

BARCLAYS UK INVESTMENTS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Business review and principal activities

The principal activity of Barclays UK Investments Limited is to invest into strategic investments. The Company made 3 new investments and 3 disposals in the year of 2021. (2020: The Company made 3 new investments and 2 disposals).

Business performance

The results of the Company show a profit after tax of £1,261,219 (2020: loss after tax of £523,875) for the year. The Company has net assets of £42,376,304 (2020: £39,217,184).

Future outlook

The immediate economic outlook in 2022 remains uncertain. A further worsening of economic conditions would, likely, favour the Company, which remains well funded, by implying a renewed stream of investment opportunities which are consistent with the principal activity of the Company.

The Company will therefore focus on the active investment management of its portfolio to ensure that, wherever feasible, the businesses are robust enough to handle the on-going difficult trading conditions, including being able to take advantage of acquisition and organic growth opportunities. In addition, the medium term outlook is positive for the successful realisation of certain assets.

Principal risks and uncertainties

The Company is exposed to internal and external risks of ongoing activities. These risks are managed as part of the Company's business model.

The COVID-19 pandemic continued in 2021 and may persist for a prolonged period. However, the negative economic impact of the pandemic was mainly in 2020 with markets appreciating in value in 2021.

Furthermore, the current geopolitical tensions that arose in 2022 may also persist for a prolonged period and introduce broad macroeconomic risks, which result in market volatility.

The key business risks affecting the Company are primarily around: effective investment selection and structuring; documenting of investor protection rights; and on-going tracking of business performance within the investment portfolio. The above risks are managed by: bi-annual investment valuations process; regular portfolio reviews; and through the use of investor protection rights. The Company did not invoke the investor protection rights on any of its investments during the year.

Key performance indicators

The Directors of Barclays PLC manage the group's operations on a business cluster basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the relevant business cluster, which includes the Company, is discussed in the Barclays PLC 2021 Annual Report, which does not form part of this report.

Section 172(1) statement

The Directors have acted in the way that they considered, in good faith, would be most likely to promote the success of the Company for the benefit of its member as a whole and this section forms our Section 172 disclosure, describing how, in doing so, the Directors considered the matters set out in section 172(1)(a) to (f) of the Companies Act 2006. The Directors also took into account the views and interests of a wider set of stakeholders.

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STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Section 172(1) statement (continued)

The Directors considered, amongst other matters, the following:

- the likely consequences of any decision in the long term;
- to the extent the Company has employees, the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company's maintaining a reputation for high standards of business conduct;
- and to act fairly between members of the Company.

You can find out more about who the Barclays Group's stakeholders are, how management and/or the Directors engaged with them, the key issues raised and actions taken on pages 16 to 19 of the Barclays PLC Annual Report 2021 which is incorporated by reference into this statement.

Considering this broad range of interests is an important part of the way the Board makes decisions; however, in balancing those different perspectives it won't always be possible to deliver everyone's desired outcome.

How does the Board engage with stakeholders?

Depending on the decision in question, the relevance of each particular stakeholder group may differ, and equally the Board adopts a variety of methods of engagement with different stakeholder groups. The Board will sometimes engage directly with certain stakeholders on certain issues, but the size and distribution of our stakeholders and of Barclays means that stakeholder engagement often takes place at an operational level.

In addition, to ensure a more efficient and effective approach, certain stakeholder engagement is led at Barclays Group level, in particular where matters are of group-wide significance or have the potential to impact the reputation of the Barclays Group.

The Board considers and discusses information from across the organisation to help it understand the impact of the Company's operations on, and the interests and views of, our key stakeholders. It also reviews strategy, financial and operational performance as well as information covering areas such as key risks, and legal and regulatory compliance. This information is provided to the Board through reports sent in advance of each Board meeting, and through in-person presentations.

As a result of these activities and the information it receives, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

The following are some examples of how the Directors have had regard to the matters set out in sections 172 (1)(a)-(f) when discharging their section 172 duties and the effect of that on certain of the decisions taken by them.

Engagement in action

COVID-19

Throughout 2021, as the COVID-19 pandemic continued, the primary focus of the Company and the Board has been on (i) maintaining focus on risk management and investment outcomes; (ii) the operational resilience of the front-to-back operating platform as it transferred to an entirely virtual model; (iii) establishing enhanced oversight of all delegates carrying out core functions; (iv) the health and wellbeing of colleagues; and (v) the control environment, notably CASS oversight. The Board has demonstrated leadership and oversight during the pandemic, and this continues at the date of this report.

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FOR THE YEAR ENDED 31 DECEMBER 2021**

Engagement in action (continued)

Geopolitical tensions

The Company and the Board have established a strong risk management culture. Risks are identified and overseen through the Enterprise Risk Management Framework which specifies the principal risks of the Company and the approach to managing them. Current geopolitical tensions have also heightened awareness of certain principal risks such as conduct and reputational risk. These risks are managed within the established risk framework and key performance indicators remain within the risk appetite defined by the Company.

This report was approved by the Board on 23 September 2022 and signed on its behalf:

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David Mudie

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D R Mudie

Director

Date: 23 September 2022

Registered number: 04995752

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