

**Willow No. 1 (Luxembourg) S.A.  
Société Anonyme**

**Audited Annual Accounts  
and Report of the Réviseur d'entreprise agréé  
for the Year ended 31 December 2021**

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**Willow No. 1 (Luxembourg) S.A.**

**Company Information:**

**Directors:**

Constanze Schmidt  
Anika Oberbillig (appointed 9 February 2021)  
Dylan Davies (appointed 8 December 2021)  
Christian Klar (resigned 28 September 2021)  
Maud Meyer (resigned 1 December 2021)

**Corporate Administrator:**

MaplesFS (Luxembourg) S.A.  
12E, Rue Guillaume Kroll,  
L - 1882 Luxembourg

**Bank:**

Citibank Europe PLC Luxembourg Branch  
31 ZA Bourmicht  
Bertrange  
L-8070 Luxembourg

**Cabinet de Révision Agréé**

Deloitte Audit S.a.r.l  
Société à responsabilité limitée  
20 Boulevard de Kockelscheuer,  
L-1821 Luxembourg

To the Shareholders of  
Willow No.1 (Luxembourg) S.A.  
12<sup>E</sup> Rue Guillaume Kroll  
L-1882, Luxembourg

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

### Opinion

We have audited the annual accounts of Willow No.1 (Luxembourg) S.A. (the "Company"), which comprise the balance sheet as at December 31, 2021, 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 December 31, 2021, and 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.

## **Other information**

The Board of Directors is responsible for the other information. The other information comprises the information stated in the Directors' report but does not include the annual accounts and our report of the "*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 Directors for the Annual accounts**

The Board of Directors is responsible for the preparation and fair presentation of these 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 Directors 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 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 Board of Directors 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**

Our objectives 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 Directors.
- Conclude on the appropriateness of Board of Directors 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.

For Deloitte Audit, *Cabinet de révision agréé*

Ekaterina Volotovskaya, *Réviseur d'entreprises agréé*  
Partner

Luxembourg, May 16, 2022

**Willow No. 1 (Luxembourg) S.A.**  
**Société Anonyme**  
**Abridged Balance Sheet as at 31 December 2021**

<u>ASSETS</u>	<u>Notes</u>	<u>EUR</u> <u>31/12/2021</u>	<u>EUR</u> <u>31/12/2020</u>
<b>D. Current Assets</b>			
<i>II. Debtors</i>			
a) <i>Becoming due and payable within one year</i>	(3)	19,834.42	17,490.88
b) <i>Becoming due and payable after more than one year</i>			
<i>IV. Cash at bank and in hand</i>		23,959.12	26,169.12
<b>TOTAL (ASSETS)</b>		<b>43,793.54</b>	<b>43,660.00</b>
<b>CAPITAL, RESERVES AND LIABILITIES</b>			
<b>A. Capital and reserves</b>			
<i>I. Subscribed capital</i>	(4)	31,000.00	31,000.00
<i>V. Profit or loss brought forward</i>		(793.68)	(793.68)
<i>VI. Profit or loss for the financial year</i>		-	-
i) <i>Becoming due and payable within one year</i>	(5)	13,587.22	13,453.68
ii) <i>Becoming due and payable after more than one year</i>			-
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>		<b>43,793.54</b>	<b>43,660.00</b>

**Willow No. 1 (Luxembourg) S.A.**  
**Société Anonyme**  
**Abridged Profit and Loss account for the year ended 31 December 2021**

<u>Profit and Loss Account</u>	<u>Notes</u>	<u>EUR</u> <u>01/01/2021 -</u> <u>31/12/2021</u>	<u>EUR</u> <u>01/01/2020 -</u> <u>31/12/2020</u>
<b>1. to 5. Gross profit (or loss)</b>	(6)	(54,084.74)	(55,571.70)
<b>11. Other interest receivable and similar income</b>			
<i>a) derived from affiliated undertakings</i>			-
<i>b) other interest and similar income</i>	(7)	54,657.72	55,954.76
<b>16. Profit or loss after taxation</b>		<b>572.98</b>	<b>383.06</b>
<b>17. Other taxes not shown under items 1 to 16</b>	(8)	(572.98)	(383.06)
<b>18. Profit or loss for the financial year</b>		<b>-</b>	<b>-</b>



**Willow No. 1 (Luxembourg) S.A.**  
**Société Anonyme**  
**Notes to the annual accounts as at 31 December 2021**

**Note 1 - General Information**

Willow No. 1 (Luxembourg) S.A. (the "Company"), was incorporated under the Law 10 August 1915 on Commercial Companies in Luxembourg on 24th February 2012 for an unlimited duration as a public limited-liability company "Societe Anonyme" (S.A.) and is subject to the Law of 22 March 2004 (the Securitization Law).

The Company has its registered address at 12E, Rue Guillaume Kroll, L-1882 Luxembourg, and is registered at the Luxembourg Commercial Register under number R.C.S. Luxembourg n° 167.397.

The corporate object of the Company is to acquire or assume, directly or through another undertaking, risks relating to receivables, other assets, or obligations assumed by third parties or intrinsic to all or part of the activities of third parties, and to issue securities whose value or yield depends on such risks.

It may in particular:

- acquire by way of subscription, purchase, exchange or in any other manner any assets, hold and dispose of any assets in any manner and/or assume risks relating to any assets;
- exercise all rights whatsoever attached to these assets and risks;
- give guarantees and/or grant security interests over its assets to the extent permitted by the Securitisation Law;
- make deposits at banks or with other depositaries;
- raise funds, issue bonds, notes and other debt securities and any financial instruments, in order to carry out its activity within the frame of its corporate object;
- enter into and maintain swaps, options, forwards, futures, derivatives, foreign exchange transactions and other instruments or arrangements in order to hedge individually or on a portfolio basis a transaction;
- in compliance with article 61 (1) of the Securitisation Law, transfer any of its assets against due consideration and/or in accordance with the relevant issue documentation;
- raise temporary and/or ancillary financings for securitisation transactions.

The above enumeration is indicative and not exhaustive, and is subject to the provisions of the Securitisation Law.

The Company may carry out any transactions which are directly or indirectly connected with its corporate object at the exclusion of any banking activity and engage in any lawful act or activity and exercise any powers permitted for securitisation vehicles under the Securitisation Law to which the Company is subject, that, in either case, are incidental to and necessary or convenient for the accomplishment of the above mentioned purposes; provided that the same are not contrary to the foregoing purposes.

**Note 2 – Summary of significant accounting policies**

**2.1 Basis of preparation**

The annual accounts are prepared in accordance with Luxembourg Law and Generally Accepted Accounting Principles (Lux GAAP). Accounting policies and valuation rules are, besides the ones laid down by the Law of 19th December 2002, as amended, determined and applied by the Board of Directors.

The presentation of these annual accounts is made as required by articles 35 and 47 of the Law of 19th December 2002, as amended.

Following the law of December 18, 2015, amending the law of December 19, 2002, and the Grand-Ducal Regulation of December 18, 2015 dealing with the presentation of the balance sheet and profit and loss account, the Comparative figures have been reclassified adequately.

**Covid-19 Pandemic**

On March 11, 2020, the World Health Organisation declared the Coronavirus (COVID-19) in the category of a pandemic. The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide.

The Management has considered the impact of the COVID-19 on the going concern assumption of the Company. The limited recourse nature of the notes issued by the Company limit the Noteholders' recourse only up to the realisation of the portfolio loans. The Noteholders have no right to petition for insolvency proceedings against the Company in the event that the net proceeds are insufficient to make all payments due in respect of a particular class of notes, the other assets of the Company will not be available for payment and the deficit is instead borne by the Noteholders. In light of this, the Management has concluded that the impact of the Coronavirus does not represent a material uncertainty in relation to the Company's ability to continue as going concerns through the date of the issuance of these financial statements.

The Management has as well assessed the impact of the COVID-19 on the valuation of assets and liabilities of the Company. Based on the monitoring procedures in place the Management did not identify any indicator for an impairment and any value adjustment on the receivables or the notes (including the Schuldscheindarlehen and subordinated notes) issued by the Company.

**2.2 Significant accounting policies**

The main valuation rules applied by the Company are the following:

### **2.2.1 Debtors**

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is either uncertain or compromised at the closing date. These value adjustments are not continued if the reason for which the value adjustments were made have ceased to apply.

### **2.2.2 Creditors**

Creditors are recorded at their reimbursement value.

### **2.2.3 Foreign Currency Translation**

The Company maintains its accounts in Euro ("EUR") and annual accounts are expressed in this currency. Amounts in foreign currencies are translated into EUR on the following basis:

- Assets and liabilities items denominated in currency other than EUR are translated at the rate of exchange prevailing on the balance sheet date;
- Income and expenses denominated in a currency other than EUR are translated into EUR at the exchange rate effective at the time of the transaction
- Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and net of unrealised losses on assets and liabilities recorded in the profit and loss account.

Consequently, the Company recognises all realised and unrealised exchange gains and losses on all assets and liabilities expressed in currencies other than EUR in the profit and loss account.

**Willow No. 1 (Luxembourg) S.A.**  
**Société Anonyme**  
**Notes to the annual accounts as at 31 December 2021**  
**(Continued)**

**Note 3 - Debtors**

All operating expenses of the Company will be reimbursed by Barclays Bank PLC (the Arranger), (refer to note 7).  
As at 31 December 2021, the debtors are comprised of the following fees to be reimbursed by the Arranger.

	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>EUR</b>	<b>EUR</b>
Chambre de Commerce	-	140.00
Administration des contributions	479.36	476.68
Bank fees	10,465.20	8,255.20
Audit fees	8,372.23	8,091.00
Accounting Fees	<u>517.63</u>	<u>528.00</u>
	<u>19,834.42</u>	<u>17,490.88</u>

**Note 4 – Capital and reserves**

The subscribed share capital is set at EUR 31,000 consisting of 31 ordinary shares in registered form with a par value of EUR 1,000 each.

There were no movements on the "Subscribed capital" during the year.

**Legal reserve**

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

As at 31 December 2021 no legal reserve was created by the Company.

**Movements for the year in capital and reserves**

The movements in capital and reserves for the year are as follows:

	<b>Subscribed Capital</b>	<b>Legal Reserve</b>	<b>Profit or (loss) brought forward</b>	<b>Profit or (loss) for the financial year</b>
<b>As at 1st January 2021</b>	31,000.00	-	(793.68)	-
Allocation of prior year's profit or loss	-	-	-	-
Profit or loss of the year	-	-	-	-
<b>As at 31 December 2021</b>	31,000.00	-	(793.68)	-

**Note 5 – Creditors**

Creditors are recorded at their reimbursement value, they are comprised as follows:

	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>EUR</b>	<b>EUR</b>
Audit Fees	8,372.23	8,100.91
Other	4,040.04	-
Administration des contributions	572.98	962.28
Barclays	561.02	1,152.49
Legal Fees	40.95	-
Accounting Fees	0.00	528.00
Excess share capital received	-	500.00
Bank Fees	-	2,210.00
	<u>13,587.22</u>	<u>13,453.68</u>

**Willow No. 1 (Luxembourg) S.A.**  
**Société Anonyme**  
**Notes to the annual accounts as at 31 December 2021**  
**(Continued)**

**Note 6 – Gross Loss**

	<b>01/01/2021 - 31/12/2021</b>	<b>01/01/2020 - 31/12/2020</b>
	<b>EUR</b>	<b>EUR</b>
Accounting and administration fees	34,519.71	34,168.00
Audit fees	8,372.23	8,091.00
CSSF fees	8,000.00	8,000.00
Bank charges	2,210.00	5,172.70
Legal Fees	982.80	-
Other charges	-	140.00
<b>Total other external expenses</b>	<u>54,084.74</u>	<u>55,571.70</u>
<b>Gross Loss</b>	<u>54,084.74</u>	<u>55,571.70</u>

**Note 7 – Other interests receivable and similar income**

Other interests receivable and similar income relates to the reimbursement of the Company's expense in accordance with the Programme expenses letter dated 20 August 2012, whereby the Arranger agrees to pay to the Company on demand specified fee and expenses.

**Note 8 - Tax**

The Company is subject to the minimum annual Corporate Income Tax applicable in Luxembourg.

The Company is a fully taxable Company subject to all Luxembourg direct annual taxes applicable to securitisation vehicles. The Company may be subject to Luxembourg VAT in respect of fees charged for certain services rendered to the Company.

**Note 9 – Advances and loans granted to the members of the administrative, managerial and supervisory body**

There were no advances or loans granted to management during the year ended on 31 December 2021

**Note 10 – Staff**

During the year ended 31 December 2021, the Company did not employ any personnel and, consequently, no payment of wages, salaries or social securities were made.

**Note 11 – Subsequent events**

The ongoing military operation in Ukraine and the related sanctions targeted against the Russian Federation may have impact on the European economies and globally. The Company does not have any significant direct exposure to Ukraine, Russia or Belarus. However, the impact on the general economic situation may require revisions of certain assumptions and estimates. This may lead to material adjustments to the carrying value of certain assets and liabilities including within the next financial year. At this stage management is not able to reliably estimate the impact as events are unfolding day-by-day. The longer-term impact may also affect cash flows. Nevertheless, at the date of these financial statements the Company continues to meet its obligations as they fall due and therefore continues to apply the going concern basis of preparation. In the opinion of the Board of Directors, no other matters or events have occurred subsequent to 31 December 2021 which could materially affect the Annual Accounts and related disclosures for the year ended 31 December 2021.

No other matters or circumstances have occurred subsequent to 31 December 2021 which would materially affect the annual accounts and related disclosures for the year then ended.