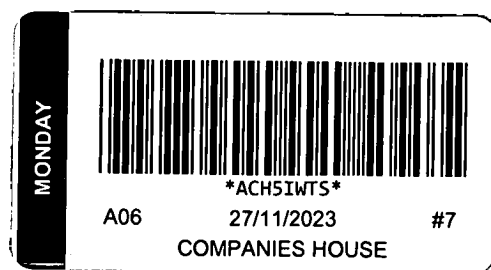


Registered number: 6157133

Go Daddy Europe Limited

**Annual Report and Financial Statements
for the year ended 31 December 2022**



Go Daddy Europe Limited

Table of Contents

	Page
Company information	1
Strategic report	2
Directors' report	7
Directors' responsibilities statement	10
Independent auditor's report	11
Income statement	15
Balance sheet	16
Statement of changes in equity	17
Notes to the financial statements	18

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 2022**

The directors present their strategic report for the year ended 31 December 2022.

Review of the business and principal activity

The company's principal activity during the year was the provision of sales and support for internet related products and services, for the United Kingdom (UK) customers of its indirect parent company Desert Newco, LLC, and other administrative services. These activities are expected to continue for the foreseeable future. The company had 270 employees at 31 December 2022 and 223 employees at 31 December 2021. The increase in the employees was mainly as a result of creating a in house customer care team and additional marketing team.

On 12th July 2022, GoDaddy Europe Limited issued 1 Ordinary £1 share to Go Daddy Operating Company for a consideration of \$71,289,095 creating a share premium of \$71,289,094.

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 \$70.4m cash consideration.

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 31st December, 2022	Year Ended 31st December, 2021
	\$000	\$000
Revenue	104,116	95,954
Gross profit	40,366	42,464
Gross profit margin	39%	44%
Profit before tax (PBT)	2,608	2,722

The Company's business strategy is dependent on the parent entities' 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 in the 26% growth in third party revenue year over year. This is due to increase in business applications sales to \$65m (2021: \$52m). The intercompany revenue has dropped by 11% compared to 2021. The gross profit margin is down by 5% year over year due to increased cost for business application and higher charges from related parties. The administrative expenses are lower by \$2m mainly due to lower marketing spend by \$7m which was offset by increased staff cost by \$4m and indirect tax charged to expense by \$1m.

Principal risks and uncertainties

Senior management are aware of their responsibility for managing risks within their business units. Each business unit head reports to the board on the status of these risks through management reports. Risk is regularly reviewed at board level to ensure that risk management is being implemented and monitored effectively. This includes monitoring the commercial and general risk, credit risk and liquidity risk of those subsidiaries, which included consideration of the impact of Covid-19 and Russia-Ukraine war. We have identified that liquidity is a risk, and this is mitigated by a group letter of support. We have considered and concluded there is no material impact resulting from Covid-19 and Russia-Ukraine war on the principal risks and uncertainties. We have also considered the impact of the general macro-economic conditions, such as rise in interest rates, inflation in cost of energy. Regarding inflation rates, we have not had an impact as there are no external financing subject to rising interest rates. The GoDaddy Inc. group of which the Company is a subsidiary, is exposed to the risk of cyber attacks. These forms of attacks involve situations where the threat is not compiled or undetectable within our observation and threat indicators space until the moment it is launched. In addition, there has been an increase in the number

Strategic report (continued)**For the year ended 31 December 2022**

of malicious software attacks in the technology industry generally, including newer strains of malware, ransomware and cryptocurrency mining software. Moreover, retaliatory acts by Russia in response to economic sanctions or other measures taken by the international community against Russia arising from the Russia-Ukraine military conflict could include an increased number or severity of cyber attacks from Russia or its allies.

The company has not been subjected to any cyber attacks and the risk of cyber attacks continues to be monitored on a group level (Quarterly 10-Q report 30 June 2023 -Item I A-Risk Factors page39).

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 ended 31 December 2022

Stakeholder	Why it's important	Our principal decisions
Customers	GoDaddy are focused on executing against a customer led strategy to strengthen its platform, increase experimentation and accelerate its products. GoDaddy customers are essential to the success of its business.	<p>GoDaddy is on a mission to empower entrepreneurs everywhere, making opportunity more inclusive for all.</p> <p>At any stage of an entrepreneur's journey, Go Daddy Europe Limited, as part of the GoDaddy Group, delivers leading technology and personalised support.</p> <p>Our Care Guides prioritise the customer at every step. That means delivering the right products and services at first contact, driving value, exceeding expectations, fostering accessibility and meeting with customers in the ways that best fit their needs.</p>
Employees	Go Daddy Europe Limited's foundation rests upon the incredible people who devote their time, talent and energy to working here. That's why Go Daddy Europe Limited takes a human-centered approach focused on individual needs, and is continually evolving.	<p>As part of the GoDaddy group, Go Daddy Europe Limited strives for a workplace culture where everyone has the opportunity to thrive. Go Daddy Europe Limited continually challenges its employees.</p> <p>Learning and Development</p> <p>Learning and development at GoDaddy centers on activating the exponential power of its people. In 2022, it launched a new career action planning template, held quarterly career workshops and started a career spotlight podcast series to showcase career stories of our own employees. The following are examples from 2022:</p> <ul style="list-style-type: none"> • The Care and Services Learning Summit: A summit focused on global leadership, coaching and change management. • GoDaddy Learning Days: Two full days of learning dedicated to professional development, inclusive engagement and GoDaddy's business. • LinkedIn Learning: A digital library offering more than 16,000 courses covering a wide range of technical, business, software and creative topics • Decision Lab: A decision-making simulation dedicated to fostering better and faster decision-making to drive better outcomes and contribute to our business goals.

Go Daddy Europe Limited**Strategic report (continued)****For the year ended 31 December 2022**

Stakeholder	Why it's important	Our principal decisions
Employees (continued)		<ul style="list-style-type: none"> Elevate: A focused year-long leadership training program that connects GoDaddy Guides in Care and Services with opportunities to develop operational excellence and build leadership skill sets. <p>These programs are offered to all GoDaddy employees, including employees.</p> <p>Employee Feedback</p> <p>Through GoDaddy Voice — the annual employee engagement survey — we ask employees for their feedback to understand what is working and to identify opportunities for improvement.</p> <ul style="list-style-type: none"> *In 2022, 86% of our employees (-4% vs 2021) (which includes Go Daddy Europe Limited employees) participated in GoDaddy Voice, revealing insights such as: 90% believe colleagues treat each other with respect. (+2% vs 2021). 84% feel comfortable being themselves at work. This was a new question for 2022. * 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>Employee engagement and socialising opportunities</p> <p>In the remote and hybrid work environments of today, GoDaddy fosters employee connections and community through two of our successful employee engagement programs — the GoDaddy Fun Fund provides a budget for employees to enjoy morale-boosting opportunities for themselves and their teams. GoDaddy also has Everyday Champions, our global recognition program that enables connection across our global workforce, allowing employees to recognise and celebrate their coworkers' successes.</p> <p>Diversity, Equity, Inclusion, and Belonging and Pay Equity</p> <p>GoDaddy proudly publish the results of our annual pay parity and diversity report, covering GoDaddy's global employees, including GoDaddy Europe Limited employees. In 2022, for the eighth year in a row GoDaddy achieved global gender pay parity globally for employees, including –Go Daddy Europe Limited employees. GoDaddy defines achievement of pay parity as pay that is equal to, or a few cents on either side of, a dollar.</p>

Go Daddy Europe Limited**Strategic report (continued)****For the year ended 31 December 2022**

Stakeholder	Why it's important	Our principal decisions
Employees (continued)		<p>To support building a more diverse and inclusive company, GoDaddy made a deliberate effort to recognise and reduce unconscious bias in our recruitment and employee practices and systems, including performance reviews and promotions. We employ several strategies to promote inclusive and equitable candidate and employee experiences for Go Daddy Europe employees and all of GoDaddy, including:</p> <ul style="list-style-type: none"> • Reviewing job descriptions with an artificial intelligence algorithm to reduce gendered language bias • Offering unconscious bias training for interviewer certification • Employing promotion flagging processes that proactively identify potential eligible employees who could be reviewed for promotion consideration, rather than relying on subjective criteria and identification <p>We also support our 11 Employee Resource Groups, which play a critical part of what fosters our culture of inclusivity. These employee-led groups are formed around common missions, identities, affinities or interests, including those who are allies and champions. ERGs provide a space for employees to develop relationships, support professional development (both for themselves and others), engage in corporate projects and programs, learn from each other and participate in fun activities.</p>
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 2022, the GoDaddy group:</p> <ul style="list-style-type: none"> • Grew to serve 21 million customers • Generated over \$4.091 billion in revenue, a 7% year over year growth • Reported unlevered free cash flow** of \$1,096 million, a 14% increase compared to \$960 million in 2021 <p>**Unlevered Free Cash Flow is a measure of GoDaddy's 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>


Go Daddy Europe Limited**Strategic report (continued)****For the year ended 31 December 2022**

Stakeholder	Why it's important	Our principal decisions
Communities	We recognize that the entrepreneurial journey is as diverse and unique as entrepreneurs themselves. We're committed to providing equitable resources that support and empower everyone, including entrepreneurs in and from underserved communities.	<p>In 2023, GoDaddy published its third annual sustainability report outlining our Environmental, Social, and Governance (ESG) strategies, activities, progress, metrics and performance. This report covered GoDaddy's global practices, including Go Daddy Europe Limited, between 1 January 2022 and 31 December 2022.</p> <p>Through Empower, our signature social impact program, GoDaddy partners with local community organizations and nonprofits to help propel entrepreneurship in underserved communities. Together, we provide in-person and virtual educational workshops, technology tools, mentorship opportunities and peer networks to thousands of small and microbusiness owners across the U.S., Europe and Canada.</p> <p>In 2022, we met with non-profit and community organisation partners regularly, strengthening these partnerships while facilitating collaboration and improving resource sharing. We are delighted to have provided \$1.92 million (USD) in funding to these partners through Empower by GoDaddy in 2022.</p> <p>Over the past several years, GoDaddy has worked in the UK to serve migrant populations, refugee populations, and BAME (Black, Asian and minority ethnic) populations through Empower by GoDaddy. GoDaddy ran a 16-week entrepreneurial cohort from 2021 into 2022 with Impact Hub London to help the entrepreneurs in underserved communities start and grow their own business. Through this program we offered course content on topics ranging from branding, to building a website, to search engine optimization. Go Daddy Europe Limited 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 November 16, 2023 and signed on its behalf by:

DocuSigned by:

 B3D906478C5D4C4...
 Nick Daddario
 Director

Go Daddy Europe Limited

Directors' report

For the year ended 31 December 2022

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 31 December 2022.

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

Michele Lau

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 \$32.0m as of 31 December 2022 (2021: \$22.8m). Cash at bank and in hand was \$7.1m as of 31 December 2022 (2021: \$12.3m), and the company has continued to generate profits and positive cash flows since the year end.

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 December 2024. 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 and Russia-Ukraine war and have concluded that they do not impact the going concern of the business. The directors have also considered the impact of the current economic condition such as inflation in the energy costs which have been higher overall in FY 2022 which have had an impact on the lower gross margin but will closely monitor the situation. The directors are satisfied that GoDaddy Inc, as the ultimate parent company, has sufficient 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 until 31 December 2024. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence until period ending 31 December 2024 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 \$329.2m as at 30th September 2023, has no significant debt maturities until 2027 and has an undrawn \$10,00m revolving credit facility available as at 30th September 2023, being the latest publicly available information shared by GoDaddy Inc.

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

Go Daddy Europe Limited

Directors' report (continued)

For the year ended 31 December 2022

STREAMLINED ENERGY AND CARBON REPORTING (SECR) DISCLOSURE

The SECR disclosure presents GoDaddy Europe Limited's carbon footprint across Scope 1, 2, and mandatory Scope 3 emissions. This report also presents an appropriate intensity metric, the total energy use of electricity, gas, and transport fuel. The report also includes a summary of energy efficiency actions taken during the financial year ended 31 December 2022.

Year to 31 st December 2022	
Energy consumption used to calculate emissions (kWh)	165,056
Emissions from combustion of gas (Scope 1) tCO ₂ e	0
Emissions from combustion of fuel for transport purposes (Scope 1) tCO ₂ e	0
Emissions from purchased electricity (Scope 2, location-based) tCO ₂ e	32
Emissions from purchased electricity (Scope 2, market-based) tCO ₂ e	9
Emissions from business travel in rental cars or employee- owned vehicles (Scope 3) tCO ₂ e	0
Total gross emissions based on above (location-based) tCO ₂ e	32
Total gross emissions based on above (market-based) tCO ₂ e	9
Intensity ratio (location-based) kgCO ₂ e/transmitted data in Gigabyte	0.0056
Intensity ratio (market-based) kgCO ₂ e/transmitted data in Gigabyte	0.0017

ENERGY EFFICIENCY ACTION SUMMARY

In 2022, GoDaddy Europe Limited continued to achieve direct and indirect savings in energy and associated carbon emissions through the operational and technological actions mentioned below.

Energy efficiency actions taken in 2022 include:

- One of GoDaddy Europe Limited's sites was supplied renewable electricity throughout the reporting year, incentivising renewable electricity production and enabling our company to report zero emissions under the market-based emissions reporting approach.

Go Daddy Europe Limited

Directors' report (continued)

For the year ended 31 December 2022

METHODOLOGY NOTES

Reporting Period	1 st of January 2022 – 31 st of December 2022
Boundary (consolidation approach)	Operational approach
Alignment with financial reporting	SECR disclosure has been prepared in line with GoDaddy Europe Limited's annual accounts made up to 31 st December 2022.
Reporting method	GHG Emissions reporting is consistent with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard
Emissions factor source	Emission factors: DEFRA, 2022 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1083854/ghg-conversion-factors-2022-condensed-set.xls
Calculation method	Activity Data x Emission Factor = GHG emissions Activity Data x Conversion Factor = kWh consumption
Reason for the intensity measurement choice	Based on the nature of our business, as well as following the recommendations of the SECR legislation we chose total transmitted data in gigabytes (GB) for the intensity metric. This metric reflects the total kg of CO ₂ e emitted per GB of data transmitted. Through the comparison of the coming financial years, this metric will show the trends in GoDaddy Europe Limited's energy efficiency.
Information on renewable electricity	GoDaddy Europe Limited has contracted Renewable Electricity for one of its sites through Equinix. The renewable energy is covered by GoOs and REGOs. Following the GHG Protocol Corporate Standards' market-based approach, this allows us to account for our electricity consumption with a zero emission factor for the January 2022 – December 2022 period on this site.
Estimations	Actual electricity consumption figures were not available for one of our sites, therefore the report contains 30% estimated electricity consumption that was calculated based on power usage effectiveness (PUE) and the amount of contracted electricity.
Rounding	Due to rounding, there might be a minor difference compared to the actual GHG emissions (no more than 1%).

Political Donations


The company did not make any political donations in 2022 (2021: \$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 November 16, 2023 and signed on its behalf by:

DocuSigned by:

 B3D908476C5D4C4...
 Nick Daddario
 Director

Go Daddy Europe Limited

Directors' responsibilities statement **For the year ended 31 December 2022**

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 adequate 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 company's 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, that 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 for the year ended 31 December 2022 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20, 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 2022 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 the period until 31 December 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.

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

Other information (continued)

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 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 statement of directors' responsibilities set out on page 10, 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.

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

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).
- 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.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- 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: 23 November 2023

Go Daddy Europe Limited

Income statement

As at 31 December 2022

	Note	2022 \$	2021 \$
Revenue	3	104,116,026	95,954,311
Cost of sales		(63,750,125)	(53,490,006)
Gross Profit		40,365,901	42,464,305
Administrative expenses		(37,586,717)	(39,889,074)
Impairment charge	12	(170,810)	—
Operating Profit	5	2,608,374	2,575,231
Finance income	8	—	146,639
Profit on ordinary activities before taxation		2,608,374	2,721,870
Tax credit/(charge)	9	23,376	2,129,114
Profit/loss for the financial period		2,631,750	4,850,984

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 2022

	Note	2022 \$	2021 \$
Non-current assets			
Tangible fixed assets	11	55,174	131,656
Investment in subsidiaries	12	71,514,634	1,264,231
Deferred tax	10	27,731	4,355
Total non-current assets		71,597,539	1,400,242
Current assets			
Cash at bank and in hand		7,108,808	12,259,521
Other debtors	13	65,759,559	47,783,657
Total current assets		72,868,367	60,043,178
Total assets		144,465,906	61,443,420
Current Liabilities			
Creditors: amounts falling due within one year	14	7,222,889	7,771,860
Deferred revenue	15	33,624,478	29,519,736
Total current liabilities		40,847,367	37,291,596
Total assets less current liabilities		103,618,539	24,151,824
Non current liabilities			
Creditors amounts falling due after one year	16	—	12,754
Deferred revenue	15	4,730,027	4,246,231
		98,888,512	19,892,839
Total net assets			
Capital and reserves			
Called up share capital	17	3,564	3,563
Share premium	17	71,459,848	170,754
Share based payment reserve	18	15,006,498	9,931,670
Profit and loss account		12,418,602	9,786,852
Total shareholder's funds		98,888,512	19,892,839

The financial statements and accompanying notes on pages 18 to 34 of Go Daddy Europe Limited (registration number: 6157133) were approved by the Board of directors and authorised for issue on November 16, 2023. They were signed on its behalf by:

DocuSigned by:

 B3D908476C5D4C4...
 Nick Daddario

Director

Go Daddy Europe Limited

Statement of changes in equity

For the year ended 31 December 2022

	Stated capital \$	Share Premium \$	Share Based Payment Reserve \$	Profit & Loss Reserve \$	Total shareholder's funds \$
At 1 January 2021	3,507	—	6,126,374	4,935,868	11,065,749
Profit for the year	—	—	—	4,850,984	4,850,984
Total comprehensive income for the year	—	—	—	4,850,984	4,850,984
Share based payment	—	—	3,805,296	—	3,805,296
Shares issued (note 17)	56	—	—	—	56
Shares issued at a premium (note 17)	—	170,754	—	—	170,754
At 31 December 2021	3,563	170,754	9,931,670	9,786,852	19,892,839
Profit for the year	—	—	—	2,631,750	2,631,750
Total comprehensive income for the year	—	—	—	2,631,750	2,631,750
Share based payment	—	—	5,074,828	—	5,074,828
Shares issued (note 17)	1	—	—	—	1
Shares issued at a premium (note 17)	—	71,289,094	—	—	71,289,094
At 31 December 2022	3,564	71,459,848	15,006,498	12,418,602	98,888,512

Go Daddy Europe Limited

Notes to the financial statements

For the year ended 31 December 2022

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:

5th 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.

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 2022 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 20.

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 2022

1. General information (continued)

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 \$32.0m as of 31 December 2022 (2021: \$22.8m). Cash at bank and in hand was \$7.1m as of 31 December 2022 (2021: \$12.3m), and the company has continued to generate profits and positive cash flows since the year end.

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 December 2024. 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 and Russia-Ukraine war and have concluded that they do not impact the going concern of the business. The directors have also considered the impact of the current economic condition such as inflation in the energy costs which have been higher overall in FY 2022 which have had an impact on the lower gross margin but will closely monitor the situation. The directors are satisfied that GoDaddy Inc, as the ultimate parent company, has sufficient 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 until 31 December 2024. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence until period ending 31 December 2024 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 \$329.2m as at 30th September 2023, has no significant debt maturities until 2027 and has an undrawn \$1,000m revolving credit facility available as at 30th September 2023, being the latest publicly available information shared by GoDaddy Inc.

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.

Go Daddy Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

2. Accounting policies (continued)

Taxation (continued)

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.

Current tax

A current tax liability is recognised for tax payable on taxable profit for the current and past periods. If the amount of tax paid for the current and past periods exceeds the amount of tax payable for those periods, the excess is recognised as a current tax asset. A current tax asset is recognised for the benefit of a tax loss that can be carried back to recover tax paid in a previous period. 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 recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- provision is made for deferred tax that arises when income or expenses from subsidiaries, associates and joint ventures have been recognised in the financial statements and will be assessed to tax in a future period, except where the entity is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future;
- where there are differences between the amounts that can be deducted for tax for assets (other than goodwill) and/or between amounts that will be assessed for tax in respect of liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination, deferred tax liabilities/(assets) are recognised. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised; and
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Current and deferred tax for the year

Current and deferred tax are recognised in the income statement, 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.

Go Daddy Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

2. Accounting policies (continued)

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.

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
Leasehold improvements	shorter of the lease term or useful economic life
Software Licenses	2 to 10 years
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.

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 12 to the financial statements

Go Daddy Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

2. Accounting policies (continued)

Impairment of nonfinancial assets

At each balance sheet date, the company reviews the carrying amounts of its non-financial 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.

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.

Go Daddy Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

2. Accounting policies (continued)

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.

Cash and cash equivalents

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

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 2022

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 which are classified as other financial liabilities.

Subsequent measurement

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

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.

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.

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.

Go Daddy Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

2. Accounting policies (continued)

Revenue (continued)

Business applications revenue primarily consists of Microsoft Office 365. Consideration is recorded as deferred revenue 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.

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 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.

Share capital and share premium

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. If a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account called "share premium".

Operating lease

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term. Lease incentives are recognised over the lease term on a straight-line basis.

Go Daddy Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

3. Revenue

Business applications revenue primarily consists of Microsoft Office 365, third-party productivity applications, email accounts and email marketing tools. 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.

	2022	2021
	\$	\$
Business applications & other	65,088,878	51,681,075
Intercompany revenue	39,027,148	44,273,236
	<u>104,116,026</u>	<u>95,954,311</u>

4. Directors' Remuneration

The directors received no remuneration from Go Daddy Europe Limited for the year ended 31 December 2022 nor for the year ended 31 December, 2021. 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 has been arrived at after charging / (crediting) the following:

	2022	2021
	\$	\$
Impairment	170,810	101,843
Gain on transfer of assets	—	(59,218)
Marketing expenses	9,184,407	16,779,128
Rental expenses	2,804,355	2,781,204
Depreciation- Owned Assets	<u>96,076</u>	<u>118,798</u>

6. Auditor's remuneration

Fees payable to Ernst and Young LLP and their associates for the audit of the company's annual accounts were \$100,654 (2021: \$157,417). There were no non-audit services in either the current or preceding years.

Go Daddy Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

7. Staff costs

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

	2022	2021
	No.	No.
Technical and customer operations	215	164
Sales and marketing	15	16
Management and administration	25	30
	<u>255</u>	<u>210</u>

Their aggregate remuneration comprised:

	2022	2021
	\$	\$
Wages and salaries	12,332,061	9,395,330
Social security costs	2,031,007	2,346,588
Other pension costs	474,267	421,967
Bonus	2,191,903	2,675,914
Stock compensation expense	<u>5,074,728</u>	<u>3,805,295</u>
	<u>22,103,966</u>	<u>18,645,094</u>

8. Finance income

	2022	2021
	\$	\$
Interest on tax	<u>—</u>	<u>(146,639)</u>

9. Tax

(a) Tax on profit on ordinary activities.

The tax charge is made up as follows:

	2022	2021
	\$	\$
Current tax:		
UK corporation tax on the profit for the year	<u>—</u>	<u>(1,812,937)</u>
Total current tax	<u>—</u>	<u>(1,812,937)</u>
Deferred tax:		
Origination and reversal of timing difference	(19,850)	(24,642)
Adjustments in respect of prior periods	(3,527)	(287,303)
Effect of tax rate change on opening balance	<u>—</u>	<u>(4,232)</u>
Total tax on profit on ordinary activities	<u>(23,376)</u>	<u>(316,177)</u>
Total tax (credit)/charge	<u>(23,376)</u>	<u>(2,129,114)</u>

Go Daddy Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

9. Tax (cont'd)

(b) Factors affecting tax charge for the year:

	2022	2021
	\$	\$
Profit on ordinary activities before taxation	<u>2,608,374</u>	<u>2,721,870</u>
Rate of tax of corporation tax of 19.00% (2021: 19.00%)	495,591	517,155
Expenses not deductible for tax purposes	178,149	13,259
Adjustments to current tax charge in respect of previous periods	—	(1,812,937)
Adjustments to deferred tax charge in respect of previous periods	(3,527)	(291,535)
Rate change on current year deferred tax movement	(4,764)	(5,914)
Group relief surrendered/(claimed) without payment	(688,826)	325,501
Other tax adjustments, reliefs and transfers	—	(874,643)
Total tax charge	<u>(23,376)</u>	<u>(2,129,114)</u>

(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% (2021: 25%) which represents the future corporation tax rate that was enacted at the balance sheet date.

10. Deferred Tax (Liability)/Asset Non-current

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

	2022	2021
	\$	\$
Balance at 1 January	4,355	(311,822)
Income statement charge	19,850	24,642
Adjustments in respect of prior periods	3,527	287,303
Opening rate change	—	4,232
Balance at 31 December	<u>27,731</u>	<u>4,355</u>

Go Daddy Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

10. Deferred Tax (Liability)/Asset Non-current (continued)

	2022	2021
	\$	\$
Fixed asset temporary differences	5,100	(9,872)
Short term temporary differences	22,631	14,227
	<u>27,731</u>	<u>4,355</u>

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

11. Tangible Fixed assets

	Computer Hardware	Software & Licenses	Leasehold Improvements	Total
	\$	\$	\$	\$
Cost				
At 1 January 2022	356,252	3,551	—	359,803
Additions	—	—	19,594	19,594
At 31 December 2022	<u>356,252</u>	<u>3,551</u>	<u>19,594</u>	<u>379,397</u>
Depreciation				
At 1 January 2022	(224,596)	(3,551)	—	(228,147)
Charge for the year	(76,482)	—	(19,594)	(96,076)
At 31 December 2022	<u>(301,078)</u>	<u>(3,551)</u>	<u>(19,594)</u>	<u>(324,223)</u>
Carrying amount				
At 31 December 2022	<u>55,174</u>	<u>—</u>	<u>—</u>	<u>55,174</u>
At 31 December 2021	<u>131,656</u>	<u>—</u>	<u>—</u>	<u>131,656</u>

12. Investment in Subsidiaries

	2022	2021
	\$	\$
Cost or Valuation		
1 January 2022	1,264,231	1,093,346
Addition	70,421,213	170,885
Impairment	(170,810)	—
At 31 December	<u>71,514,634</u>	<u>1,264,231</u>

Go Daddy Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

12. Investment in Subsidiaries (continued)

Name	Country of incorporation	Principal activities	Portion of Ownership	\$ 2022	\$ 2021
Undeveloped BV	Netherland	Domain sale	100%	70,421,213	—
GoDaddy WP Europe d.o.o	Serbia	Technical support	100%	548,795	548,795
GoDaddy Online Services Japan	Japan	Services	100%	544,551	544,551
International Online Services	Japan	Services	100%	75	75
UK Over Labs Limited	UK	Services	100%	—	170,810
				<u>71,514,634</u>	<u>1,264,231</u>

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.

Netherland- Tesselschadestraat 11, 1054ET Amsterdam.

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

On the 25 June 2022, Go Daddy Europe Limited acquired 100% of the issued share capital of Undeveloped B.V. along with its two subsidiaries for \$70.4m cash consideration. Undeveloped B.V is incorporated in Netherlands, its principal business activity includes sales of premium domains focusing on aftermarket transactions.

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.

13. Other Debtors (Current assets)

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

	2022	2021
	\$	\$
Other financial assets	1,000,000	—
Amounts owed by group undertaking	64,542,818	47,501,092
Prepaid expenses	216,741	282,565
	<u>65,759,559</u>	<u>47,783,657</u>

Amounts owed by group undertakings is \$64,542,818 (2021: \$47,501,092). The intercompany receivable balance is for the services provided under normal course of business and is repayable on demand.

Other financial assets is in relation to the Escrow agreement which was released in June 2023.

Go Daddy Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

14. Creditors: amounts falling due within one year

	2022	2021
	\$	\$
Trade creditors	2,112,980	2,252,135
Accruals	3,297,877	3,968,064
Social security and other taxes	952,050	652,849
Amounts owed to group undertaking	859,982	898,812
	<u>7,222,889</u>	<u>7,771,860</u>

Amounts owed to group undertakings is \$859,982 (2021: \$898,812). The intercompany payable balance is for the services provided under normal course of business and is repayable on demand.

15. Deferred Revenue

	2022	2021
	\$	\$
Short-term revenue from sales of internet services	33,624,478	29,519,736
Long-term revenue from sales of internet services	4,730,027	4,246,231
	<u>38,354,505</u>	<u>33,765,967</u>

16. Creditors: amounts falling due after one year

	2022	2021
	\$	\$
Other creditors	<u>—</u>	<u>12,754</u>

17. Issued share capital

	No.	2022	No.	2021
		\$		\$
Allotted, called up and fully paid				
Ordinary shares of \$3.507 each	1,042	<u>3,564</u>	1,041	<u>3,563</u>

The company issued 1 ordinary shares at £1.00 on 12th July 2022 to Go Daddy Operating Company, LLC. 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 year end foreign exchange rate translates to \$1.209 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.

Go Daddy Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

17. Issued share capital (continued)

On 12th July 2022, GoDaddy Europe Limited issued 1 Ordinary £1 share to Go Daddy Operating Company LLC for a consideration of \$71,289,095, creating a share premium of \$71,289,094. The capital contribution was utilized for the acquisition of Undeveloped B.V. see note 12.

Shareholders of all ordinary shares are entitled to one vote for every share.

Profit and loss reserve

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

18. 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 2021	24,994	\$ 66.28
Options granted during the year	—	\$ —
Options forfeited during the year	(23,944)	\$ 17.16
Options exercised during the year	(500)	\$ 13.38
Options outstanding at 31 December 2022	550	\$ 17.16

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 no UK employee who has been granted stock options in the parent company during the year (2021:1 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

Go Daddy Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

18. Equity-settled share-based payments (continued)

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	50	0.46
06/11/2024	\$18.00	500	1.71

Restriction Stock Units (RSUs)

	No.	Weighted
Awards outstanding at 31st December, 2021	108,429	\$ 68.58
Options granted during the year	81,382	\$ 80.52
Awards forfeited during the year	(9,953)	\$ 80.54
Awards vested/released during the year	(42,206)	\$ 72.32
Awards outstanding at 31st December, 2022	137,652	\$ 77.10

There are eighty nine (89) UK employees who have been granted restricted stock units (RSU) in the parent company during the year (2021:50 employees). The market value of the shares at the time of grant was \$83.41 (2021:\$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 \$5.06m (2021: \$3.81m)

19. Commitments

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

	2022	2021
	\$	\$
Within one year	273,933	1,026,42
In two to five years	29,457	265,89
	<u>303,390</u>	<u>1,292,31</u>

Go Daddy Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

20. Ultimate parent undertaking and controlling party

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

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).