\$ 66.28

The input assumptions used in the Black-Scholes option pricing model are; Risk-free interest rate 0.903%, 32.34% volatility and 6.03 years expected term.

There is one (1) UK employee who has been granted stock options in the parent company during the year (2019: 1 employee).

All options granted will be eligible to be exercised as long as the following vesting conditions are satisfied:

- 30% will vest on the one year anniversary of the vest begin date and the remaining 7.5% on the quarterly anniversary for each of the next 4 quarters, 5% quarterly thereafter.
- Subject to continuous employment with the Company

For options outstanding at the year end, the range of exercise prices and weighted average remaining contractual life are as follows:

Expiry Date	Exercise Price	No. of Shares	Remaining Contractual Life
06/18/2023	\$8.74	250	1.46
06/11/2024	\$16.48	300	2.44
09/17/2024	\$18.00	500	2.71
03/05/2030	\$45.64	23,944	6.43



## Go Daddy Europe Limited

### Notes to the financial statements (continued)

#### For the year ended 31 December 2021

##### 20. Equity-settled share based payments (continued)

###### *Restriction Stock Units (RSUs)*

	No.	Weighted
Awards outstanding at 31st December, 2020	207,362	\$ 68.58
Options granted during the year	61,709	\$ 79.96
Awards forfeited during the year	(64,959)	\$ 68.47
Awards vested/released during the year	(95,683)	\$ 68.26
Awards outstanding at 31st December, 2021	108,429	\$ 74.23

There are fifty (50) UK employees who have been granted restricted stock units (RSU) in the parent company during the year (2020:50 employees). The market value of the shares at the time of grant was \$82.52.

All RSUs granted will vest as follows:

- 25% will vest on the first day of the month following the one year anniversary of the grant date or specified RSU vesting start date; quarterly thereafter
- Subject to continuous employment with the Company

The charge for the year to income statement was \$3.81m (2020: \$5.03m)

##### 21. Commitments

At the balance sheet date, the company had outstanding commitments on data center lease which were non-cancellable, which fall due as follows:

	2021	2020
	\$	\$
Within one year	1,026,420	318,892
In two to five years	265,893	693,999
	<u>1,292,313</u>	<u>1,012,891</u>

##### 22. Prior year adjustment to Revenue and Expense

In the prior year \$22,162,169 of intercompany platform fee expense has been incorrectly presented within revenue, with a corresponding understatement of cost of sales. In the prior year, the revenue balance has been restated to reclassify \$22,162,169 to cost of sales, resulting in an increased revenue balance of \$70,359,700 and an increased cost of sales \$39,534,641. This restatement had no impact on the net profit for the year.

# **Go Daddy Europe Limited**

## **Notes to the financial statements**

### **For the year ended 31 December 2021**

#### **23. Ultimate parent undertaking and controlling party**

The immediate parent company of Go Daddy Europe Limited is Desert Newco, LLC. The directors consider the ultimate controlling party to be GoDaddy Inc., the immediate parent company of Desert Newco, LLC.

The parent undertaking of the group of undertakings for which group financial statements are drawn up and of which the company is a member is GoDaddy Inc. whose registered address is 2155 E GoDaddy Way, Tempe, AZ 85284.

The consolidated financial statements of GoDaddy Inc. are also publicly available on the GoDaddy website - ([investors.godaddy.net](http://investors.godaddy.net)).

#### **24. Post Balance Sheet Events**

On the 25th June 2022, Go Daddy Europe Limited acquired 100% of the issued share capital of Undeveloped B.V. along with its two subsidiaries for \$71.2m cash consideration. Undeveloped B.V is incorporated in Netherlands, it's principal business activity includes sales of premium domains. In order to fund the acquisition the company borrowed the funds from its parent company.

UK Over Labs Limited ceased trading following the acquisition and was placed into voluntary liquidation in September 2022. This resulted in the recognition of an impairment loss on the investment balance of \$170,810.