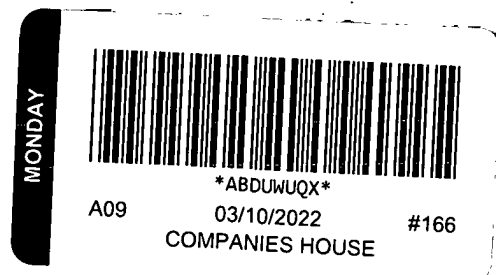


Registered number: 04151418

## **EBAY KTA (UK) LTD**

**Annual report and financial statements  
for the year ended 31 December 2021**



eBay EU Sign CW2827058

# **EBAY KTA (UK) LTD**

## **Annual report and financial statements for the year ended 31 December 2021**

### **Contents**

	<b>Page(s)</b>
Company information	1
Strategic report	2-3
Director's report	4-6
Independent auditors' report	7-9
Statement of comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12
Notes to the financial statements	13-20

# EBAY KTA (UK) LTD

## Company information

### Director

Alec Latimer

### Company Secretary and Registered office

EY Corporate Secretaries Limited  
1 More London Place  
London  
SE1 2AF

### Independent auditors

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

# EBAY KTA (UK) LTD

## **Strategic report for the year ended 31 December 2021**

The director presents his strategic report on eBay KTA (UK) LTD ("the Company") for the year ended 31 December 2021.

### **Principal activities**

The Company is a subsidiary undertaking of eBay Inc., a global Internet company incorporated in the USA, which offers an Internet based personal trading community.

The Company holds 19.99% of the share capital of Apollo Korea Ltd., a company registered in the Republic of Korea, 19th Floor, 152, Teheran-ro, Gangnam-gu, Seoul, and operates as a retail e-commerce marketplace.

On 30 June 2021, eBay and E-mart Inc. reached an agreement for the purchase of eBay's Businesses in Korea. On 15 November 2021, eBay sold a 80.01% stake in its Korean businesses for 3.44 trillion KRW (or approximately \$3.0 billion USD) of gross cash proceeds.

### **Review of the Business, future outlook and key performance indicators**

The functional currency of the Company is U.S. Dollars. The financial statements are accordingly presented in U.S. Dollars.

The Company measures and monitors a number of key performance indicators, the most important of which are profit before income tax and net assets.

The Company's profit for the financial year ended 31 December 2021 amounted to \$2,948,704,000 (2020: profit of \$49,688,000).

The net assets of the Company decreased to a total of \$726,948,000 (2020: \$1,268,244,000). The financial position of the Company is set out in the Statement of financial position on page 11.

# EBAY KTA (UK) LTD

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

### Principal risks, financial risks and uncertainties

#### *Business continuity risk*

The outbreak of COVID-19 has resulted in the Group deploying business continuity plans to maintain stability across the business, ensuring continued delivery of service with no issues noted in the period up to signing these financial statements.

### Statement by the director of eBay KTA (UK) Ltd in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The director has a duty to promote the success of the Company which is a key consideration when determining the Company's strategy. The director ensures they have suitable access to information that allows them to make informed business decisions as well as sufficient information regarding the stakeholder interests which are affected by their actions.

In instances when the director does not have all the information relevant to a decision, it is important to consider the expertise of others and that care is taken to assess the source, quality and quantity of all information available. The director needs to foster the Company's business relationships with its suppliers, customers, and HM Revenue and Customs. This includes committing to partnerships that share the eBay dedication to conducting business in a legal, ethical, and socially responsible manner, to deliver the best possible value for the Company and to mitigate the risk to the Company.

On behalf of the Board

DocuSigned by:  
  
436A30C8602D400  
**Alec Latimer**  
**Director**

Date: 30 September 2022

# EBAY KTA (UK) LTD

## Director's report for the year ended 31 December 2021

The director presents his report with the audited financial statements of eBay KTA (UK) LTD for the year ended 31 December 2021.

### **Principal activities**

The Company is a subsidiary undertaking of eBay Inc., a global Internet company incorporated in the USA, which offers an Internet based personal trading community.

The Company holds 19.99% of the share capital of Apollo Korea Ltd., a company registered in the Republic of Korea, 19th Floor, 152, Teheran-ro, Gangnam-gu, Seoul, and operates as acquisition, management and disposal of units of contribution or shares in other companies.

On 30 June 2021, eBay and E-mart Inc. reached an agreement for the purchase of eBay's businesses in Korea. On November 14, 2021 eBay KTA Ltd. completed a series of transactions whereby 80.01% of its Korean holdings were divested. 19.99% of the business was retained in the form of shares in a newly formed entity, Apollo Korea Ltd.

### **Fair review of the development and the performance of the business / future development**

The company will continue activity as a holding company. Further information is provided in the Strategic report.

### **Financial risk management**

#### *Credit risk*

Financial assets that potentially subject the Company to concentrations of credit risk consist principally of cash at bank and debtors. The Company's cash is placed with quality financial institutions.

#### *Foreign currency and interest rate risk*

The Company is not exposed to significant foreign exchange risk.

The Company's operating income and cash flows are substantially independent to changes in market interest rates.

Due to the risk exposure, the Company does have a specific hedging policy with respect to foreign currency exchange and interest rate risk.

### **Political Donations**

There were no political donations for the year ended 31 December 2021.

### **Dividends**

A dividend was declared on 23 November 2021 for \$2,324,923,000 (2020: \$nil).

### **Share Capital**

On 28 April 2021 and 23 November 2021 the Company's share capital reduced by \$ 1,165,076,000 by cancelling 1,165,076,000 ordinary shares of \$1.00 each, the amount by which the share capital was reduced repaid to eBay Korea Holding GmbH the sole holder.

# EBAY KTA (UK) LTD

## Director's report for the year ended 31 December 2021 (continued)

### Suppliers, Customers and others

In the Strategic report, within the Section 172 (1) Statement on page 3, the director has summarised how he has engaged with suppliers, customers and others in a business relationship.

### Director

The director who held office during the year and up to the date of signing these financial statements was Alec Latimer.

### Going Concern

These financial statements have been prepared on a going concern basis. In preparing the financial statements the director has taken into account all information that could reasonably be expected to be available for the following 12 months from the date of signing the financial statements and beyond.

### Statement of director's responsibilities in respect of the financial statements

The director is responsible for preparing the Annual Report and the financial statements in accordance with the applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# EBAY KTA (UK) LTD

## Director's report for the year ended 31 December 2021 (continued)

The director is also 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 financial statements comply with the Companies Act 2006.

### Director's confirmations

In the case of each director in office at the date the Director's report is approved:

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

### Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the Board

DocuSigned by:  
  
Alec Latimer  
**Director**  
Date: 30 September 2022



# Independent auditors' report to the members of eBay KTA (UK) LTD

## Report on the audit of the financial statements

### Opinion

In our opinion, eBay KTA (UK) LTD's financial statements:

- give a true and fair view of the state 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 (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2021; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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 of at least twelve months from when the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Director's report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Director's report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Director's report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Director's report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of director's responsibilities in respect of the financial statements, the directors is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors is also responsible for such internal control as they 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 is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### **Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, data protection and anti-money laundering regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to potential management bias in accounting estimates and the posting of inappropriate journal postings to manipulate financial results. Audit procedures performed by the engagement team included:

- Discussions with management and the Company's legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgments made by management in their significant accounting estimates;
- Identifying and testing unusual journal entries, in particular those with an unusual account combination; and
- Assessing the financial statement disclosures and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Jonathan Ford (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
30 September 2022

# EBAY KTA (UK) LTD

## Statement of comprehensive income for the year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
Gain from divestiture	4	2,863,438	-
Dividend income	4	79,920	84,867
Other operating expenses		(4,416)	(773)
<b>Operating profit</b>	4	<b>2,938,942</b>	<b>84,094</b>
Finance income	5	185	3,139
Finance expense	5	(3)	-
<b>Profit before taxation</b>		<b>2,939,124</b>	<b>87,233</b>
Tax credit / (charge)	7	9,580	(37,545)
<b>Profit for the financial year</b>		<b>2,948,704</b>	<b>49,688</b>
<b>Total comprehensive income for the financial year</b>		<b>2,948,704</b>	<b>49,688</b>

The above results were derived from continuing operations. The notes on pages 13 to 20 form an integral part of these financial statements.

# EBAY KTA (UK) LTD

## Statement of financial position as at 31 December 2021

	Note	2021 \$'000	2020 \$'000
<b>Fixed assets</b>			
Investments	8	725,070	1,241,785
		<b>725,070</b>	<b>1,241,785</b>
<b>Current assets</b>			
Other receivables	9	866	1,102
Cash at bank and in hand		18,250	69,216
		<b>19,136</b>	<b>70,318</b>
Deferred income tax liability	7	-	(42,955)
Creditors: amounts falling due within one year	10	(17,238)	(904)
<b>Net current assets</b>		<b>1,878</b>	<b>26,459</b>
<b>Total assets less current liabilities</b>		<b>726,948</b>	<b>1,268,244</b>
<b>Net assets</b>		<b>726,948</b>	<b>1,268,244</b>
<b>Capital and reserves</b>			
Called up share capital	11	-	511,673
Capital contribution reserve		-	653,404
Profit and loss account		726,948	103,167
<b>Total shareholders' funds</b>		<b>726,948</b>	<b>1,268,244</b>

The financial statements on pages 10 to 20 were approved by the Board on 30 September 2022 and signed on its behalf by:

DocuSigned by:  
  
 Alec Latimer  
 Director

Registered number: 04151418

# EBAY KTA (UK) LTD

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

	Called up share capital \$'000	Capital contribution reserve \$'000	Profit and loss account \$'000	Total shareholders' funds \$'000
<b>At 1 January 2020</b>	<b>1,161,673</b>	<b>653,404</b>	<b>53,479</b>	<b>1,868,556</b>
Capital reduction (note 11)	(650,000)	-	-	(650,000)
Profit for the financial year	-	-	49,688	49,688
<b>At 31 December 2020</b>	<b>511,673</b>	<b>653,404</b>	<b>103,167</b>	<b>1,268,244</b>
<b>At 1 January 2021</b>	<b>511,673</b>	<b>653,404</b>	<b>103,167</b>	<b>1,268,244</b>
Recapitalisation of contribution reserve	653,404	(653,404)	-	-
Capital reduction (note 11)	(1,165,077)	-	-	(1,165,077)
Dividends	-	-	(2,324,923)	(2,324,923)
Profit for the financial year	-	-	2,948,704	2,948,704
<b>At 31 December 2021</b>	<b>-</b>	<b>-</b>	<b>726,948</b>	<b>726,948</b>

# EBAY KTA (UK) LTD

## Notes to the financial statements for the year ended 31 December 2021

### 1. General information

The Company holds 19.99% of the share capital of Apollo Korea Ltd., a company registered in the Republic of Korea, 19th Floor, 152, Teheran-ro, Gangnam-gu, Seoul, which operates as a retail e-commerce marketplace. The company is a private company and is incorporated and domiciled in the UK. The address of its registered office is 1 More London Place, London, SE1 2AF, United Kingdom.

### 2. Summary of significant accounting policies

The significant accounting policies adopted by the Company and which have been applied consistently are as follows:

#### Accounting convention

The financial statements have been prepared on a going concern basis under the historical cost convention in accordance with the Companies Act 2006.

The company meets the definition of a qualifying entity under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
  - (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.
- IAS 7 'Statement of cash flows'. A cash flow statement has not been presented
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 40A-D (requirements for a third statement of financial position
  - 134-136 (capital management disclosures)

For the purposes of FRS 101 reduced disclosure exemptions, equivalent disclosures are included in the publicly available consolidated financial statements of eBay Inc., the ultimate parent of the Company, which the Company is consolidated into. The consolidated financial statements of eBay Inc. can be obtained from their Company secretary at 2145 Hamilton Avenue, San Jose CA 95125, USA.

# EBAY KTA (UK) LTD

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 2. Summary of significant accounting policies (continued)

#### Consolidation

The Company has elected to take advantage of the exemption to prepare consolidated financial statements granted under section 401 of the Companies Act 2006, as its ultimate parent entity prepares financial statements which are in compliance with the EU 7<sup>th</sup> Directive. Accordingly, the financial statements contain information about the Company as an individual company and do not contain consolidated results as part of the group.

#### Operating charges

Operating charges include all the services and other operating costs that arose from the principal activity of the company.

#### Interest income

Interest income is recognised using the effective interest method.

#### Dividend Income

Dividend income is recognised when the right to receive payment is established.

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand.

#### Investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the director when there has been an indication of potential impairment.

Where a disposal results in the reduction of an interest in an investment held at cost which remains an associate, the change in the carrying amount of the investment will be proportionate to the part disposed of. Where there is a step down from subsidiary to associate, the measurement of the carrying amount of the investment in the associate is at fair value through profit and loss in accordance with IFRS 9

#### Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at fair value through profit or loss ("FVPL"), amortised cost, or fair value through other comprehensive income ("FVOCI").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding (the "SPPI Criterion").

The Company has not classified any assets as being financial assets at FVOCI or FVPL.

# EBAY KTA (UK) LTD

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 2. Summary of significant accounting policies (continued)

Financial assets are initially measured at their fair value. For the purposes of subsequent measurement, all of the Company's financial assets are classified as financial assets at amortised cost.

Financial assets at amortised cost comprise of assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI Criterion. This category includes the Company's trade and other receivables and cash and cash equivalents. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

#### Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or as payables, as appropriate.

The Company's financial liabilities comprise of creditors.

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 payables are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

#### Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

#### Foreign currency translation

The functional currency for the Company is US dollars. The resulting exchange differences in relation to monetary assets and liabilities are recorded through the profit and loss account. All other exchange differences including those arising on transactions entered into by the company are taken to the profit and loss account.

# EBAY KTA (UK) LTD

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 3. Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### Impairment of investments

The company considers whether investments are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units. This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

### 4. Operating profit

	2021 \$'000	2020 \$'000
The profit before taxation is stated after charging / (crediting)		
Audit of the entity's financial statements	17	13
Foreign currency exchange loss	4,408	767
Income from dividend distribution	(79,920)	(84,867)
Gain from divestiture (note 8)	(2,863,438)	-

### 5. Finance income and finance expense

	2021 \$'000	2020 \$'000
<b>Finance income</b>		
Bank interest income	185	3,139
<b>Total finance income</b>	<b>185</b>	<b>3,139</b>
<b>Finance expense</b>		
Bank interest expense	(3)	-
<b>Total finance expense</b>	<b>(3)</b>	<b>-</b>
<b>Finance income net</b>	<b>182</b>	<b>3,139</b>

# EBAY KTA (UK) LTD

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 6. Staff costs

The Company had no employees in the current or prior year.

The director has not received any emoluments for his services to the company in respect of the years ended 31 December 2021 and 31 December 2020.

### 7. Tax on profit

	2021 \$'000	2020 \$'000
Current tax:		
Corporation tax	33	450
Adjustment in respect of prior periods	21,353	-
Foreign tax	11,988	13,556
Deferred Tax:		
Origination and reversal of temporary differences	(56,519)	21,255
Effect of changes in tax rates	13,565	2,284
<b>Total Tax on profit</b>	<b>(9,580)</b>	<b>37,545</b>

The tax assessed for the year is the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)

# EBAY KTA (UK) LTD

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 7. Tax on profit (continued)

	2021	2020
	\$'000	\$'000
<b>Profit before taxation</b>	2,939,124	87,233
Profit before taxation multiplied by the standard rate of tax in the UK of 19.00% (2020: 19.00%)	558,434	16,574
Dividends received from subsidiary treated as exempt for tax purposes	(15,185)	(16,125)
Expenses not deductible	838	-
Income not taxable for tax purposes	(544,053)	-
Change in tax rate	13,565	2,284
Withholding tax on foreign dividends from subsidiary	11,988	13,556
Movement in deferred tax liability on estimated withholding tax expense on dividends	(56,519)	21,255
Adjustments to tax charge in respect of previous periods	21,357	-
Exchange differences	(5)	1
<b>Total tax (income) / expense</b>	<b>(9,580)</b>	<b>37,545</b>

On 23 September 2022, it was announced that the corporation tax rate change from 19% to 25% with effect from 1 April 2023 was to be cancelled. This was not substantively enacted at the balance sheet date and therefore the impact of this change is not reflected in the measurement of deferred tax. If the rate change had been substantively enacted prior to 31 December 2021, the impact would have been to reduce the deferred tax liability by nil with a corresponding credit to the income statement.

	2021	2020
	\$'000	\$'000
<b><u>Deferred tax liability:</u></b>		
<b>Provided at a tax rate average 19% (2020: 19%):</b>		
Amounts provided:		
Opening balance	(42,955)	(19,416)
Deferred tax credit / (charge) to Income statement for the year	42,955	(23,539)
<b>Total</b>	<b>-</b>	<b>(42,955)</b>

# EBAY KTA (UK) LTD

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 8. Investments

As at 1 January 2021, the company had an investment balance of \$1,241,784,976 with 99% ownership rights in eBay Korea Co, Ltd. There was a capital reduction of \$388,254,958 in October 2021 and in November 2021, the Company contributed 100% of its shares in eBay Korea Co, Ltd resulting in a transfer of the remaining investment balance of \$853,530,017 to Apollo Korea Ltd.

On 14 November 2021 eBay KTA Ltd. completed a series of transactions whereby 80.01% of its Korean holdings in Apollo Korea Limited were divested resulting in a gain of \$2,863,438,000 (note 4). 19.99% of the business was retained in the form of shares in a newly formed entity, Apollo Korea Ltd.

The remaining investment following the sale has been recognised at fair value of \$725,069,590 in accordance with the company's accounting policy at fair value through profit or loss.

### 9. Other receivables

	2021 \$'000	2020 \$'000
Taxation	320	-
Other receivables	546	1,102
<b>Total</b>	<b>866</b>	<b>1,102</b>

### 10. Other creditors

	2021 \$'000	2020 \$'000
<b>amounts falling due within one year:</b>		
Amounts owed to group undertakings	-	(24)
Other creditors	(17,238)	(880)
<b>Total</b>	<b>(17,238)</b>	<b>(904)</b>

All intercompany balances are non-interest-bearing and on demand.

# EBAY KTA (UK) LTD

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 10. Other creditors (continued)

	2021 \$'000	2020 \$'000
amounts falling due after one year:		
Deferred tax liability (Refer to note 7)	-	(42,955)
<b>Total</b>	<b>-</b>	<b>(42,955)</b>

### 11. Called up share capital

	2021 \$'000	2020 \$'000
Authorised, Allotted and fully paid		
1 ordinary share of \$1 each		
(2020: 511,672,637)	-	511,673

There was a capital reduction of \$1,165,076,755 on 28 April 2021 and 23 November 2021.

There was a dividend distribution of \$2,324,923,245 on 23 November 2021.

### 12. Capital and other commitments

The Company had no capital commitments at the end of the year 2021 (2020: Nil)

### 13. Parent and ultimate parent undertaking

The Company was a wholly owned subsidiary of eBay Korea Holding GmbH, Bern Switzerland which is the parent company. eBay Inc. is the parent company and ultimate controlling party of the largest group to consolidate these financial statements. Copies of eBay Inc. consolidated financial statements can be obtained from their company secretary at 2145 Hamilton Avenue, San Jose CA 95125, USA.