

Colonnade Global 2018-3X S.à r.l.

Société à responsabilité limitée

ANNUAL ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2020

6, Rue Eugène Ruppert
L-2453 Luxembourg
R.C.S. Luxembourg: B 225.810

Colonnade Global 2018-3X S.à r.l.

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Colonnade Global 2018-3X S.à r.l.

Other information

Board of Managers

Mr. Povilas Valencius
Mr. Salvatore Rosato
Mr. Paolo Perin

Corporate Service Provider

Intertrust (Luxembourg) S.à r.l.

Principal Paying Agent, Note Calculation Agent, Cash Administrator and Account Bank

Elavon Financial Services DAC

Custodian

Elavon Financial Services DAC, UK Branch

Trustee

US Bank Trustees Limited

Calculation Agent and Collateral Manager for Guaranteed Portfolio

Barclays Bank PLC

Verification Agent for Financial Guarantee Agreement

KPMG LLP
Ernst & Young LLP

Independent Auditor

KPMG Luxembourg, Société coopérative



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39, Avenue John F. Kennedy
L-1855 Luxembourg

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To the Shareholder of
Colonnade Global 2018-3X S.à r.l.
6, rue Eugène Ruppert
L-2453 Luxembourg
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Opinion

We have audited the annual accounts of Colonnade Global 2018-3X S.à r.l. ("the Company"), which comprise the balance sheet as at 31 December 2020, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2020 and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of the "réviseur d'entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current year. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Completeness, existence and accuracy of claims payable on the Financial Guarantee (Amounts owed to affiliated undertakings)

a) Why the matter was considered to be one of most significance in our audit of the annual accounts for the year ended 31 December 2020

The Company entered into a Financial Guarantee agreement with Barclays Bank PLC (“the Beneficiary”) for credit risk protection of the Beneficiary’s loan portfolio (“the Guaranteed Portfolio”) for an amount of USD 200,000,000.

In accordance with the terms of the Financial Guarantee agreement, the Company has a commitment for credit losses determined in respect of a relevant defaulted guaranteed obligation and the Company is obliged to reimburse the Beneficiary after the verification of the claim by the Verification Agent.

The Company issued portfolio credit linked notes, the proceeds of which were utilised to acquire securities which serve as collateral for the Financial Guarantee. Claims payable by the Company under the Financial Guarantee agreement are ultimately borne by the noteholders.

We refer to the accounting policies in Note 2.2.5 ‘Non-convertible loans’, Note 2.2.6 ‘Financial Guarantee contracts’, and to Note 16 ‘Off balance sheet’ to the annual accounts for further disclosures on the Financial Guarantee.

Due to the significance of the Company’s commitment under the Financial Guarantee agreement, we consider completeness, existence and accuracy of claims payable on the Financial Guarantee (recorded in the caption ‘Amounts owed to affiliated undertakings’) as a key audit matter.

b) How the matter was addressed in our audit

Our procedures over the completeness, existence and accuracy of claims payable on the Financial Guarantee (Amounts owed to affiliated undertakings) included, but were not limited to, the following:

- We obtained an understanding of the key terms and conditions of the Financial Guarantee agreement by making inquiries of the Company’s Management and inspecting the Financial Guarantee agreement;
- We obtained details of the claim(s) submitted to the Company by the Beneficiary for the year ended 31 December 2020 (if any) and inquired of Management on claims notified to the Company by the Beneficiary subsequent to the year ended 31 December 2020 but related to the year ended 31 December 2020 (if any);
- We obtained confirmation from the Beneficiary for claim(s) submitted to the Company for the year ended 31 December 2020 (if any) and outstanding amounts payable by the Company in respect of those submitted claims as at 31 December 2020 (if any);
- In cases where a claim is notified to the Company by the Beneficiary, we inspected the respective claim documentation and reviewed the report(s) of the Verification Agent for eligibility and appropriateness of the amount payable to the Beneficiary under the Financial Guarantee agreement;
- We further inspected the Company’s bank statements for evidence of payment of claim amounts, if any, by the Company to the Beneficiary related to the financial year ended 31 December 2020.



Other information

The Board of Managers is responsible for the other information. The other information comprises the information stated in the annual report but does not include the annual accounts and our report of “réviseur d’entreprises agréé” thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers for the annual accounts

The Board of Managers is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Managers determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Managers 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 Board of Managers either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d’entreprises agréé” for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
- Conclude on the appropriateness of the Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

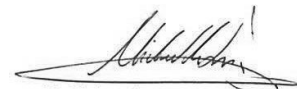
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current year and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Luxembourg, 7 July 2021

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé



M. Eichmüller de Souza
Partner

Annual Accounts Helpdesk :

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RCSL Nr. : B225810

Matricule : 2018,2438,937

BALANCE SHEETFinancial year from ⁰¹ 01/01/2020 to ⁰² 31/12/2020 (in ⁰³ USD)

Colonnade Global 2018-3X S.à r.l.

6 rue Eugène Ruppert

L-2453 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid			
I. Subscribed capital not called	1101 _____	101 _____ 0.00	102 _____ 0.00
II. Subscribed capital called but unpaid	1103 _____	103 _____ 0.00	104 _____ 0.00
	1105 _____	105 _____ 0.00	106 _____ 0.00
B. Formation expenses	1107 _____	107 _____ 0.00	108 _____ 0.00
C. Fixed assets			
I. Intangible assets	1109 _____	109 195,774,440.56	110 199,975,005.00
1. Costs of development	1111 _____	111 _____ 0.00	112 _____ 0.00
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1113 _____	113 _____ 0.00	114 _____ 0.00
a) acquired for valuable consideration and need not be shown under C.I.3	1115 _____	115 _____ 0.00	116 _____ 0.00
b) created by the undertaking itself	1117 _____	117 _____ 0.00	118 _____ 0.00
3. Goodwill, to the extent that it was acquired for valuable consideration	1119 _____	119 _____ 0.00	120 _____ 0.00
4. Payments on account and intangible assets under development	1121 _____	121 _____ 0.00	122 _____ 0.00
II. Tangible assets	1123 _____	123 _____ 0.00	124 _____ 0.00
1. Land and buildings	1125 _____	125 _____ 0.00	126 _____ 0.00
2. Plant and machinery	1127 _____	127 _____ 0.00	128 _____ 0.00
	1129 _____	129 _____ 0.00	130 _____ 0.00

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B225810

Matricule : 2018,2438,937

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	0.00	0.00
4. Payments on account and tangible assets in the course of construction	1133	0.00	0.00
III. Financial assets	3	195,774,440.56	199,975,005.00
1. Shares in affiliated undertakings	1137	0.00	0.00
2. Loans to affiliated undertakings	1139	0.00	0.00
3. Participating interests	1141	0.00	0.00
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	0.00	0.00
5. Investments held as fixed assets	1145	195,774,440.56	199,975,005.00
6. Other loans	1147	0.00	0.00
D. Current assets	1151	3,223,884.65	3,714,877.06
I. Stocks	1153	0.00	0.00
1. Raw materials and consumables	1155	0.00	0.00
2. Work in progress	1157	0.00	0.00
3. Finished goods and goods for resale	1159	0.00	0.00
4. Payments on account	1161	0.00	0.00
II. Debtors	1163	3,082,504.32	3,674,603.53
1. Trade debtors	1165	0.00	0.00
a) becoming due and payable within one year	1167	0.00	0.00
b) becoming due and payable after more than one year	1169	0.00	0.00
2. Amounts owed by affiliated undertakings	1171	3,067,549.33	3,113,702.31
a) becoming due and payable within one year	1173	3,067,549.33	3,113,702.31
b) becoming due and payable after more than one year	1175	0.00	0.00
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	0.00	0.00
a) becoming due and payable within one year	1179	0.00	0.00
b) becoming due and payable after more than one year	1181	0.00	0.00
4. Other debtors	1183	14,954.99	560,901.22
a) becoming due and payable within one year	1185	14,954.99	560,901.22
b) becoming due and payable after more than one year	1187	0.00	0.00

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B225810

Matricule : 2018,2438,937

	Reference(s)	Current year	Previous year
III. Investments	1189	0.00	0.00
1. Shares in affiliated undertakings	1191	0.00	0.00
2. Own shares	1209	0.00	0.00
3. Other investments	1195	0.00	0.00
IV. Cash at bank and in hand	1197	141,380.33	40,273.53
E. Prepayments	1199	1,447.82	3,315.52
TOTAL (ASSETS)		198,999,773.03	203,693,197.58

The notes in the annex form an integral part of the annual accounts

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 <u>7</u>	301 <u>14,116.80</u>	302 <u>14,116.80</u>
I. Subscribed capital	1303 <u>7.1</u>	303 <u>14,116.80</u>	304 <u>14,116.80</u>
II. Share premium account	1305 _____	305 <u>0.00</u>	306 <u>0.00</u>
III. Revaluation reserve	1307 _____	307 <u>0.00</u>	308 <u>0.00</u>
IV. Reserves	1309 _____	309 <u>0.00</u>	310 <u>0.00</u>
1. Legal reserve	1311 <u>7.2</u>	311 <u>0.00</u>	312 <u>0.00</u>
2. Reserve for own shares	1313 _____	313 <u>0.00</u>	314 <u>0.00</u>
3. Reserves provided for by the articles of association	1315 _____	315 <u>0.00</u>	316 <u>0.00</u>
4. Other reserves, including the fair value reserve	1429 _____	429 <u>0.00</u>	430 <u>0.00</u>
a) other available reserves	1431 _____	431 <u>0.00</u>	432 <u>0.00</u>
b) other non available reserves	1433 _____	433 <u>0.00</u>	434 <u>0.00</u>
V. Profit or loss brought forward	1319 _____	319 <u>0.00</u>	320 <u>0.00</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>0.00</u>	322 <u>-0.00</u>
VII. Interim dividends	1323 _____	323 <u>0.00</u>	324 <u>0.00</u>
VIII. Capital investment subsidies	1325 _____	325 <u>0.00</u>	326 <u>0.00</u>
B. Provisions	1331 _____	331 <u>0.00</u>	332 <u>4,920.67</u>
1. Provisions for pensions and similar obligations	1333 _____	333 <u>0.00</u>	334 <u>0.00</u>
2. Provisions for taxation	1335 _____	335 <u>0.00</u>	336 <u>4,920.67</u>
3. Other provisions	1337 _____	337 <u>0.00</u>	338 <u>0.00</u>
C. Creditors	1435 <u>8</u>	435 <u>198,985,656.23</u>	436 <u>203,674,160.11</u>
1. Debenture loans	1437 _____	437 <u>198,282,189.55</u>	438 <u>203,643,679.00</u>
a) Convertible loans	1439 _____	439 <u>0.00</u>	440 <u>0.00</u>
i) becoming due and payable within one year	1441 _____	441 <u>0.00</u>	442 <u>0.00</u>
ii) becoming due and payable after more than one year	1443 _____	443 <u>0.00</u>	444 <u>0.00</u>
b) Non convertible loans	1445 <u>8.1</u>	445 <u>198,282,189.55</u>	446 <u>203,643,679.00</u>
i) becoming due and payable within one year	1447 _____	447 <u>3,027,796.06</u>	448 <u>3,643,679.00</u>
ii) becoming due and payable after more than one year	1449 _____	449 <u>195,254,393.49</u>	450 <u>200,000,000.00</u>
2. Amounts owed to credit institutions	1355 _____	355 <u>0.00</u>	356 <u>0.00</u>
a) becoming due and payable within one year	1357 _____	357 <u>0.00</u>	358 <u>0.00</u>
b) becoming due and payable after more than one year	1359 _____	359 <u>0.00</u>	360 <u>0.00</u>

The notes in the annex form an integral part of the annual accounts

RCSL Nr.: B225810

Matricule : 2018,2438,937

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks			
	1361	0.00	0.00
a) becoming due and payable within one year	1363	0.00	0.00
b) becoming due and payable after more than one year	1365	0.00	0.00
4. Trade creditors	1367	57,542.27	28,153.16
a) becoming due and payable within one year	1369	57,542.27	28,153.16
b) becoming due and payable after more than one year	1371	0.00	0.00
5. Bills of exchange payable	1373	0.00	0.00
a) becoming due and payable within one year	1375	0.00	0.00
b) becoming due and payable after more than one year	1377	0.00	0.00
6. Amounts owed to affiliated undertakings	1379	645,897.90	0.00
a) becoming due and payable within one year	1381	645,897.90	0.00
b) becoming due and payable after more than one year	1383	0.00	0.00
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	0.00	0.00
a) becoming due and payable within one year	1387	0.00	0.00
b) becoming due and payable after more than one year	1389	0.00	0.00
8. Other creditors	1451	26.51	2,327.95
a) Tax authorities	1393	26.51	2,327.95
b) Social security authorities	1395	0.00	0.00
c) Other creditors	1397	0.00	0.00
i) becoming due and payable within one year	1399	0.00	0.00
ii) becoming due and payable after more than one year	1401	0.00	0.00
D. Deferred income	1403	0.00	0.00
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405	198,999,773.03	203,693,197.58

The notes in the annex form an integral part of the annual accounts

Annual Accounts Helpdesk :**Tel. : (+352) 247 88 494****Email : centralebilans@statec.etat.lu****RCSL Nr. : B225810****Matricule : 2018,2438,937****PROFIT AND LOSS ACCOUNT****Financial year from** 01 01/01/2020 **to** 02 31/12/2020 **(in** 03 USD **)****Colonnade Global 2018-3X S.à r.l.****6 rue Eugène Ruppert****L-2453 Luxembourg****PROFIT AND LOSS ACCOUNT**

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____ 0.00	702 _____ 0.00
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____ 0.00	704 _____ 0.00
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____ 0.00	706 _____ 0.00
4. Other operating income	1713 9 _____	713 _____ 129,758.73	714 _____ 117,279.33
5. Raw materials and consumables and other external expenses	1671 _____	671 _____ -114,503.03	672 _____ -127,076.60
a) Raw materials and consumables	1601 _____	601 _____ 0.00	602 _____ 0.00
b) Other external expenses	1603 10 _____	603 _____ -114,503.03	604 _____ -127,076.60
6. Staff costs	1605 _____	605 _____ 0.00	606 _____ 0.00
a) Wages and salaries	1607 _____	607 _____ 0.00	608 _____ 0.00
b) Social security costs	1609 _____	609 _____ 0.00	610 _____ 0.00
i) relating to pensions	1653 _____	653 _____ 0.00	654 _____ 0.00
ii) other social security costs	1655 _____	655 _____ 0.00	656 _____ 0.00
c) Other staff costs	1613 _____	613 _____ 0.00	614 _____ 0.00
7. Value adjustments	1657 _____	657 _____ 0.00	658 _____ 0.00
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____ 0.00	660 _____ 0.00
b) in respect of current assets	1661 _____	661 _____ 0.00	662 _____ 0.00
8. Other operating expenses	1621 11 _____	621 _____ -8,850.24	622 _____ -2,302.88

The notes in the annex form an integral part of the annual accounts

RCSL Nr.: B225810

Matricule: 2018,2438,937

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715	0.00	0.00
a) derived from affiliated undertakings	1717	0.00	0.00
b) other income from participating interests	1719	0.00	0.00
10. Income from other investments and loans forming part of the fixed assets	1721	19,485,456.27	22,724,396.94
a) derived from affiliated undertakings	1723	18,093,441.41	18,098,888.85
b) other income not included under a)	1725	1,392,014.86	4,625,508.09
11. Other interest receivable and similar income	1727	4,745,669.12	17,613.33
a) derived from affiliated undertakings	1729	0.00	0.00
b) other interest and similar income	1731	4,745,669.12	17,613.33
12. Share of profit or loss of undertakings accounted for under the equity method	1663	0.00	0.00
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	0.00	0.00
14. Interest payable and similar expenses	1627	-24,232,270.46	-22,724,396.94
a) concerning affiliated undertakings	1629	-4,745,606.51	0.00
b) other interest and similar expenses	1631	-19,486,663.95	-22,724,396.94
15. Tax on profit or loss	1635	0.00	0.00
16. Profit or loss after taxation	1667	5,260.39	5,513.18
17. Other taxes not shown under items 1 to 16	1637	-5,260.39	-5,513.18
18. Profit or loss for the financial year	1669	-0.00	-0.00

The notes in the annex form an integral part of the annual accounts

Colonnade Global 2018-3X S.à r.l.

NOTES TO THE ANNUAL ACCOUNTS

For the year ended December 31, 2020

NOTE 1 – GENERAL INFORMATION

Colonnade Global 2018-3X S.à r.l. (“the Company”) is a Luxembourg public limited liability company (Société à responsabilité limitée) incorporated in Luxembourg on June 13, 2019 for an unlimited duration and governed by the Law of August 10, 1915 on commercial companies, as subsequently amended. The Company is also subject to the Luxembourg Law of March 22, 2004 on securitisation (the "Securitisation Law"), as subsequently amended.

On April 30, 2018, the Sole Partner resolved to change the corporate name from “Colonnade Global 2018-5 S.à r.l.” to “Colonnade Global 2018-3X S.à r.l.”.

The registered office of the Company is established at 6, rue Eugène Ruppert, L-2453 Luxembourg, with Luxembourg Trade and Companies Register number B 225810.

The Company’s financial year starts on January 1 and ends on December 31 of each year.

The corporate objects of the Company are to enter into, perform and serve as a vehicle for any securitisation transactions as permitted under the Securitisation Law.

The Company may issue securities of any nature and in any currency and borrow and raise funds in any form for the acquisition, the management and the disposal of assets described above, and to the largest extent permitted by the Securitisation Law, pledge, mortgage or charge or otherwise create security interests in and over its assets, property and rights to secure its obligations.

In accordance with the Company’s articles of incorporation the Board of Managers (“the Board”) is entitled to create one or more compartments, each corresponding to a separate part of the Company's assets and liabilities.

On December 6, 2018 the Company entered into a Financial Guarantee agreement with Barclays Bank PLC (“the Beneficiary”) for credit risk protection of the Beneficiary’s loan portfolio (the “Guaranteed Portfolio”). The Company issued Portfolio Credit Linked Notes, the proceeds of which were utilised to acquire securities which serve as collateral for the financial guarantee under the terms of the Financial Guarantee agreement.

As at December 31, 2020, no compartments have been created (2019: None).

The Company is included in the consolidated financial statements of Barclays Bank PLC with a registered office located at 1 Churchill Place, London, E14 5HP forming the smallest body of undertakings of which the Company forms a part as a structured entity. The largest body of undertakings which draws up consolidated financial statements is Barclays PLC with a registered office located at 1 Churchill Place, London, E14 5HP. The consolidated financial statements of Barclays Bank PLC and Barclays PLC are available for consultation at its registered office.

In accordance with the legal provisions in Title II of the Law of December 19, 2002 on the register of commerce and companies and the accounting and Annual Accounts of undertakings, these Annual Accounts are presented on a non-consolidated basis for the approval of the shareholder during the Annual General Meeting.

Colonnade Global 2018-3X S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of presentation

The Annual Accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. The Company's performance has been reviewed, including the implications from the COVID-19 outbreak and the available banking facilities, and the Managers are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. For this reason, the Managers have adopted the going concern basis in preparing these Annual Accounts.

A Board meeting was held on May 25, 2021 where the managers conducted a re-assessment of the current situation and the development of the COVID-19 emergency situation and any significant changes linked to this in comparison to the previous assessment conducted (April 2020). The Board did not identify during the considered period any significant impact on the Company activities and financial performances. During the meeting the Board acknowledged the updated analysis on the Colonnade entities portfolio provided by Barclays Bank PLC covering the period from the previous assessment to February 2021. The Expected Credit Loss (“ECL”) and the related protection amount is monitored by Barclays Bank PLC on a continuous basis and the credit score matrix applied to forecast impacts on cash-flow of the reference portfolio. The guarantee fee amount paid periodically by the Beneficiary is still considered at this point sufficient to mitigate any exposure to the potential ECL.

Accounting policies and valuation rules are, besides the ones laid down by the amended Law of December 19, 2002 on the register of commerce and companies and the accounting and Annual Accounts of undertakings, determined and applied by the Board of Managers.

The preparation of Annual Accounts requires the use of certain critical accounting estimates. It also requires the Board of Managers to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the Annual Accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Annual Accounts therefore present the financial position and its results fairly.

The Company makes estimates and assumptions that affect the reported amount of assets and liabilities in the next financial year. Estimates and judgment are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The Company maintains its books and records in US Dollars (USD) and the Annual Accounts have been prepared in accordance with the valuation rules and accounting policies described below.

Prior year figures have been reclassified to conform to the current financial year's presentation. The Company has reclassified receivables from affiliated undertakings for an amount of USD 3,113,702.31 in relation to the 2019 financial year from “Other debtors becoming due and payable within one year” to “Amounts owed by affiliated undertakings becoming due and payable within one year” in order to align with the current financial year's presentation (see also Note 4).

Colonnade Global 2018-3X S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Significant accounting policies

2.2.1 Financial assets

Financial assets acquired by the Company which are intended for use on a continuing basis for the purpose of the Company's activity are classified as Investments held as fixed assets. Investments held as fixed assets are initially recorded at their historical acquisition cost, including the costs to purchase the asset.

In case the Board of Managers deems that there is a durable depreciation in value of the financial assets, value adjustments are booked in the Profit and Loss Account under "Value adjustments in respect of financial assets and of investments held as current assets" so that they are valued at the lower figure to be attributed to them at the Balance Sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply. Reversals of value adjustment are also recorded in the Profit and Loss Account under "Value adjustments in respect of financial assets and of investments held as current assets".

Discounts are reductions received on the principal balance when acquiring a financial asset and are recorded in the Balance Sheet under "Other debtors". Discounts are amortised over the life of the financial assets. At the moment when the financial assets are matured, the unamortised discounts are recognised immediately in the Profit and Loss Account.

In case of premiums, this excess amount paid for the acquisition of financial assets is written-off as considered being non-recoverable and is recorded under "Value adjustments in respect of financial assets and of investments held as current assets". At the moment when the financial assets are disposed off these are recorded as a realized losses under "Interest payable and similar expenses".

2.2.2 Assets and liabilities

Unless stated otherwise, assets have been stated at their historical cost less any durable impairment and liabilities have been stated at their repayable amount.

2.2.3 Debtors

Debtors are recorded at their nominal value. They are subject to value adjustments where their recoverability is either uncertain or compromised. These value adjustments are not continued if the reason for which the value adjustments were made has ceased to apply.

2.2.4 Foreign currency translation

The presentation currency of the Company is USD.

Transactions expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction.

Cash at bank is translated at the exchange rate effective at the Balance Sheet date. Foreign exchange differences on these items are recognised in the Profit and Loss Account of the year.

Financial assets and Non-convertible loans, expressed in foreign currencies, are translated into USD at the exchange rate effective at the time of the transaction. At the Balance Sheet date, these assets and liabilities are converted at the exchange rates effective at the Balance Sheet date. As there is an economic link between these assets and liabilities, these are valued in total and the net unrealised exchange losses are recorded in the Profit and Loss Account whereas the net unrealised exchange gains are not recognised. The realised exchange gains and losses are recorded in the Profit and Loss Account of the period.

Colonnade Global 2018-3X S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Significant accounting policies (continued)

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the Balance Sheet date. Solely the unrealised exchange losses are recorded in the Profit and Loss Account. The exchange gains are recorded in the Profit and Loss Account at the moment of their realisation.

2.2.5 Non-convertible loans

Non-convertible loans are comprised of Portfolio Credit Linked Notes (“Notes”) issued on The International Stock Exchange (“TISE”) in the Channel Islands. The Notes are initially recorded at issue price and subsequently measured at their reimbursement value. The reimbursement value of the Notes is determined by taking into account the value adjustment on financial assets and claims payable by the Company under the Financial Guarantee agreement (see Note 2.2.6).

Reduction in the amount payable for outstanding Notes is recorded as equalisation provision with corresponding income recorded in the Profit and Loss account as contribution from Noteholders under the caption “other interest and similar income”.

Reversals of equalisation adjustments are recorded in the Profit and Loss account as “other interest and similar expenses”.

2.2.6 Financial Guarantee contracts

Financial guarantee contracts are contracts that require the Company to reimburse the Beneficiary as a result of credit losses determined in respect of a relevant defaulted Guaranteed Obligation as explained in the Financial Guarantee agreement. If an event of default occurs, a borrower default notice is then raised by the Beneficiary to the Issuer and a claim is recorded with the Company which is payable by the Company after the initial verification of the claim by the Verification Agent as per the Financial Guarantee agreement. A final verification report will confirm the final loss amount.

If a final verification report in respect of a Defaulted Guaranteed Obligation shows a final loss amount different than the initial loss amount, which was paid by the Company to the Beneficiary after the initial verification report was issued by the Verification Agent, then the Beneficiary shall reimburse the Company for the amount that was recovered by the Beneficiary as reported in the final verification report.

The Company makes provision for claims notified to it which is only paid after the initial verification of the claim by the Verification Agent.

In the case where no default has occurred in accordance with the Financial Guarantee agreement, however, the Beneficiary has estimated the credit loss due in the future on the Guaranteed Portfolio of the Beneficiary by the application of the estimated credit loss model, such estimated credit losses on the Guaranteed Portfolio of the Beneficiary are not provisioned for, but are solely disclosed by the Company in the Annual Accounts.

2.2.7 Interest income and expenses

Interest income and expenses are recorded on an accrual basis in the Profit and Loss Account.

2.2.8 Prepayments

This asset item includes expenditures incurred during the financial year but relating to a subsequent financial year.

Colonnade Global 2018-3X S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Significant accounting policies (continued)

2.2.9 Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of Balance Sheet, are either likely to be incurred or certain to be incurred but uncertain as to the amount or the date on which these will arise.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the Balance Sheet are either likely to be incurred or certain to be incurred but uncertain as to the amount or the date on which these will arise.

At the Balance Sheet date, a provision shall represent the best estimate of the expenses likely to be incurred or, in the case of a liability, of the amount required to settle that liability.

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial year are recorded under the caption “Provisions for taxation”.

NOTE 3 – FINANCIAL ASSETS

Financial Assets represent money market securities acquired for use on a continuing basis and to be held as collateral under the Financial Guarantee agreement.

The Company acquired collateral securities which were financed by the Company out of the issuance of Portfolio Credit Linked Notes for an aggregate notional amount of USD 200,000,000.00. The collateral securities were purchased with a discount representing the interest income on the financial assets (see Note 12).

The proceeds received on maturity of Financial Assets are used to acquire similar assets to serve as collateral under the Financial Guarantee agreement.

ISIN	Additions at Cost	Realized and receivable Discount (refer Note 12)	Proceeds at Nominal Value on Maturity	Maturity date	Amount outstanding as at December 31, 2020
	USD	USD	USD		USD
XS2039663930	199,975,005.00	364,093.78	200,900,000.00	06/02/2020	-
XS2114787307	199,975,102.70	824,897.30	200,800,000.00	06/05/2020	-
XS2170089648	198,878,021.48	121,978.52	199,000,000.00	06/08/2020	-
XS2214759255	198,933,909.73	66,090.27	199,000,000.00	06/11/2020	-
XS2256865721	195,774,440.56	14,954.99	195,800,000.00	08/02/2021	195,774,440.56
		1,392,014.86			195,774,440.56

Maturity analysis

December 31, 2020

December 31, 2019

USD

USD

Financial assets

becoming due and receivable within one year

195,774,440.56

199,975,005.00

195,774,440.56

199,975,005.00

Colonnade Global 2018-3X S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended December 31, 2020

NOTE 3 – FINANCIAL ASSETS (continued)

The Board of Managers have assessed that there is no indication of permanent diminution in value of the financial assets and consequently no value adjustment was recognized as at the year ended December 31, 2020 (2019: NIL).

NOTE 4 – DEBTORS

4.1 Amounts owed by affiliated undertakings

	December 31, 2020	December 31, 2019
	USD	USD
Guarantee fee receivable from the Beneficiary (refer to Note 12)	3,012,841.07	3,082,777.78
Reimbursement receivable from the Beneficiary (refer to Note 9)	54,708.26	30,924.53
	<u>3,067,549.33</u>	<u>3,113,702.31</u>

Prior year figures have been reclassified to conform to the current financial year's presentation. The Company has reclassified the guarantee fee and the reimbursement fee receivable from the Beneficiary for a total amount of USD 3,113,702.31 from "Other debtors becoming due and payable within one year" to "Amounts owed by affiliated undertakings becoming due and payable within one year" in order to align with the current financial year's presentation (see also Note 2.1).

4.2 Other debtors

	December 31, 2020	December 31, 2019
	USD	USD
Discount/Interest Receivable on Financial Assets (refer to Note 12)	14,954.99	560,901.22
	<u>14,954.99</u>	<u>560,901.22</u>

Prior year figures have been reclassified to conform to the current financial year's presentation. Refer to Notes 2.1 and 4.1.

NOTE 5 – PREPAYMENTS

	December 31, 2020	December 31, 2019
	USD	USD
Listing agent fees	1,447.82	909.26
Cash manager fees	-	2,406.26
	<u>1,447.82</u>	<u>3,315.52</u>

NOTE 6 – OWN SHARES

During the year ended December 31, 2020, the Company did not acquire or hold any of its own shares.

Colonnade Global 2018-3X S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended December 31, 2020

NOTE 7 – CAPITAL AND RESERVES

7.1 Subscribed Capital

As at December 31, 2020, the Company has an issued and fully paid up capital of USD 14,116.80 (equivalent of EUR 12,000.00) and is comprised of 1,200 ordinary shares with a nominal value of EUR 10.00 each.

7.2 Legal Reserve

Under Luxembourg law, an amount equal to at least 5% of the annual net income must be allocated to a legal reserve until such reserve equals 10% of the paid-in share capital. This reserve is not available for distribution.

NOTE 8 – CREDITORS

8.1 Non-convertible loans

On December 6, 2018 the Company issued Portfolio Credit Linked Notes for an aggregate notional amount of USD 200,000,000.00. The proceeds of the note issuance were utilised to acquire collateral securities (refer Note 3) for the Company's obligations under the Financial Guarantee agreement.

The notes are listed on The International Stock Exchange (TISE) in the Channel Islands.

ISIN	Issuance date	Maturity date	Outstanding Principal balance as at December 31, 2020	Outstanding Principal balance as at December 31, 2019
XS1918802346	06/12/2018	06/11/2026	USD 200,000,000.00	USD 200,000,000.00
Accumulated losses – Contribution from Noteholders (refer Note 2.2.5 and Note 16)			(4,745,606.51)	-
Net notes outstanding			195,254,393.49	200,000,000.00
Accrued return payable to Noteholders			3,027,796.06	3,643,679.00
Total non-convertible loans			198,282,189.55	203,643,679.00

Maturity analysis	December 31, 2020	December 31, 2019
	USD	USD
becoming due and receivable within one year	3,027,796.06	3,643,679.00
becoming due and receivable after more than one year	195,254,393.49	200,000,000.00
	198,282,189.55	203,643,679.00

Colonnade Global 2018-3X S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended December 31, 2020

NOTE 8 – CREDITORS (continued)

8.2 Trade creditors

	December 31, 2020	December 31, 2019
	USD	USD
Audit fee payable	15,485.61	11,388.25
Other trade payables	42,056.66	16,764.91
	<u>57,542.27</u>	<u>28,153.16</u>

8.3 Amounts owed to affiliated undertakings

Amounts owed to affiliated undertakings are composed of a claim payable to the Beneficiary for an amount of USD 645,897.90 (2019: NIL).

8.4 Other creditors

Other creditors are composed of accruals of net wealth tax amounting to USD 26.51 (2019: accrual for value added tax payable amounting to USD 2,327.95).

NOTE 9 – OTHER OPERATING INCOME

Other operating income represents reimbursement of operational expenses by the Beneficiary:

	2020	2019
	USD	USD
Reimbursement from Beneficiary for operational expenses*	129,758.73	117,279.33
	<u>129,758.73</u>	<u>117,279.33</u>

* In accordance with the Information Memorandum of the transaction entered into between the Company and the Beneficiary, the latter supports other external expenses of the Company.

NOTE 10 – OTHER EXTERNAL EXPENSES

Other external expenses are composed of:

	2020	2019
	USD	USD
Accounting fees	(46,689.93)	(46,054.23)
Listing agent fees	(3,360.33)	(4,802.95)
Audit fees	(17,748.16)	(11,597.87)
Bank fees	(2,657.57)	(2,590.81)
Trustee fee	(6,685.40)	(6,585.41)
Legal fees	(4,572.85)	(26,184.61)
Custody fees	(25,220.00)	(20,479.17)
Cash manager fees	(5,209.53)	(184.56)
Paying agent fees	(664.39)	(647.70)
Process agent fees	-	(3,481.60)
Calculation agent fees	(664.39)	(647.70)
Other professional fees	(1,030.48)	(3,819.99)
	<u>(114,503.03)</u>	<u>(127,076.60)</u>

Colonnade Global 2018-3X S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended December 31, 2020

NOTE 11 – OTHER OPERATING EXPENSES

	2020	2019
	USD	USD
Tax interest and penalties	(26.51)	-
Value Added Tax	(8,823.73)	(2,302.88)
	<u>(8,850.24)</u>	<u>(2,302.88)</u>

NOTE 12 – INCOME FROM OTHER INVESTMENTS AND LOANS FORMING PART OF THE FIXED ASSETS

Income from other investments and loans forming part of the fixed assets is composed of the amortisation of discount received on the maturity of collateral securities as well as the guarantee fee received from the Beneficiary:

	2020	2019
	USD	USD
<i>Guarantee fee on Financial Guarantee agreement</i>		
Guarantee fee received during the period/year	15,080,600.34	15,016,111.07
Guarantee fee receivable (refer Note 4)	3,012,841.07	3,082,777.78
Derived from affiliated undertakings	<u>18,093,441.41</u>	<u>18,098,888.85</u>
<i>Discount on Financial Assets</i>		
Realised discount on maturity of assets (refer Note 3)	1,377,059.87	4,064,606.87
Discount receivable on Financial Assets (refer Note 4)	14,954.99	560,901.22
Other income not included in a)	<u>1,392,014.86</u>	<u>4,625,508.09</u>
Total Income from other investments and loans forming part of the fixed assets	<u>19,485,456.27</u>	<u>22,724,396.94</u>

NOTE 13 – OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019
	USD	USD
Contribution from Noteholders (refer to Note 8)	4,745,606.51	-
Interest received on cash account balance	62.61	15,372.69
Net foreign exchange result	-	2,240.64
	<u>4,745,669.12</u>	<u>17,613.33</u>

Colonnade Global 2018-3X S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS (continued)

For the year ended December 31, 2020

NOTE 14 – INTEREST PAYABLE AND SIMILAR EXPENSES

Interest payable and similar expenses are comprised of:

- claim paid and payable to the Beneficiary for an amount of USD 4,745,606.51 (2019: NIL) in accordance with the Financial Guarantee agreement (classified as concerning affiliated undertakings);
- return paid and payable to Noteholders (classified as other interest and similar expenses) made up of Guarantee fee receivable on Financial Guarantee agreement (refer to Note 12) for an amount of USD 18,093,441.41 (2019: USD 18,098,888.85);
- Discount received and receivable on Financial Assets (refer to Note 12) for an amount of USD 1,392,014.86 (2019: USD 4,625,508.09); and
- Foreign exchange losses for an amount of USD 1,207.68 (2019: nil).

NOTE 15 – TAX ON PROFIT OR LOSS AND OTHER TAXES NOT SHOWN UNDER ITEMS 1 TO 16

The Company is subject to all Luxembourg tax regulations as applicable to companies incorporated under the Luxembourg Securitization Law.

The net wealth tax expenses for the financial year under review is USD 5,260.39 (2019: USD 5,513.18).

NOTE 16 – OFF BALANCE SHEET

On December 6, 2018 the Company entered into the Financial Guarantee agreement with the Beneficiary for a credit risk protection of the Guaranteed Portfolio. The financial guarantee is provided for maximum credit loss of USD 200,000,000.00 on the Guaranteed Portfolio of the Beneficiary. The Company issued Portfolio Credit Linked Notes, the proceeds of which were utilised to acquire securities which serve as collateral for the financial guarantee under the terms of the Financial Guarantee agreement. The Company is entitled to a guarantee fee at a rate of 8.95% p.a. of the total financial guarantee amount as decreased by any defaulted guarantee obligation (refer Note 12).

At each financial year end, the Calculation Agent presents to the Board the impairment provision calculation attributable to the Guaranteed Portfolio of the Beneficiary. The impairment provision calculated on the Guaranteed Portfolio of the Beneficiary is based on an expected credit loss model which takes into account the probability of an event of default and the default amount and applies this to the forecasted exposure at such point of default. Accordingly, this method gives an estimate of the expected credit losses over the life of each item in the Guaranteed Portfolio. As at December 31, 2020 such expected credit losses on the Guaranteed Portfolio of Beneficiary amounted to USD 31,040,628.91 (equivalent to GBP 22,730,729.00) (2019: USD 4,060,047.28 (equivalent to GBP 3,077,542.00)).

In accordance with the terms of the Guarantee agreement, the Company only has commitment for credit losses determined in respect of a relevant defaulted Guaranteed Obligation as explained in the Financial Guarantee agreement and the Company is obliged to reimburse the Beneficiary after the verification of the claim by the Verification Agent as per the Financial Guarantee agreement. During the year ended December 31, 2020, the Company has recorded total claims in respect of Company's obligations under the Financial Guarantee agreement for an amount of USD 4,745,606.51 (2019: NIL).

As at December 31, 2020, the total Guaranteed Portfolio for which financial guarantee was provided amounted to USD 2,269,300,445.44 (2019: USD 2,295,796,698.00).

Colonnade Global 2018-3X S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS (continued and end)
For the year ended December 31, 2020

NOTE 17 – STAFF

The Company had no employee during the financial year (2019: None).

NOTE 18 – ADVANCES AND LOANS GRANTED TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

During the financial year, no loan or advance was granted to members of the Board of Managers or other administrative bodies (2019: None).

NOTE 19 – REMUNERATION GRANTED TO BOARD MEMBERS AND COMMITMENTS ENTERED INTO IN RESPECT OF RETIREMENT PENSIONS FOR FORMER BOARD MEMBERS

During the financial year, there was no emolument or obligation arising or entered into in respect of retirement pensions for former members of the Board (2019: None).

NOTE 20 – RELATED PARTY TRANSACTIONS

During the financial year, there were no significant transactions entered into with shareholders and the members of the administrative, management and supervisory bodies of the Company (2019: None).

The Company is consolidated at the level of Barclays Bank PLC on account of control. Barclays Bank PLC is therefore a related party for the entity. Refer to Notes 1, 4, 8, 9, 12, 14 and 16.

NOTE 21 – SUBSEQUENT EVENTS

No matters or events have occurred subsequent to December 31, 2020, which would materially affect the Annual Accounts and the related disclosures for the year ended December 31, 2020.