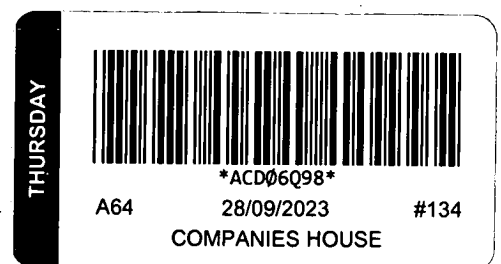


# Clarivate Analytics (UK) Limited

## Annual Report and Financial Statements

Registered number: 3940169

For the year ended 31 December 2022



# Contents

	<b>Page</b>
Company Information	3
Strategic Report	4
Director's Report	12
Independent Auditors' Report to the Members of Clarivate Analytics UK Limited	17
Statement of Comprehensive Income	21
Statement of Financial Position	22
Statement of Changes in Equity	23
Notes to the Financial Statements	24

# Company Information

Company registration number	3940169
Registered office	70 St. Mary Axe, London, EC3A 8BE England
Independent auditors	PricewaterhouseCoopers LLP One Chamberlain Square Birmingham, B3 3AX England
Directors	A.G. Wright J. Chahal
Company Secretary	M. Reeves
Bankers	Citibank N.A. London Citigroup Centre 33 Canada Square Canary Wharf London, E14 5LB England
Solicitors	Davis Polk & Wardwell LLP 5 Aldermanbury Square London, EC2V 7HR England

# Strategic report

The directors present the strategic report for the year ended 31 December 2022.

## Definition

As used in this annual report, "Company" refers to Clarivate Analytics (UK) Limited and "Group" refers to the Clarivate Plc and its subsidiary undertakings. Clarivate Plc is regarded by the directors of the Company as being the Company's ultimate parent company.

## Fair review of the business

The Company operates as both a distributor, of certain products owned or licenced by Camelot UK Bidco Limited, its parent undertaking, and as a provider of sales, marketing, consulting and other related services to that company. The Company, along with its parent and fellow subsidiary undertakings form a leading global information services and analytics provider serving the scientific research, intellectual property and life sciences end-markets. We are a leading global information, analytics and workflow solutions company serving the Academia & Government, Life Sciences & Healthcare, Professional Services and Consumer Goods, Manufacturing & Technology end-markets. We provide structured information and insights to facilitate the discovery, protection, management and commercialization of scientific research, inventions and brands. Our product portfolio includes well-established, market-leading products such as Web of Science, Derwent, Cortellis, DRG, CompuMark, CPA Global and ProQuest. We serve a large, diverse and global customer base. As of 31 December 2022, we served over 50,000 customers in more than 180 countries, including the top 30 pharmaceutical companies by revenues. We believe that the strong value proposition of our content, user interfaces, visualisation and analytical tools, combined with the integration of our products and services into customers' daily workflows, leads to our substantial customer loyalty as evidenced by their high propensity to renew their subscriptions with us.

The Company operates under a limited risk model and earns a fair market return on the distribution of the products owned by its parent and the services it provides to its parent.

The total comprehensive income for the year amounted to £118,264,563, (2021: £20,705,184 ). The results for the current year were significantly impacted by the foreign exchange gain on funding balances from its immediate parent. The net assets at 31 December 2022 were £176,900,000 (2021: £76,948,482). No dividends were declared or paid during the financial year (2021: £Nil). No dividends are proposed before the date of approval of the financial statements.

On 1 March 2022 the company acquired all rights, title and interest in the goodwill, intangible assets, all net assets, liabilities and rights (including, without limitation, intellectual property rights, and rights to names, trading names, or marks) of Patient Connect limited, a subsidiary undertaking, for a cash consideration of £9,539,074 left outstanding on the intercompany current account. The consideration was satisfied with the seller for the same amount. The acquisition was treated as a common control business combination and the excess of purchase price over the existing carrying value of the assets, has been recorded in Other reserves.

On the 1 May 2022, the company acquired all rights, title and interest in the goodwill, intangible assets, all net assets and liabilities and rights (including, without limitation, intellectual property rights, and rights to names, trading names or marks) of Sigmatic Limited, a fellow subsidiary undertaking, for a consideration of £24,500,000. The consideration was satisfied by an intercompany loan agreement with the seller for the same amount. the acquisition was treated as a common control business combination and the excess of purchase price over the existing value of the assets, totalling £15,952,000 has been recorded in Other reserves.

## Events after the reporting date

Management has evaluated the impact of events that have occurred subsequent to December 31, 2022. Based on this evaluation, other than disclosed within these financial statements and related notes or described below, the Company has determined no other events were required to be recognised or disclosed.

# Strategic report (continued)

## Events after the reporting date (continued)

On 31 March 2023 and April 28, 2023, the Group made prepayments of its term loan of \$125m and \$25m respectively.

## Key performance indicators

The Company's business is significantly integrated with other group companies as they provide product and content distribution and consulting services as well as pay distribution fees to the Company, as owner of the intellectual property for the sales in local jurisdictions. The directors are of the opinion that analysis using key performance indicators at the Company level is not useful for an understanding of the development, performance or position of the business given its operations are significantly integrated within the Group and therefore KPI's are reviewed on a Group basis. These are disclosed as part of the SEC filings of Clarivate Plc, a public investment vehicle listed on the New York Stock Exchange (Ticker: CLVT), which does not form part of this report.

As the conflict in Ukraine continues to evolve, management are closely monitoring the current and potential impact on our business, our people, and our clients. Given the levying of sanctions, regional instability, geopolitical shifts, and other potential adverse effects on macroeconomics conditions, security conditions, currency exchange, and financial markets, the short and long-term implications of Russia's invasion of Ukraine are not possible to predict. Management do not expect any direct impacts to the business to be material, but are not currently able to predict any indirect impacts on the global economy and how those could negatively affect the business in the future. Management continue to monitor any evolving impacts of this conflict and its effects on the global economy and geopolitical landscape.

## Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately.

The principal risks and uncertainties that the Company is exposed to are:

- Changes in technology;
- Significant disruption in, or unauthorised access to our computer systems or those of third parties that we utilise in our operations, due to cyber-attacks or cybersecurity related issues.
- Reputation of brands;
- The loss of, or the inability to attract and retain, key personnel;
- Worldwide and regional economic conditions;
- Failure to comply with data protection and privacy laws regarding storage and use of personal data.
- Political, social and unforeseen developments in the different geographic regions we operate in around the world;
- Dependence on third party telecommunications, data centres, and network systems as well as the internet to deliver our products and services; and
- Adverse foreign exchange rate movements

The process of risk management is addressed through a framework of policies, procedures and internal controls developed across the Group. Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided within the financial review section of the Group's annual report which does not form part of this report. Policies are subject to approval by the Clarivate Group Executive Leadership Team and ongoing review by management and the internal audit function.

The Company's assessment and management of its market, credit and liquidity risks are outlined in further detail in note 22.

# Strategic report (continued)

## Section 172 (1) Statement

The directors have a duty to act in a way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of the shareholder and in doing so have regard to a number of broader matters, including the interests of and relationships with other stakeholders.

### Decision making

As directors of one of the major operating companies within the Clarivate Plc Group, decisions are taken in consultation with the Group's board of directors and Executive Leadership Team (ELT) as well as relevant functional team experts. The directors feel confident that by aligning both the Company's and Group's purpose, vision and business strategies they are most likely to promote the success of the Company.

Clarivate Plc (NYSE:CLVT) is a global leader in providing solutions to accelerate the lifecycle of innovation. Our bold mission is to help customers solve some of the world's most complex problems by providing actionable information and insights that reduce the time from new ideas to life-changing inventions in the areas of science and intellectual property. We help customers discover, protect and commercialise their inventions using our trusted subscription and technology-based solutions coupled with deep domain expertise.

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We have a clear purpose. We believe human ingenuity can transform the world and improve our future. Our vision is to improve the way the world creates, protects and advances innovation.

To do this we focus our business strategy on five continuous measurable goals:

1. Increasing customer delight score
2. Improving colleague engagement score
3. Focusing on strong top- and bottom-line growth revenue and EBITDA
4. Providing superior investor returns
5. Building a world-leader in sustainability

### Customers

The directors believes that the best results come from working together in respectful partnership with our colleagues and customers. We aim to delight our customers in all that we do – by gathering facts and insights and delivering what they need when they need it, before they've had a chance to ask. We are committed to acting with integrity and are accountable to ourselves, our colleagues, our customers and our communities.

Twice a year we send out a customer delight survey to understand how we can serve customers better. Based on the results we design initiatives and programs to ensure we continually improve and deliver a better customer experience. Examples of these initiatives include improving data quality, providing transparency into product roadmaps, improving responsiveness and reviewing the quality of our customer services.

### Colleagues

We recognise that our people are our most important asset. Engaged colleagues who feel included will be the most proactive and productive. Colleague engagement is core to our business and one of our key strategic pillars. We survey our workforce on a bi-annual basis to understand our colleagues' engagement, motivations and confidence. The results of the survey are rolled out to team managers and everyone is encouraged to share with their teams and individuals, to gain feedback and build a plan from the bottom up to help colleagues become more connected to the company's purpose and activities. In addition, all colleagues are invited to attend regular online Town Hall m

# Strategic report (continued)

## Colleagues (continued)

These meetings include open question and answer sessions with the ELT as well as the Executive Chairman and CEO. As a Company, we understand the importance of having a diverse workforce. People coming together from different ethnicities and backgrounds, with different life experiences, is a key driver of innovation and transformation. Our strategic plan around diversity, equality and inclusion contains specific programs and measurable actions designed to weave these core attributes into the fabric of our corporate culture because we are committed to living our company values and cultivating talent and harnessing the potential we currently have within our ranks from all walks of life.

As part of our commitment to closing the gender pay gap, we publish our gender pay data for our U.K. business on an annual basis and the reports can be accessed online at: <https://clarivate.com/legal/uk-gender-pay-gap-report/>

## Suppliers

At Clarivate, we value innovation, integrity and exceptional customer service, which is why we are committed to developing strong business relationships with quality suppliers that agree to operate ethical standards consistent with our own. The Clarivate Supplier Code of Ethics seeks to ensure comparable standards of behaviour for our suppliers worldwide, thereby driving a commitment to ethical improvements throughout our supply chain. We have a zero-tolerance approach to any form of modern slavery, servitude, forced or compulsory labour and human trafficking. We are committed to acting ethically and with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within our business or our supply chain. We are firmly opposed to forced labour and all forms of labour exploitation. We continually work towards minimising the risk of human rights violations throughout our supply chain and encourage and support equality. We value all people and, through our colleague resource groups and community engagement efforts, strive to engage and role model equity and equality in all we do. Our anti-slavery statement can be accessed online at: [https://clarivate.com/wp-content/uploads/dlm\\_uploads/2019/07/UK-Modern-Slavery-Act-Clarivate-Analytics-Group-Statement-approved-Board-Meeting-20190225.pdf](https://clarivate.com/wp-content/uploads/dlm_uploads/2019/07/UK-Modern-Slavery-Act-Clarivate-Analytics-Group-Statement-approved-Board-Meeting-20190225.pdf)

## Streamlined Energy & Carbon Reporting

### Our commitment to net-zero before 2040

Climate change requires resolute and accelerated action. At Clarivate, we are committed to doing our part to create a better world today, and for future generations. We have committed to setting a science-based target and to achieving a net-zero future. We support these ambitious goals by being members of the Business Ambition for 1.5 campaign – an urgent call to action from a global coalition of UN agencies, business and industry leaders, in partnership with Race to Zero.

Our approach to attaining carbon neutrality by 2024 is fundamental to being a responsible, sustainable company. We aim to operate eco-efficiently across everywhere we work, from our mailroom to our boardroom, our home offices, supply chain and beyond. Our net-zero journey began with obtaining accurate data, reliable measurement and a solid understanding of our current emissions output. We are building a comprehensive climate transition plan that includes setting an ambitious science-based target.

# Strategic report (continued)

## Streamlined Energy & Carbon Reporting (continued)

While continuously working to reduce our overall energy use, we are also increasing our use of renewables and identifying workplaces with sustainability and environmental certifications wherever possible. In addition, we have publicly declared support for the Task Force on Climate-Related Financial Disclosures (TCFD) and its recommendations.

### 2022 milestones

- Carbon reporting is based on the AA1000 Assurance Standard (AA1000AS v3) and the AA1000 Accountability Principles
- Committed to set a Science Based Target (SBT).
- Participated in 6-month UN Global Compact Climate Ambition Accelerator.
- Joined UNGC TCFD working group.

### 2023 Goals

- Align with Task Force on Climate Related Disclosure requirements
- Define scope and boundaries for setting Science Based Targets
- Publish our Environmental Management Statement.

## 2022 Sustainability performance (487 and 68 global workplaces included in 2021 and 2022)

	Absolute performance			Intensity ratio (absolute/\$m revenue, net)		
	2021	Variance	2022	2021	Variance	2022
Scope 1: Direct greenhouse gas emissions (tCO <sub>2</sub> e)	256	11%	284	0.14	-22%	0.11
Scope 2: Indirect greenhouse gas emissions - location (tCO <sub>2</sub> e)	13,576	-19%	10,976	7.23	-43%	4.13
Scope 3: Business Travel (tCO <sub>2</sub> e)	332	1586%	5,597	0.18	1090%	2.10
Total energy (MWh)	27,662	-7%	25,693	14.74	-34%	9.66
Total water (m <sup>3</sup> )	62,546	-8%	57,785	33.32	-35%	21.73

### Guiding environmental sustainability with data driven insights

At Clarivate, we use data as the foundation for transparency and to highlight why strong environmental stewardship is essential and identify where we can make the greatest impact now and in the future. Through our materiality mapping, we ensure stakeholder alignment in our aim to become carbon neutral and operate eco-efficiently in all we do.

Clarivate is working with JLL, a leading global real estate services company, to help analyse our carbon footprint. Since we maintain a fully leased real estate portfolio, with energy primarily procured through our various landlords around the world, our current carbon emissions are predominantly categorized as Scope 2. We are continuing to track and report consumption by fuel source wherever data is available.

In 2022, of the 68 workplaces cited in the report, covering 1,127,792 square feet, we have received specific data (directly metered or sub-metered) for 43% of the square footage. For an additional 10% of the square footage, a landlord calculates our usage based on the space we occupy because they do not have submetering capability. This leaves 47% of square footage unaccounted for, so we have instead used benchmarks for these areas. We used location-based carbon emissions from either country-specific sources (e.g., U.K. Greenhouse Gas Protocol) or the factors given by the International Energy Agency (IEA).

# Strategic report (continued)

## Streamlined Energy & Carbon Reporting (continued)

We made great improvement and have expanded our overall visibility and data collection in 2022. The data is key to truly understanding our impacts and to further implement effective reduction and mitigation efforts.

- Electricity consumption: 25.7K MWh (Reduction in global electricity consumption from 2019 baseline: 48%)
- Electricity mix: 97% fossil; 3% clean and renewable
- Water consumption: 57.8 m3 (Reduction in global water withdrawal from baseline: 25%)

## JLL Methodology Statement

In November 2022, Clarivate provided a site list of buildings to be included in their sustainability reporting. From the given site list, JLL reached out to the site teams or the property managers to gain copies of the needed utility invoices or recharges. Many the sites had already been disposed of by the time the site list was passed to JLL, but Clarivate wished to add them into the baseline and reporting. For sites like these, and others where we could not obtain data, proxied data was used, relying on benchmarking sources. From there, the data was collected and added into Canopy, JLL's sustainability platform. By using Canopy, we can update the emissions as and when new releases come in and are able to remain consistent from year to year. Clarivate opted to use Canopy's standard set of emissions, below is a bibliography of emission factor sources used.

### Water, Waste

As Clarivate occupies mainly leased spaces, collecting water data is difficult and as such water consumption is mainly based on estimations. This is similar for the waste created within the offices also.

### Business travel

The business travel reported covers air travel only. This is the most significant form of travel for Clarivate employees, although plans are being put in place to report on car travel in future reports. The emissions associated with air travel are calculated from the details of all scheduled flights taken on behalf of Clarivate. Flights are categorised as:

- International – long haul
- International – short haul
- Domestic

The journey distances are recorded for all flights which are then added to Canopy which then produces the emission reports based on the distances flown.

### Our growing list of sustainability certifications

We know the organisations and partners that we do business with matter - especially when it comes to sustainability credentials such as green building and sustainability certifications within our global footprint. As a company that leases our workplaces around the world, we choose to work with organisations who are also committed to sustainability, as evidenced through their actions, such as the use of renewables, implementing eco-efficient business practices and seeking third-party certification such as LEED, Energy Star, BREEAM and NABERS.

- 9 out of our 68 worksites currently have green building certifications.
- 17% of the workplace square footage is under green building certifications.

# Strategic report (continued)

## Streamlined Energy & Carbon Reporting (continued)

Region	Worksite	Sustainability Certification	SqFt	Renewable energy %
Americas	Alexandria	Energy Star	11,574	
Americas	Chandler	LEED Silver	35,213	
Americas	Philadelphia	LEED Gold	78,778	
Americas	Toronto	LEED Gold	16,786	
APAC [1]	Beijing	LEED Silver	13,551	
APAC	Shanghai	LEED Platinum	3,534	
APAC	Sydney	5* NABERS	2,703	
EMEA [2]	London	BREEAM Excellent	17,800	100 %
EMEA	Stockholm	LEED Gold	6,620	100 %

### Our UK environmental performance

In this report we are disclosing data for UK workplaces that were active in 2022:

UK Workplace	SqFt	Sustainability Certification
Bicester	6,600	
London 1	17,800	BREEAM Excellent
Ringwood	22,509	
Manchester	5,557	
Cambridge	13,095	
Jersey	30,782	
London 2	4,465	
<b>TOTAL</b>	<b>100,808</b>	

Electricity Mix	2021	2022
<b>Total (Mwh)</b>	<b>1,982</b>	<b>1,788</b>
Clean & Renewable [3]	13	11
Fossil Fuels	87	89

UK Greenhouse Gas (GHG) Emissions	2021	2022
Scope 1 (tCO <sub>2</sub> e)	105.4	104.9
Scope 2 (tCO <sub>2</sub> e)	352	245
Scope 3 (tCO <sub>2</sub> e) {4}	114,143	3,598,121
<b>Total (tCO<sub>2</sub>e)</b>	<b>114,600</b>	<b>3,598,471</b>

Total UK energy MWh and emissions	2021	2022
United Kingdom MWh	1,721	1,788
United Kingdom tCO <sub>2</sub> e location based	381	350

Total UK electricity MWh and emissions	2021	2022
United Kingdom MWh	1,229	1,297
United Kingdom tCO <sub>2</sub> e location based	276	245

Total UK gas MWh and emissions	2021	2022
United Kingdom MWh	491.20	490.89
United Kingdom tCO <sub>2</sub> e location based	105.37	104.87

# Strategic report (continued)

## Streamlined Energy & Carbon Reporting (continued)

<b>Business travel flight data</b>	<b>2021</b>	<b>2022</b>
Domestic UK miles	4,553	17,967
Domestic UK emissions tCO <sub>2</sub> e	2	8
Long Haul to/from UK miles	67,527	2,303,114
Long Haul to/from UK emissions tCO <sub>2</sub> e	31	1,256
Short Haul to/from UK	42,064	1,277,040
Short Haul to/from UK emissions tCO <sub>2</sub> e	9	361
<b>Total tCO<sub>2</sub>e</b>	<b>114,143</b>	<b>3,598,121</b>

### Governance and risk

Conducting business with honesty and integrity is one of our most important goals. Ethical governance is fundamental to how we operate. Our Code of Conduct is one of the cornerstones of our compliance program. It covers a broad range of topics, which all speak to the principles and values that help us build a strong culture of ethics.

Our code of conduct is reviewed and approved by the Board annually and all colleagues are required to adhere to it. Additional training covering anti-bribery and anti-corruption is also mandatory for all colleagues and the group operates a confidential whistle-blower hotline.

Our governance documents can be accessed online at: <https://ir.clarivate.com/Governance-Documents>

This report was approved by the board and signed on its behalf.



Director:

A.G. Wright

Date: 28 September 2023

[1] Asia-Pacific

[2] Europe, Middle East and Africa

[3] London, St Mary's Axe site is 100% renewable. As there isn't a gas supply and it is renewable energy, it means there isn't scope 1 or 2 for this site.

[4] UK: includes tonnes of carbon generated from flights that took off from the UK or landed in the UK for Clarivate.

# Director's report

The directors present the annual report together with the audited financial statements of the Company for the year ended 31 December 2022.

## Principal activities

The Company provides services relating to scientific and academic research, patent analytics and regulatory standards, trademark protection, pharmaceutical and biotech intelligence, domain brand protection and intellectual property management.

## Results and dividends

The total comprehensive income for the year amounted to £118,264,563 (2021: profit of £20,705,184). The directors have not recommended a dividend (2021: £Nil).

## Future developments

The directors do not envisage any significant change to the nature and performance of the business in the foreseeable future.

## Directors and secretary

The directors who served throughout the financial year and up to the date of signing is as follow:

### *Directors*

A.G. Wright

J. Chahal

### *Company secretary*

M. Reeves

## Director's liability

The Company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision remains in force at the date of approving the director's report.

## Branches

The Company has a foreign branch in the United Arab Emirates at 31 December 2022.

## Employment of disabled persons

During the year the Company has given full and fair consideration to applications for employment from disabled persons having regard for their particular aptitudes and abilities. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged.

The Company has made appropriate arrangements for the training, career development and promotion of disabled persons employed by the Company.

## Employee involvement

During the year the Company has maintained and developed arrangements aimed at employees, consulting them or their representatives on a regular basis so that their view may be taken into account in making decisions which are likely to affect their interests, encouraging their involvement in the Company's performance and achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of their employing Company. This has been achieved by methods such as the issue of employee reports, Company newsletters and by regular meetings between managers and the representatives of such employees. It is Company policy to implement methods of communication and discussion, and the giving of information, which will achieve the objective of well-informed staff committed to making the Company profitable and successful.

# Directors' report (continued)

## Stakeholder Engagement Statement

In accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations (as amended by the Companies (Miscellaneous Reporting) Regulations 2021), this statement provides details of how the directors have engaged with and had regard to the interest of its key stakeholders.

Sustainability is woven throughout every aspect of our business strategy. By adhering to the highest social, environmental and ethical standards and embracing the power of human ingenuity, we will improve the future of our global community while bringing financial rewards to our colleagues and shareholders.

Our sustainability initiative is built on the pillars of governance, environment, colleagues and community.

- Governance – maintaining the highest level of trust and ethics in everything we do.
- Environment – Operating eco-efficiently with care for the planet and natural resources.
- Colleagues – Empowering and supporting all colleagues to thrive and achieve their full potential.
- Community – Sharing time, talent and resources for positive, lasting and meaningful societal impact.

## Customers

The directors believes that the best results come from working together in respectful partnership with our colleagues and customers. We aim to delight our customers in all that we do – by gathering facts and insights and delivering what they need when they need it, before they've had a chance to ask. We are committed to acting with integrity and are accountable to ourselves, our colleagues, our customers and our communities.

Twice a year we send out a customer delight survey to understand how we can serve customers better. Based on the results we design initiatives and programs to ensure we continually improve and deliver a better customer experience.

Examples of these initiatives include improving data quality, providing transparency into product roadmaps, improving responsiveness and reviewing the quality of our customer services.

## Suppliers

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# Directors' report (continued)

## Employee Engagement Statement

We recognise that our people are our most important asset. Engaged colleagues who feel included will be the most proactive and productive. Colleague engagement is core to our business and one of our key strategic pillars. We survey our workforce on a bi-annual basis to understand our colleagues' engagement, motivations and confidence. The results of the survey are rolled out to team managers and everyone is encouraged to share with their teams and individuals, to gain feedback and build a plan from the bottom up to help colleagues become more connected to the company's purpose and activities.

In addition, all colleagues are invited to attend regular online Town Hall meetings. These meetings include open question and answer sessions with the ELT as well as the Executive Chairman and CEO. As a Company, we understand the importance of having a diverse workforce. People coming together from different ethnicities and backgrounds, with different life experiences, is a key driver of innovation and transformation. The Group's strategic plan around diversity, equality and inclusion contains specific programs and measurable actions designed to weave these core attributes into the fabric of our corporate culture because we are committed to living our company values and cultivating talent and harnessing the potential we currently have within our ranks from all walks of life.

As part of our commitment to closing the gender pay gap, we publish our gender pay data for our U.K. business on an annual basis and the reports can be accessed online at: <https://clarivate.com/legal/uk-gender-pay-gap-report/>

## Financial risk management

The management of financial risks is co-ordinated with those undertaken at Group level. The Group's overall risk management programme, as set out in note 22, focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's and the Group's financial performance.

## Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the primary statements and notes of these set of financial statements. In addition, note 22 to the financial statements includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives, details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group's credit facilities at 31 December 2022 consist of \$700m (2021: \$700m) of secured notes due in 2026, \$921m of senior secured notes due in 2028 (2021: \$921m), \$921m senior notes due in 2029 (2021: \$921m), secured borrowings consisting of \$2,497m (2021: \$2,819m) term loans, due 2026, and a \$750m (2021: \$350m) revolving credit facility, due 2027. The secured notes, term loans and revolver are all guaranteed on a joint and several basis by the Company and certain of the Group's other subsidiaries. These Group borrowings are used either to fund investments or are loaned to companies via intercompany accounts to enable companies to settle debt, as such the going concern of the Company, is predicated on the going concern of the wider Group to remain as a going concern.

# Directors' report (continued)

## Going concern (continued)

The Group carries out annually a going concern assessment, this review consists of a planning exercise to assess the potential impact of possible downside scenarios on the Group's future financial position. The scenario planning has taken into account its existing cash position, covenant compliance requirements, the creditworthiness of its banking partners, potential revenue outcomes (in both a worst and reasonable downside scenario), and, to be prudent, evaluated potential reductions in its cost base. This exercise has confirmed that the Group's cash reserves/access to liquidity is sufficient for the Group to continue in operational existence for the foreseeable future and at least 12 months from the date of approval of the Company's financial statement

As a consequence, the directors believe that the Company is well placed to manage its business risks successfully and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. They have received confirmation through a letter of support from their ultimate parent Clarivate Plc, that it intends to support the Company for at least one year after these financial statements are signed.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

## Events after the reporting date

Management has evaluated the impact of events that have occurred subsequent to 31 December 2022. Based on this evaluation, other than disclosed within these financial statements and related notes or described below, the Company has determined no other events were required to be recognised or disclosed.

On 31 March 2023 and 28 April 2023, the Group made prepayments of its term loan of \$125m and \$25m respectively.

## Statement of director's responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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.

The directors are 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.

# Directors' report (continued)

## Statement of director's responsibilities (continued)

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Directors' confirmations

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

- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- that directors have taken all the steps that ought to have been 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, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Director:

\_\_\_\_\_

A.G. Wright

Date:

28 September 2023

# Independent auditors' report to the members of Clarivate Analytics (UK) Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Clarivate Analytics (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 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 2022; 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' 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.

## Independent auditors' report to the members of Clarivate Analytics (UK) Limited (continued)

### 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 are 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 Directors' 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 Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 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 Directors' 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, the directors are 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 are 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 are 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 intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# Independent auditors' report to the members of Clarivate Analytics (UK) Limited (continued)

## 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 Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 posting of inappropriate journal entries and management bias in accounting estimates, in particular for impairment of investments and impairment of trade debtors. Audit procedures performed by the engagement team included:

- Inquiries of management and reviewing minutes of meetings of those charged with governance regarding any known or suspected instances of fraud or non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Challenging and testing significant assumptions and judgments made by management in their accounting estimates, in particular in relation to impairment of investments and impairment of trade debtors;
- Testing of journals posted to revenue and cash that have unusual account combinations.

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.

# Independent auditors' report to the members of Clarivate Analytics (UK) Limited (continued)

## 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.

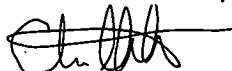
## Other required reporting

### 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.



Christopher Hibbs (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
28 September 2023

# Statement of Comprehensive Income

For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Revenue	4	340,185	315,738
Administrative expenses		(220,859)	(294,227)
<b>Profit before interest and taxation</b>		<b>119,326</b>	<b>21,511</b>
Profit on sale of businesses		—	—
<b>Profit before interest and taxation</b>		<b>119,326</b>	<b>21,511</b>
Finance costs		(805)	(575)
<b>Profit before taxation</b>	5	<b>118,521</b>	<b>20,936</b>
Income tax expense	8	(257)	(231)
<b>Profit for the financial year</b>		<b>118,264</b>	<b>20,705</b>
Other comprehensive (expense)/income		—	156
<b>Total comprehensive income for the year</b>		<b>118,264</b>	<b>20,861</b>

The notes on pages 24 to 48 form an integral part of these financial statements.

# Statement of Financial Position

As at 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Fixed Assets</b>			
Intangible assets	9	6,131	6,626
Goodwill	10	11,741	10,947
Tangible assets	11	3,721	540
Right-of-use assets	12	9,109	9,584
Investments	13	35,412	35,412
		<u>66,114</u>	<u>63,109</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	14	952,618	2,379
Debtors: amounts falling due within one year	14	259,933	240,854
Cash and cash equivalents	15	812	745
		<u>1,213,363</u>	<u>243,978</u>
Lease liabilities		—	(10)
Creditors: amounts falling due within one year	16	(248,064)	(214,385)
<b>Net current assets</b>		<u>965,299</u>	<u>29,583</u>
<b>Total assets less net current liabilities</b>		<u>1,031,413</u>	<u>92,692</u>
Creditors: amounts falling due after more than one year	17	(854,513)	(15,745)
<b>Net assets</b>		<u><u>176,900</u></u>	<u><u>76,947</u></u>
<b>Equity</b>			
Called up share capital	19	1	1
Share premium account	21	94,524	94,524
Other reserves	21	(127,012)	(100,762)
Retained earnings	21	209,387	83,184
<b>Total equity</b>		<u><u>176,900</u></u>	<u><u>76,947</u></u>

The notes on pages 24 to 48 form an integral part of these financial statements.

The financial statements on pages 21 to 48 were authorised for issue by the board of directors on 28 September 2023 and were signed on its behalf by:



A.G. Wright  
Director

Registered number: 3940169

# Statement of Changes in Equity

For the year ended 31 December 2022

	Note	Share capital £'000	Share premium account £'000	Other reserves £'000	Retained earnings £'000	Total Equity £'000
At 1 January 2021		1	94,524	(99,162)	63,536	58,899
Profit for the financial year		—	—	—	20,705	20,705
Other comprehensive expense		—	—	—	156	156
Total comprehensive income for the year		—	—	—	20,861	20,861
Business Combination		—	—	(1,600)	—	(1,600)
Stock compensation settlement	20	—	—	—	(1,213)	(1,213)
Total transactions with owners, recognised directly in equity		—	—	(1,600)	(1,213)	(2,813)
<b>As at 31 December 2021</b>		<b>1</b>	<b>94,524</b>	<b>(100,762)</b>	<b>83,184</b>	<b>76,947</b>
Profit for the financial year		—	—	—	118,264	118,264
Other comprehensive income		—	—	—	118	118
Total comprehensive income for the year		—	—	—	118,382	118,382
Business Combination		—	—	(26,250)	—	(26,250)
Stock compensation settlement	20	—	—	—	7,821	7,821
Total transactions with owners, recognised directly in equity		—	—	(26,250)	7,821	(18,429)
<b>As at 31 December 2022</b>		<b>1</b>	<b>94,524</b>	<b>(127,012)</b>	<b>209,387</b>	<b>176,900</b>

The notes on pages 24 to 48 form an integral part of these financial statements.

# Notes to the financial statements

## 1. Corporate information

Clarivate Analytics (UK) Limited (the "Company") is a private company limited by shares, incorporated and domiciled in the United Kingdom. Since 31 December 2021 registered office and principal place of business of the Company is located at 70 St. Mary Axe, London, EC3A 8BE.

The Company provides services relating to scientific and academic research, patent analytics and regulatory standards, trademark protection, pharmaceutical and biotech intelligence; domain brand protection and intellectual property management.

The Company's immediate parent is Camelot UK Bidco Limited ("BIDCO"), registered in the United Kingdom. Camelot UK Bidco Limited's registered office is at 70 St. Mary Axe, London, EC3A 8BE.

## 2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies, on the going concern basis and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006.

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

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- the requirements of IFRS 7, 'Financial Instruments: Disclosures'.
- the requirements of 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).
- the requirements of paragraph 38 of IAS 1, 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16, 'Property Plant and Equipment'; -and
  - paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliation between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);

# Notes to the financial statements (continued)

## 2. Significant accounting policies (continued)

### 2.1 Basis of preparation (continued)

–111 (cash flow statement information); and

–134–136 (capital management disclosures).

- the requirements of IAS 7 Statement of Cash Flows.
- the requirements of paragraphs 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).
- the requirements of paragraphs 17 (key management compensation) and 18A (key management services provided by a separate management entity) of IAS 24 Related Party Disclosures
- the requirements in IAS 24, Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of assets (disclosures when the recoverable amount is fair value less costs of disposal, assumptions involved in estimating recoverable amounts of cash-generating units containing goodwill or intangible assets with indefinite useful lives, and management's approach to determining these amounts).

The Company's financial statements are prepared in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### 2.2 Exemption from preparing group financial statements

In accordance with the exemption granted by Section 401 of the Companies Act 2006, the Company does not prepare consolidated financial statements as publicly available consolidated group financial statements are drawn up by the ultimate parent undertaking of the Company, Clarivate Plc. As a result, these financial statements present information relating to the Company as an individual undertaking and do not contain consolidated financial information as the parent of a group.

### 2.3 New and amended standards adopted by the Company

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company. None are expected to have a significant impact on the Company.

### 2.4 Accounting standards issued but not yet effective and not adopted early by the Company

On 23 January 2020, the IASB issued an amendment to IAS1 which aims to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2023.

# Notes to the financial statements (continued)

## 2. Significant accounting policies (continued)

### 2.4 Accounting standards issued but not yet effective and not adopted early by the Company (continued)

On 14 May 2020, the IASB issued an amendment to IAS 37, 'Onerous Contracts — Cost of Fulfilling a Contract' amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022.

### 2.5 Revenue

The Company derives revenue by selling information on a subscription and single transaction basis as well as from performing professional services. Revenue is recognised when control of these services is transferred to the customer for an amount, referred to as the transaction price, that reflects the consideration to which the Company is entitled in exchange for those services. The Company determines revenue recognition utilising the following five steps: (1) identification of the contract with a customer, (2) identification of the performance obligations in the contract (promised services that are distinct), (3) determination of the transaction price, (4) allocation of the transaction price to the performance obligations, and (5) recognition of revenues when, or as, the Company transfers control of the product or service for each performance obligation. Revenues are recognised net of discounts, as well as value added and other sales taxes. Cash received or receivable in advance of the delivery of the services or publications is included in deferred revenues.

The Company disaggregates revenue based on revenue recognition pattern. Subscription based revenues are recognised over time whereas our transactional revenues are recognised at a point in time. The Company believes subscription and transaction is reflective of how the Company manages the business. The revenues recognition policies for the Company's revenue streams are discussed below:

- Subscription-based revenues are recurring revenues that are earned under contracts pursuant to which we license the right to use our products to our customers. Revenues from the sale of subscription data and analytics solutions are typically invoiced annually in advance and recognised rateably over the year as revenues are earned.
- Transactional revenues are revenues that are earned under contracts for specific deliverables. All intergroup revenue is transactional. Revenues from the sale of transactional products and services are invoiced and recognised according to the terms and performance obligations of the contract, typically in arrears.

### 2.6 Administrative expenses

As the Company acts as a distributor and service provider for the products owned by its parent undertaking, the directors consider that the nature of its services are purely administrative, rather than specific to the cost of the product itself and therefore that classification in the single category of administrative costs is the most appropriate accounting classification. Administrative expenses are recognised in the statement of comprehensive income upon utilisation of the service or as incurred.

### 2.7 Deferred income

Deferred income, a contract liability, is recorded when cash payments are received or due in advance of the transfer of the related services.

# Notes to the financial statements (continued)

## 2. Significant accounting policies (continued)

### 2.8 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the primary statements and notes of these set of financial statements. In addition, note 22 to the financial statements includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives, details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group's credit facilities at 31 December 2022 consist of \$700m (2021: \$700m) of secured notes due in 2026, \$921m of senior secured notes due in 2028 (2021: \$921m), \$921m senior notes due in 2029 (2021: \$921m), secured borrowings consisting of \$2,497m (2021: \$2,819m) term loans, due 2026, and a \$750m (2021: \$350m) revolving credit facility, due 2027. The secured notes, term loans and revolver are all guaranteed on a joint and several basis by the Company and certain of the Group's other subsidiaries. These Group borrowings are used either to fund investments or are loaned to companies via intercompany accounts to enable companies to settle debt, as such the going concern of the Company, is predicated on the going concern of the wider Group to remain as a going concern.

The Group carries out annually a going concern assessment, this review consists of a planning exercise to assess the potential impact of possible downside scenarios on the Group's future financial position. The scenario planning has taken into account its existing cash position, covenant compliance requirements, the creditworthiness of its banking partners, potential revenue outcomes (in both a worst and reasonable downside scenario), and, to be prudent, evaluated potential reductions in its cost base. This exercise has confirmed that the Group's cash reserves/access to liquidity is sufficient for the Group to continue in operational existence for the foreseeable future and at least 12 months from the date of approval of the Company's financial statement

As a consequence, the directors believe that the Company is well placed to manage its business risks successfully and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. They have received confirmation through a letter of support from their ultimate parent Clarivate Plc, that it intends to support the Company for at least one year after these financial statements are signed.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

### 2.9 Finance costs

Interest payable is recorded in the statement of comprehensive income as it accrues, using the effective interest method.

### 2.10 Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed, and equity instruments issued. When a business combination agreement provides for an adjustment to the cost of the combination which is contingent on future events, the Company includes an estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

However, if the potential adjustment is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination.

# Notes to the financial statements (continued)

## 2. Significant accounting policies (continued)

### 2.10 Goodwill (continued)

Changes in the estimated value of contingent consideration arising on business combinations completed as a consequence results in a change in the carrying value of the related goodwill.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to statement of comprehensive income. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life.

It has been deemed, however, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view. The effect of this departure has not been quantified because it is impractical and, in the opinion of the directors, would be misleading.

### 2.11 Common control business combinations

A business combination is a common control combination if the combining entities are ultimately controlled by the same party both before and after the combination and the control is not transitory. The Company adopts the predecessor value method and records the acquired assets and liabilities at their existing carrying values. No fair value adjustments are made, but adjustments to reflect uniform accounting policies are reflected as applicable. The excess of purchase price over the existing carrying value of assets and liabilities acquired is reflected in other reserves in equity (note 21).

### 2.12 Intangible assets

Intangible assets are initially recorded at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Certain costs incurred in connection with the development of software to be used internally or for providing services to customers are capitalised once a project has progressed beyond a conceptual, preliminary stage to that of application development. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Customer relationships primarily consist of customer contracts, that were transferred from Clarivate Analytics LLC during 2018 and the customer relationships arising from such contracts. These are written off on a straight-line basis over their estimated useful lives. There is estimation and judgement involved in determining the estimated useful lives of these customer relationships.

# Notes to the financial statements (continued)

## 2. Significant accounting policies (continued)

### 2.12 Intangible assets (continued)

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

The estimated useful lives range as follows:

Computer software	-	3 years
Content	-	3 years
Customer relationships	-	2-14 years

### 2.13 Tangibles fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged, when an asset is available for use, so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Equipment and motor vehicles	-	3-5 years
Leasehold improvements	-	3 years or lease term whichever is lower
Computer equipment	-	3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

### 2.14 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards

## Notes to the financial statements (continued)

### 2. Significant accounting policies (continued)

#### 2.14 Investments (continued)

are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### 2.15 Financial instruments

##### *Financial assets*

Financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting year financial assets measured at amortised cost are assessed for objective evidence of impairment. The impairment loss is recognised in profit or loss account. A provision for expected credit losses is created where there is evidence that the company will not be able to collect all amounts due.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade debtors is impaired.

The Company applies the IFRS 9 simplified approach to measure expected credit loss which uses a lifetime expected loss allowance for all trade receivables. The credit loss provision is computed based on the historical collection pattern of the specific country in which the customer operates and is adjusted to reflect current and forward-looking information.

##### *Financial liabilities*

Financial liabilities, including trade and other payables, bank loans, loans from fellow companies are classified as debt, are initially recognised at transaction price.

Trade payable represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting year. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits held at call with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of changes in value.

#### 2.17 Foreign currency translation

##### *Functional and presentation currency*

The Company's functional and presentational currency is GBP.

##### *Transactions and balances*

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rates at the transaction

# Notes to the financial statements (continued)

## 2. Significant accounting policies (continued)

### 2.17 Foreign currency translation (continued)

date and non-monetary items measured at fair value are translated using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary items denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenses'.

### 2.18 Employee benefits

The company operates various post-employment obligation schemes, including both defined contribution pension plans and end of service gratuity payments.

#### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

### 2.19 Provision for liabilities

Provisions for liabilities are recognised where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

### 2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

#### 2.20 Current and deferred taxation

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

# Notes to the financial statements (continued)

## 2. Significant accounting policies (continued)

### 2.20 Current and deferred taxation (continued)

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 2.21 Share based compensation plan

Share-based compensation expense includes cost associated with stock options granted to certain members of key management by Clarivate Plc, the ultimate parent company. Prior to the merger of Camelot Holdings (Jersey) Limited and Churchill Capital Corp on 13 May 2019, the stock options were granted by Camelot Holdings (Jersey) Limited, an intermediate holding company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. A credit is recognised directly in equity.

The fair value of stock options is estimated at the date of grant using the Black-Scholes option pricing model, which requires management to make certain assumptions of future expectations based on historical and current data. The assumptions include the expected term of the stock option, expected volatility, dividend yield, and risk-free interest rate. The expected term represents the amount of time that options granted are expected to be outstanding, based on forecasted exercise behaviour. The risk-free rate is based on the rate at grant date of zero-coupon U.S. Treasury Notes with a term comparable to the expected term of the option. Expected volatility is estimated based on the historical volatility of comparable public entities' stock price from the same industry. The Company's dividend yield is based on forecasted expected payments, which are expected to be zero for current plan. The Company recognises compensation expense over the vesting period of the award on a straight-line basis. When options are exercised, the cost the company incurs is accounted for as a deduction in equity.

### 2.22 Leases

The company leases various offices. Until the 2018 financial year, leases of property were classified as either finance leases or operating leases. Following the adoption of IFRS16 on 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the company under residual value guarantees;
- The exercise price of a purchase option if the company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

# Notes to the financial statements (continued)

## 2. Significant accounting policies (continued)

### 2.22 Leases (continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. The company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

### 2.23 Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control or exercise significant influence over the other party in making financial and operational decisions. Related parties may be individuals or corporate entities.

### 2.24 Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain executive officers are considered key management personnel.

## Notes to the financial statements (continued)

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 101 requires management to exercise its judgement in the process of applying the following accounting policies. Management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on historical information and other factors which management consider reasonable

#### 3.1 Impairment of trade debtors (estimate)

A significant degree of estimation is applied by management when considering expected credit losses on trade receivables and contract assets. When assessing impairment of trade and other receivables, management considers factors including historical loss experience for assets with similar credit risk characteristics, default of payments, indications of financial difficulties of the specific customer, and general economic conditions. The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables. A provision for expected credit loss has been made of £4,008,000 (2021: £3,080,000). An increase in the expected credit loss rate of 1% above management's own assessment would increase the provision by £1,667,369 (2021: £1,150,473).

### 4. Revenue

The Company has one operating segment and an analysis of revenue by class of business is as follows:

	2022	2021
	£'000	£'000
Subscription	247,924	225,810
Transactional	92,261	89,928
<b>Total revenue</b>	<b>340,185</b>	<b>315,738</b>

Analysis of revenue by destination:

2022	UK	European Union	North America	China	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000
External	30,741	108,950	4,972	78,388	72,892	295,943
Intra-group	44,242	—	—	—	—	44,242
	<b>74,983</b>	<b>108,950</b>	<b>4,972</b>	<b>78,388</b>	<b>72,892</b>	<b>340,185</b>
<hr/>						
2021	UK	European Union	North America	China	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000
External	26,887	106,786	18,389	70,585	40,518	263,165
Intra-group	52,573	—	—	—	—	52,573
	<b>79,460</b>	<b>106,786</b>	<b>18,389</b>	<b>70,585</b>	<b>40,518</b>	<b>315,738</b>

## Notes to the financial statements (continued)

### 4. Revenue (continued)

#### *Assets and liabilities related to contracts with customers*

The company has recognised the following assets and liabilities related to contracts with customers.

	2022	2021
	£'000	£'000
Contract liabilities (note 16, 17)	166,809	149,702

#### *i Significant changes in contract assets and liabilities*

Contract liabilities have increased by £17,107.

#### *ii Revenue recognised in relation to contract liabilities*

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

Revenue recognised that was included in the contract liability balance at the beginning of the year,

	2022	2021
	£'000	£'000
Revenue	148,062	150,031

#### *Assets recognised from costs to fulfil a contract*

In addition to the contract balances disclosed above, the company has also recognised an asset in relation to costs to fulfil long term contracts:

	2022	2021
	£'000	£'000
Asset recognised from costs incurred to fulfil a contract at 31 December	8,539	4,967
Amortisation and impairment loss recognised as cost of providing services during the year	1,594	2,746

### 5. Profit before taxation

The operating profit is stated after charging/ (crediting):

	2022	2021
	£'000	£'000
Staff costs (note 7)	75,092	64,750
Depreciation of tangible assets (note 11)	598	296
Depreciation of right of use assets (note 12)	1,212	85
Amortisation of intangible assets (note 9)	854	884
Profit on sale of business	—	—
Foreign exchange (gain)/loss	(94,093)	821
Impairment of trade debtors	2,131	395

## Notes to the financial statements (continued)

### 6. Auditors' remuneration

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company.

	2022	2021
	£'000	£'000
Audit fee	111	92
	<u>111</u>	<u>92</u>

During the year, audit fees in respect of fellow UK group subsidiaries were also billed to the Company, but subsequently recharged to the respective entities to which they relate.

### 7. Employees

Staff costs were as follows:

	2022	2021
	£'000	£'000
Wages and salaries	49,624	45,257
Social security costs	5,998	7,624
Other pension costs	2,383	2,599
Share based payments (note 20)	10,827	6,524
Severance	6,260	2,746
	<u>75,092</u>	<u>64,750</u>

The average monthly number of persons employed on a full-time basis by the company (including the directors) during the year, analysed by category, was as follows:

	2022	2021
	No.	No.
Administration	294	260
Sales and marketing	152	149
Editorial	52	70
Customer service	28	32
	<u>526</u>	<u>511</u>

## Notes to the financial statements (continued)

### 7. Employees (continued)

The directors' emoluments were as follows:

	2022	2021
	£'000	£'000
Aggregate emoluments	297	266
Company contributions to money purchase pension scheme	16	15
	<u>313</u>	<u>281</u>
Highest paid director's emoluments		
Aggregate emoluments	297	266
Company contributions to money purchase pension scheme	16	15
	<u>313</u>	<u>281</u>

During the year, retirement benefits were not accruing to any directors (2021: £Nil) in respect of defined contribution pension schemes.

No directors exercised share options during the year (2021: Nil) or received shares under a long term incentive scheme. (2021: Nil)

No Compensation for loss of office in respect of directors was paid during the year (2021: Nil).

### 8. Income tax expense

	2022	2021
	£'000	£'000
Prior year tax charge	14	—
Foreign tax	243	231
Total current tax	<u>257</u>	<u>231</u>
Total deferred tax	—	—
<b>Tax on profit</b>	<u><u>257</u></u>	<u><u>231</u></u>

The tax assessed for the year is lower than (2021 – lower than) the standard rate of corporation tax in the UK for the year ended 31 December 2022 of 19% (2021 – 19%) as set out below:

#### Factors affecting the tax charge for the year

	2022	2021
	£'000	£'000
Profit before taxation	<u>118,521</u>	<u>20,936</u>
Profit before taxation multiplied by standard rate of UK corporation tax of 19% (2021: 19%)	22,522	3,978
<b>Effects of:</b>		
Non-deductible expenses	1,389	(181)
Group relief not paid for	(23,475)	(4,145)
Deferred tax asset not recognised	(436)	348
Foreign taxes paid	243	231
Adjustments in relation to prior years	14	—
<b>Total tax charge for the year</b>	<u><u>257</u></u>	<u><u>231</u></u>

## Notes to the financial statements (continued)

### 8. Income tax expense (continued)

Effective from 1 April 2023, the UK corporate tax rate will increase from 19% to 25%. This change does not have a material impact on the taxation balances reported in these financial statements. Deferred taxes at the balance sheet date have been measured using these enacted tax rate

<b>Unrecognised deferred tax asset</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Timing differences related to fixed assets	1,516	1,972
Other timing differences	1,394	1,337
	<u>2,910</u>	<u>3,309</u>

Deferred tax is calculated at 25% (2021: 25%)

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable. The company is not currently expected to utilise the deferred tax assets due to the UK Clarivate group not being in a net taxable position and under the accounting policy will share its losses with other UK group companies without charge. Due to the non recognition of deferred tax the change in tax rate will have no impact on the Company's deferred tax position. The company didn't recognise deferred tax assets of £2,910 (2020: £3,309).

### 9. Intangible assets

	<b>Customer relationship</b>	<b>Computer software</b>	<b>Database &amp; Content</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>				
At 1 January 2022	24,188	182	—	24,370
Additions	—	2	357	359
Disposals	—	—	—	—
At 31 December 2022	<u>24,188</u>	<u>184</u>	<u>357</u>	<u>24,729</u>
<b>Accumulated amortisation</b>				
At 1 January 2022	17,636	108	—	17,744
Disposals	—	—	—	—
Charge for the year (note 5)	748	25	81	854
At 31 December 2022	<u>18,384</u>	<u>133</u>	<u>81</u>	<u>18,598</u>
<b>Net Book Value</b>				
At 31 December 2022	<u>5,804</u>	<u>51</u>	<u>276</u>	<u>6,131</u>
As at 31 December 2021	<u>6,552</u>	<u>74</u>	<u>—</u>	<u>6,626</u>

## Notes to the financial statements (continued)

### 10. Goodwill

	2022	2021
	£'000	£'000
<b>Cost</b>		
At 1 January and 31 December	10,947	10,947
Additions	794	—
<b>At 31 December 2022</b>	<u>11,741</u>	<u>10,947</u>
<b>Accumulated amortisation</b>		
At 1 January and 31 December	—	—
<b>Net book value</b>		
At 1 January and 31 December	<u>11,741</u>	<u>10,947</u>

The Company performed the required annual impairment test of the carrying value of goodwill as at the 31 December 2022. Management assessed the fair value using a discounted cash flow methodology. As a result of this impairment review, management did not identify any impairments in the carrying value. The estimated value in use exceeded the carrying value of the goodwill and related assets owned by the Company and as a result no goodwill impairment needed to be recorded. Management also performed sensitivity analysis in respect of the significant assumptions outlined above and concluded that no reasonable changes in these assumptions would result in an impairment.

Goodwill addition in 2022 related to Sigmatic net assets transferred to the Company.

### 11. Tangible assets

	Equipment and motor vehicles	Leasehold Improvements	Computer equipment	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 January 2022	147	—	1,441	1,588
Additions	415	2,399	965	3,779
Disposals	—	—	—	—
<b>At 31 December 2022</b>	<u>562</u>	<u>2,399</u>	<u>2,406</u>	<u>5,367</u>
<b>Accumulated depreciation</b>				
At 1 January 2022	77	—	971	1,048
Disposals	—	—	—	—
Charge for the year (note 5)	71	163	364	598
<b>At 31 December 2022</b>	<u>148</u>	<u>163</u>	<u>1,335</u>	<u>1,646</u>
<b>Net Book Value</b>				
At 31 December 2022	<u>414</u>	<u>2,236</u>	<u>1,071</u>	<u>3,721</u>
As at 31 December 2021	<u>70</u>	<u>—</u>	<u>470</u>	<u>540</u>

## Notes to the financial statements (continued)

### 12. Right-of-use assets

	<b>Property</b>
<b>Cost</b>	<b>£'000</b>
At 1 January 2022	9,713
Additions	737
Disposals	—
At 31 December 2022	<u>10,450</u>
<b>Accumulated depreciation</b>	
At 1 January 2022	129
Charge for the year (note 5)	1,212
Disposals	—
At 31 December 2022	<u>1,341</u>
<b>Net Book Value</b>	
At 31 December 2022	<u><u>9,109</u></u>
At 31 December 2021	<u><u>9,584</u></u>

### 13. Investments

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
At 1 January	35,412	25,873
Additions	—	9,539
Closing balance at 31 December	<u><u>35,412</u></u>	<u><u>35,412</u></u>

On 21 December 2021, the Company acquired control of Patient Connect Limited, a provider of patient engagement solutions in Europe. The acquisition was completed for a total purchase price of £9,539, in 2022 the net assets were acquired by Clarivate Analytics UK Limited.

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company as at 31 December 2022.

<b>Investment</b>	<b>Country of incorporation</b>	<b>% of ownership</b>	<b>Principal activities</b>
Centre for Innovation in Regulatory Science Limited	Ordinary shares	100%	Pharmaceutical research
Centre for Medicines Research International Limited	Ordinary shares	100%	Benchmarking research and development data
Patient Connect Limited	Ordinary shares	100%	Non trader

The registered address of all the Company's subsidiaries is at 70 St. Mary Axe, London, EC3A 8BE England.

## Notes to the financial statements (continued)

### 14. Debtors

	2022	2021
	£'000	£'000
<b>Amounts falling due after more than one year</b>		
Asset recognised for costs incurred to fulfil a contract	3,245	2,379
Amounts due from group undertakings	949,373	—
	<u>952,618</u>	<u>2,379</u>
<b>Amounts falling due within one year</b>		
	2022	2021
	£'000	£'000
Trade debtors	131,298	109,110
Amounts due from group undertakings	115,462	124,709
Other receivables	433	85
Prepayments and accrued income	627	2,750
Corporation Tax receivable	6,819	—
Asset recognised for costs incurred to fulfil a contract	5,294	4,200
	<u>259,933</u>	<u>240,854</u>

Trade debtors are stated after expected credit loss provision of £4,008,000 (2021: £3,080,000). Amounts due from group undertakings represent distribution services rendered by the Company's subsidiaries. These amounts are unsecured, interest free, repayable on demand and are expected to be settled in cash. Provision for impairment of amounts owed by group undertakings have been assessed and considered not material for recognition.

The company provides for loans receivable and payable arising from daily cash pooling sweep facilities between itself and a parent undertaking. The outstanding loan must be repaid on the dates of expiry of the facilities in 2026

### 15. Cash and cash equivalents

	2022	2021
	£'000	£'000
Cash at bank and in hand	812	745
	<u>812</u>	<u>745</u>

## Notes to the financial statements (continued)

### 16. Creditors: amounts falling due within one year -

	2022	2021
	£'000	£'000
Trade creditors	3,117	2,453
Amounts owed to group undertakings	63,289	50,417
Other taxation and social security	4,955	4,265
Other creditors	1,501	1,537
Accruals and deferred income	175,202	155,713
	<u>248,064</u>	<u>214,385</u>

Amounts owed to fellow group undertakings are unsecured, non-interest bearing and repayable on demand.

### 17. Creditors: amounts falling due after more than one year

	2022	2021
	£'000	£'000
Amounts owed to group undertakings	840,199	37
Long term lease liability	10,180	9,614
Accruals and deferred income- non current	4,134	6,094
	<u>854,513</u>	<u>15,745</u>

Amounts owed to group undertakings was made up of a loan between the Company and Sigmatic Ltd for the principal amount of £24,500,000. This is an interest-bearing loan at SONIA+3.35% per annum payable on demand, or if no demand is made, in arrears on the maturity date. The principal amount of £24,500,000 and any accrued and unpaid interest thereon, shall be payable immediately upon 30 October 2026 (maturity date).

The company provides for loans receivable and payable arising from daily cash pooling sweep facilities between itself and a parent undertaking. The outstanding loan must be repaid on the dates of expiry of the facilities in 2026

### 18. Defined contribution scheme

The Company participates in a number of group pension schemes operated by the Clarivate Group. The pension schemes are of the defined contribution type and their assets are held in a separate trustee-administered fund. The cost of contributing to the fund is charged to the Statement of Comprehensive Income as it is incurred.

The total defined contributions pension cost to the company was £2,491,020 (2021: £2,450,000).

Contributions amounting to £396,000 (2021: £325,000) were outstanding payable to the fund at the reporting date.

## Notes to the financial statements (continued)

### 19. Called up share capital

Shares classified as equity	2022 £'000	2021 £'000
<b>Allotted, called up and fully paid</b>		
1,323 (2021: 1,323) Ordinary shares of £1 each	1	1

### 20. Share-based compensation

#### Employee Incentive Plans

Under the 2022 Incentive Award Plan, equity awards may be issued in the form of options to purchase shares of Clarivate Plc which are exercisable upon the occurrence of conditions specified within individual award agreements. Equity awards may also be issued in the form of restricted shares with dividend rights subject to vesting terms and conditions specified in individual award agreements. Additionally, Clarivate Plc may make available share purchase rights under the terms of the 2022 Incentive Award Plan. Total share-based compensation expense included in the Statement of

Comprehensive Income amounted to £10,826,596 for the year ended 31 December 2022 (2021: £8,661,000).

Clarivate Plc issues shares for stock options from authorised shares. At 31 December 2022, Clarivate Plc was authorised to grant up to 60,000,000 stock options under its existing stock incentive plans.

Due to an acceleration of outstanding options in December 2021, there was no (2021: £Nil) unrecognised compensation cost at 31 December 2022, related to outstanding stock options.

The Company's stock option activity is summarised below:

	Number of options	Weighted average exercise price per share (\$)	Weighted- average remaining contractual life (in years)	Aggregate intrinsic value(\$)
Balance 1 January 2022	860,309	12.25	2.90	9,837,985
Granted	—	—	—	—
Forfeited	—	—	—	—
Exercised	(101,374)	6.80	—	—
Expired	(412,305)	14.05	—	—
Outstanding as of 31 December 2022	346,630	11.71	3.39	192,969
Vested & exercisable at 31 December 2022	346,630	11.71	3.39	192,969

The aggregate intrinsic value in the table above represents the difference between the Company's most recent valuation and the exercise price of each in-the-money option on the last day of the period presented. There were 101,374 of stock options exercised in the year ended 31 December 2022 (2021: 1,184,896). The number of stock options granted in the year ended 31 December 2022 was - (2021: Nil). The weighted-average fair value of options granted per share was \$Nil as of 31 December 2022 (2021: \$Nil).

The Company accounts for awards issued under the Equity Incentive Plan as additional contributions to equity. Share-based compensation includes expense associated with stock option grants which is estimated based on the grant date fair value of the award issued.

## Notes to the financial statements (continued)

### 20. Share-based compensation (continued)

Share-based compensation expense related to stock options is recognised over the vesting period of the award, which is generally five years, on a grade-scale basis. The Company uses the Black-Scholes option pricing model to estimate the fair value of options granted. The Black-Scholes model takes into account the fair value of an ordinary share and the contractual and expected term of the stock option, expected volatility, dividend yield, and risk-free interest rate. The fair value of its ordinary shares is determined utilising an external third party pricing specialist. The contractual term of the option ranges from the 1 year to 10 years.

Expected volatility is the average volatility over the expected terms of comparable public entities from the same industry historical data. The risk-free interest rate is based on a treasury rate with a remaining term similar to the contractual term of the option. At this time the Company does not expect to distribute any dividends. The Company recognises forfeitures as they occur and does not expect to have material forfeitures.

For the current year we have not disclosed any assumptions as there were no new grants in 2022, just modifications. The assumptions used to value the Company's options granted during 2021 presented and their expected lives were as follows.

	31 December 2022	31 December 2021
Weighted-average expected dividend yield	—	—
Expected volatility	— %	25.32-35.34%
Weighted-average expected volatility	— %	31.15 %
Weighted-average risk-free interest rate	— %	0.37 %
Expected life (in years)	—	1.95

### Restricted Stock Units

Restricted Stock Units ("RSUs") typically vest from one to three years and are generally subject to either cliff vesting or graded vesting. RSUs do not have non-forfeitable rights to dividends or dividend equivalents. The fair value of RSUs is typically based on the fair value of Clarivate Plc's common shares on the date of grant. The value of these awards are amortised to expenses over the vesting period on a graded-scale basis. The Company recognises forfeitures as they occur. As of 31 December 2022, there was \$12,052,000 (2021: \$10,660,000) of total unrecognised compensation cost, related to RSUs, which is expected to be recognised through 2023.

	Number of RSUs	Weighted average grant date value per share (\$)	Weighted-average remaining contractual life (in years)	Aggregate intrinsic value (\$)
As at 1 January 2022	823,530	22.90	1.10	19,369,426
Opening difference	10,483	—	—	—
Granted	1,310,630	12.74	—	—
Forfeited	(99,619)	17.20	—	—
Exercised	(467,575)	22.77	—	—
Outstanding	1,577,449	14.86	1.09	13,155,925
Vested & exercisable at 31 December 2022	1,577,449	14.86	1.09	13,155,925

# Notes to the financial statements (continued)

## 20. Share-based compensation (continued)

### Performance Stock Units

The Company began granting Performance Stock Units ("PSUs") (the "Original PSUs") to certain members of management on 1 April 2020 under the 2019 Incentive Award Plan. The Original PSUs typically vest over three years and are subject to performance condition with a modifier of relative total shareholder return ("TSR") as compared to the S&P 500 for vesting. The fair value of the PSUs is based on the fair value of our ordinary shares on the date of grant and valued using a Monte Carlo simulation. In years one and two of the three year vesting period, it was not possible to predict the likelihood of achieving the target and therefore, the performance condition was deemed not probable as of 31 December 2021. Accordingly, no compensation expense was recognised for the year ended 31 December 2022.

During December of 2020, the Human Resources and Compensation Committee (the "HRCC") considered the need to continue to align the interests of our named executive officers of Clarivate Plc with those of Clarivate's shareholders and to compensate our named executive officers of Clarivate Plc, for the significant value created for shareholders in 2021. In addition, the HRCC considered the effects of the Covid-19 pandemic on the value of the Original PSUs granted to the named executive officers of Clarivate Plc earlier in 2020, which are eligible to vest based on the achievement of certain three-year financial performance metrics. In choosing the primary performance goals for the Original PSUs, the HRCC had not anticipated the Covid-19 pandemic and its impact on certain elements of performance, which significantly reduced the anticipated value of the Original PSUs.

The Company made a one-time grant of additional PSUs to certain key employees, including its named executive officers of Clarivate Plc on 17 December 2020 under the 2019 Incentive Award Plan. The PSUs are eligible to vest based upon Clarivate's three-year total shareholder return ("TSR") as compared to the TSR of the S&P 500 for the same period (the "TSR PSUs"). The TSR PSUs cover the period from 1 January 2020 to 31 December 2022 and have a payout range of 0% to 120% of target. The TSR PSU grants vest over three years and are subject to market conditions for vesting. The probability of achieving the market conditions are incorporated into the fair value of the award, and related expense is recognised over the vesting period. The fair value of the PSUs is based on the fair value of our ordinary shares on the date of grant and valued using a Monte Carlo simulation.

Regarding 2021 & 2022 PSUs granted, these PSUs have certain performance conditions of achieving Consolidated Revenue (50%) and Adjusted EBITDA Margin % (50%) for each Annual Measurement Period, with a Three-Year TSR Modifier applied to the Three-Year Average Percent, as set forth in Article II of the Agreement. These PSUs are expensed over the period of January 1, 2022, through August 31, 2025 and have a pay-out range of 0% to 200%. Each performance period will be considered as a separate service period for these PSUs. Probability and Market conditions are embedded in fair valuation done as of the grant date

As of 31 December 2022, there was \$538,168 (2021: \$1,004,000) of total unrecognised compensation cost, related to PSUs, which is expected to be recognised through 2023.

## Notes to the financial statements (continued)

### 20. Share-based compensation (continued)

	Number of PSUs	Weighted average grant date value per share (\$)	Weighted-average remaining contractual life (in years)	Aggregate intrinsic value (\$)
As at 1 January 2022	284,918	24.86	1.3	6,701,271
Granted	95,951	14.20	—	—
Forfeited	(214,982)	23.22	—	—
Exercised	—	—	—	—
Outstanding	165,887	19.36	1.5	1,383,498
Vested & exercisable at 31 December 2022	165,887	19.36	1.5	1,383,498

### 21. Reserves

#### *Share premium account*

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

#### *Other reserves*

Other reserves represents the difference between the consideration paid and the carrying value of the assets and liabilities transferred to the Company.

This occurred when the Company acquired, by business combination, the IP&S business, assets and liabilities of Thomson Reuters (Professional) UK Limited and the UAE IP&S business of Reuters Limited on 3 October 2016 and for the acquisition by the Company of a number of external customer sales contracts from fellow subsidiary undertaking, Clarivate Analytics (US) LLC in 2018. In 2021, the Company acquired the business, assets and liabilities of CPA Global Watching Services and in 2022 acquired the business assets and liabilities of Patient Connect Limited and Sigmatic Limited. All transactions were accounted for as common control business combinations.

#### *Retained earnings*

The profit and loss account includes all current and prior financial year retained profit and losses.

### 22. Financial risk management

The Company's operations are diverse and global in nature and, therefore expose it to a variety of financial risks, which include market risk (primarily currency risk and interest rate risk), credit risk and liquidity risk. The Company's risk management approach is to minimise the potential adverse effects from these risks on its financial performance.

#### **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market variables such as interest rates and foreign exchange rates.

#### *Currency Risk*

The Company's financial statements are expressed in GBP although a lot of its business is conducted in other currencies. Changes in the exchange rates for such currencies into GBP can increase or decrease revenues, operating profit, net earnings and the carrying values of assets and liabilities. The limited risk model under which the Company operates means that it is compensated by its parent undertaking for any realised currency exposures it incurs.

# Notes to the financial statements (continued)

## 22. Financial risk management (continued)

### *Interest Rate Risk*

The Company is exposed to fluctuations in interest rates with respect to cash and cash equivalents and long-term borrowings with variable interest rates.

### **Credit Risk**

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and it arises principally from our accounts receivables from customers. Credit risk arises from cash and cash equivalents, as well as credit exposure to customers including outstanding receivables. The Company regularly assess provisions for credit losses against its outstanding receivables.

The Company attempts to minimise credit exposure to various instruments as follows:

- Cash investments are placed with high-quality financial institutions with limited exposure to any one institution.
- There is no significant exposure to any single customer and customer creditworthiness is evaluated before credit is extended.

Given our diverse international operations and customers, credit control procedures are jointly managed by us and each of our business lines. These joint responsibilities include reviewing the individual characteristics of new customers for creditworthiness before accepting the customer and agreeing upon purchase limits and terms of trade.

Accounts receivable are the primary financial instrument that potentially subjects us to significant concentrations of credit risk, albeit the receivables are principally due from the Company's subsidiary undertakings. For any external customers, management performs ongoing credit evaluations of our customers' financial condition and limits the amount of credit extended when deemed appropriate.

The credit risk for cash and cash equivalents is considered negligible, since counterparties are reputable banks with high quality external credit ratings. At the transition date to IFRS 9 and as at the year end, all material receivables were intercompany balances due from subsidiary undertakings. Management have performed an assessment of the Expected Credit Loss provision on these balances and concluded that the impact is immaterial.

### **Liquidity Risk and Capital Management**

A centralised treasury function ensures that the Company maintains funding flexibility by assessing future cash flow expectations and by maintaining sufficient capacity under its committed borrowing facilities. Cash flow estimates are based on rolling forecasts of operating, investing and financing flows. Such forecasting also takes into account borrowing limits, cash restrictions and compliance with debt covenants.

Cash which is surplus to working capital requirements is managed by the centralised treasury function which invests it in money market funds or bank money market deposits, choosing maturities which are aligned with expected cash needs based on the rolling forecast p

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

## 23. Related party transactions

The Company has availed itself of the exemption in FRS 101 from the requirement to disclose details of transactions with other group undertakings.

## Notes to the financial statements (continued)

### 24. Guarantees

The Group's credit facilities at 31 December 2022 consist of \$700m (2021: \$700m) of secured notes due in 2026, \$921m of senior secured notes due in 2028 (2021: \$921m), \$921m senior notes due in 2029 (2021: \$921m), secured borrowings consisting of \$2,497m (2021: \$2,819m) term loans, due 2026, and a \$750m (2021: \$350m) revolving credit facility, due 2027. The secured notes, term loans and revolver are all guaranteed on a joint and several basis by the Company and certain of the Group's other subsidiaries. The director believes that there would be no liability arising on the company as a result of this cross guarantee.

### 25. Controlling party

The Company's immediate parent company is Camelot UK Bidco Limited, a company registered in England & Wales. Within the meaning of the Companies Act 2006, Clarivate Plc is regarded by the directors of the Company as being the Company's ultimate parent company and controlling party.

The smallest and largest group into which the results of the Company are consolidated is that headed up by Clarivate Plc, a company incorporated in Jersey, with a registered address at 4th Floor, St. Paul's Gate, 22-24 New Street, St. Helier, Jersey JE1 4 TR is listed on the New York Stock Exchange and its consolidated financial statements are available at [www.clarivate.com](http://www.clarivate.com).

### 26. Post balance sheet events

Management has evaluated the impact of events that have occurred subsequent to December 31, 2022. Based on this evaluation, other than disclosed within these financial statements and related notes or described below, the Company has determined no other events were required to be recognised or disclosed.

On 31 March 2023 and April 28, 2023, the Group made prepayments of its term loan of \$125m and \$25m respectively.