

US REAL ESTATE HOLDINGS NO.1 LIMITED

STRATEGIC REPORT (CONTINUED) For the Year Ended 31 December 2021

Principal activities and review of business

The principal activity of the Company is to hold and maintain interests in US real estate assets, which are made available to other members of the Barclays Group.

Business Performance

The results of the Company show a profit after tax of \$8,864,557 (2020: Loss after tax \$65,620,976). The Company has net assets of \$95,622,030 (2020: \$86,757,473).

Net cash inflows from operating activities are \$36,960,018 (2020: \$27,801,708).

Future outlook

No significant change in the Company's principal activity is envisaged in the foreseeable future and the Directors expect the Company's performance to be in line with the current period. The Directors consider that the Company's position at the end of 31 December 2021 is consistent with the size and complexity of the business.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Barclays PLC Group and are not managed separately. Accordingly, the principal risks and uncertainties of Barclays PLC, which include those of the Company, are discussed on pages 200 to 294 in the Barclays PLC 2021 Annual Report which does not form part of this report. The principal risks and uncertainties faced by the Company relate to the carrying value of its real estate assets under management.

COVID 19 risk

The COVID-19 pandemic has had, and continues to have, a material impact on businesses around the world and the economic environments in which they operate. There are a number of factors associated with the pandemic and its impact on global economies that could have a material adverse effect on (among other things) the profitability, capital and liquidity of financial institutions such as Barclays. The COVID-19 pandemic has caused disruption to the Barclays Group's customers, suppliers and staff globally. Jurisdictions in which the Company operates have implemented severe restrictions on the movement of their respective populations, with a resultant significant impact on economic activity in those jurisdictions. In 2021, the Company delivered a resilient performance, despite extreme contraction in the global economy.

Throughout the COVID-19 pandemic, in 2020 and 2021, Barclays Group had strong profitability. Diversification has been an essential feature of the resilience through the ongoing COVID-19 pandemic helping the Barclays Group withstand a more difficult period. The robust performance is in line with the broader economy. Now, as the broader economy continues to recover, Barclays Group expects to see an improved performance in its businesses.

It remains unclear how the COVID-19 pandemic will evolve through 2022 (including whether there will be further waves of the COVID-19 pandemic, whether COVID-19 vaccines approved for use by regulatory authorities will be deployed successfully with desired results, whether further new strains of COVID-19 will emerge and whether, and in what manner, additional restrictions will be imposed and/or existing restrictions extended) and the Barclays Group continues to monitor the situation closely.

Key Performance Indicators

The Board of Directors monitors progress on the overall strategy by reference to the following key performance indicators. For the year ended 31 December 2021, the Company shows a net profit after tax of \$8,864,557 (2020: Loss after tax \$65,620,976) and cash and cash equivalents of \$149,304,374 (2020: \$122,740,007).

Section 172(1) statement

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of Barclays US Real Estate Holdings No.1 Ltd. (the 'Company') for the benefit of its sole member, and in doing so had regard, amongst other matters, to:

1. the likely consequences of any decision in the long term;
2. the need to foster the Company's business relationships with suppliers, customers and others;



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STRATEGIC REPORT (CONTINUED) For the Year Ended 31 December 2021

Section 172(1) statement (continued)

3. the impact of the Company's operations on the community and the environment;
4. the desirability of the Company maintaining a reputation for high standards of business conduct; and
5. the need to act fairly as between members of the Company.

The Directors also took into account the views and interests of a wider set of stakeholders, including our pensioners, our regulators, the Government, and non-government organisations, to the extent it is applicable.

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

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.

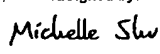
In addition, to ensure a more efficient and effective approach, certain stakeholder engagement is led at Barclays group level, in particular where matters are of group-wide significance or have the potential to impact the reputation of the Barclays Group.

The Board considers and discusses information from across the organisation to help it understand the impact of Barclays' operations, 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, 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 purpose of the Company is to hold and maintain interests in US real estate assets, which are made available to other members of the Barclays Group. Due to the nature of the Company, no decisions were made by the Directors during the reporting period which required them to have regard to the matters set out in Section 172 of the Companies Act 2006.

FOR AND ON BEHALF OF THE BOARD

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Michelle Shu
Director
Date: 27 July 2022
Company number: 9959621
1 Churchill Place, London, E14 5HP, England