20221020781 9

Årsredovisning

för

CPA Global (Ipendo) AB

556671-9893

Räkenskapsåret

2021

Fastställelseintyg

Undertecknad styrelseledamot i CPA Global (Ipendo) AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2022-10 - 31 . Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Malmö 2022-10 - 31

Carl-Axel Åfors

20221102078 20

Styrelsen för CPA Global (Ipendo) AB avger följande årsredovisning för räkenskapsåret 2021.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i hela kronor (kr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

CPA Global (Ipendo) AB är ett IT- och tjänsteföretag verksamt inom immaterialrättsområdet (eng IP: Intellectual Property). Ipendo utvecklar och erbjuder en webbaserad applikation, Ipendo PlatformTM, som ett strategiskt verktyg för IP-industrin. Kunderna har möjligheten att köpa till ett antal andra kvalificerade tjänster som avsevärt förenklar de dagliga arbetsflödena och sänker kostnaderna. Bolaget bedriver utvecklingsarbetet av systemet i dotterbolaget CPA Global (Ipendo Systems) AB. Verksamheten i bolaget är uppdelad två affärsområden:

- "Professional services" som erbjuder implementering och konfigurering av Ipendo PlatformTM för nya och existerande kunder.
- "Renewals" som levererar support till de kunder som köper tjänster för förnyelser av patent och varumärken.

CPA Global (Ipendo) AB upprättar ingen koncernredovisning, med hänvisning till att företaget och samtliga dotterföretag omfattas av en koncernredovisning som upprättas av ett överordnat moderföretag (ÅRL 7:2). Uppgifter om detta företag finns i not 11.

Företaget har sitt säte i Malmö.

Flerårsöversikt (Tkr)	**2021**	**2020**	**2019**	**2017/18** (17 mån)
Nettoomsättning	43 827	41 445	41 097	54 952
Resultat efter finansiella poster	3 897	1 492	1 441	2 317
Balansomslutning	63 779	41 198	32 908	33 374
Soliditet (%)	43,0	64,4	76,8	74,2
Avkastning på totalt kap. (%)	1,6	3,4	4,4	6,8
Avkastning på eget kap. (%)	16,4	5,1	5,7	9,2

För definitioner av nyckeltal, se Redovisnings- och värderingsprinciper.

20221102078 21

Förändringar i eget kapital

Se not 10 för beskrivning av förändring av eget kapital i tabellform efter justering av jämförelsesiffror 2020.

	Aktie-kapital	Balanserat resultat	Årets resultat	Totalt
Belopp vid årets ingång	114 800	25 148 471	1 278 396	**26 541 667**
Disposition enligt beslut av årets årsstämma:				
Balanseras i ny räkning		1 278 396	-1 278 396	**0**
Årets resultat			902 862	**902 862**
Belopp vid årets utgång	**114 800**	**26 426 867**	**902 862**	**27 444 529**

Aktieägarna har lämnat villkorat aktieägartillskott som uppgår till totalt 42 819 874 kr (42 819 874 kr).

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	26 426 867
årets vinst	902 862
	27 329 729
disponeras så att	
i ny räkning överföres	27 329 729
	27 329 729

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

20221102078 22

Resultaträkning

	Not	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Nettoomsättning		43 827 027	41 445 254
Övriga rörelseintäkter	2	1 481 811	7 948
		45 308 838	**41 453 202**
Rörelsens kostnader			
Övriga externa kostnader		-20 686 533	-22 667 144
Personalkostnader	3	-20 559 437	-16 083 908
Avskrivningar och nedskrivningar av materiella och immateriella anläggningstillgångar		-165 427	-226 973
Övriga rörelsekostnader		-457	-983 252
		-41 411 854	**-39 961 277**
Rörelseresultat		**3 896 984**	**1 491 925**
Resultat efter finansiella poster		**3 896 984**	**1 491 925**
Bokslutsdispositioner		-2 846 931	0
Resultat före skatt		**1 050 053**	**1 491 925**
Skatt på årets resultat		-147 191	-213 529
Årets resultat		**902 862**	**1 278 396**

20221102078 23

Balansräkning

	Not	2021-12-31	2020-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Balanserade utgifter för utvecklingsarbeten och liknande arbeten	4	0	0
Övriga immateriella anläggningstillgångar	5	0	0
		0	**0**
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	6	547 604	713 031
		547 604	**713 031**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	7	349 756	349 756
		349 756	**349 756**
Summa anläggningstillgångar		**897 360**	**1 062 787**
Omsättningstillgångar			
Kortfristiga fordringar			
Kundfordringar		4 501 520	3 746 443
Fordringar hos koncernföretag		49 716 059	25 255 060
Övriga fordringar		1 688	347
Förutbetalda kostnader och upplupna intäkter		0	171 197
		54 219 267	**29 173 047**
Kassa och bank		8 662 494	10 962 551
Summa omsättningstillgångar		**62 881 761**	**40 135 598**
SUMMA TILLGÅNGAR		**63 779 121**	**41 198 385**

20221102078 24

Balansräkning

	Not	2021-12-31	2020-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital	10		
Bundet eget kapital			
Aktiekapital		114 800	114 800
		114 800	**114 800**
Fritt eget kapital			
Balanserad vinst eller förlust		26 426 867	25 148 471
Årets resultat		902 862	1 278 396
		27 329 729	**26 426 867**
Summa eget kapital		**27 444 529**	**26 541 667**
Kortfristiga skulder			
Leverantörsskulder		160 399	0
Skulder till koncernföretag		20 659 456	5 069 955
Aktuella skatteskulder		71 322	33 883
Övriga skulder		7 389 718	2 410 436
Upplupna kostnader och förutbetalda intäkter		8 053 697	7 142 444
Summa kortfristiga skulder		**36 334 592**	**14 656 718**
SUMMA EGET KAPITAL OCH SKULDER		**63 779 121**	**41 198 385**

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Noter

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Utländska valutor
Monetära tillgångs- och skuldposter i utländsk valuta värderas till balansdagens kurs. Transaktioner i utländsk valuta omräknas enligt transaktionsdagens avistakurs.

Rättelser av fel
Vid förvärvet av CPA av Clarivate Plc, tilldelades aktier till CPA-anställda den 21 oktober 2021. Det var en bindningstid på 1 år. Kostnaden för de aktierelaterade ersättningarna redovisades inte under räkenskapsåret 2020 och därför görs en revidering av dessa för att beakta skulden gentemot de anställda i årsredovisningen 2020. Kostnaden som borde ha belastats räkenskapsåret 2020 har beräknats till en tredjedel av de totala aktierelaterade ersättningarna.

Till följd av de aktierelaterade ersättningarna och upptagande av dessa så har effekten av ersättningarna resultatavräknats direkt mot fritt eget kapital med beaktande av skatteeffekt om 160 338 kronor. Således har resultatet förbättrats med 300 896 kr Bolaget har valt att inte tillämpa lättnadsreglerna utan att i stället räkna om jämförelsetalen med hänsyn till K3 kapitel 10.13. Av notuppgift 11-13 framgår beskrivning av felet, rättelsebeloppen för varje påverkad post i balans- och resultaträkningen samt avstämning av eget kapital efter rättelse av jämförelsesiffrorna.

Intäktsredovisning
Tjänsteuppdrag
För tjänsteuppdrag på löpande räkning redovisas inkomsten som är hänförlig till ett utfört tjänsteuppdrag som intäkt i takt med att arbete utförs och material levereras eller förbrukas.

Licenser
Bolaget har upplåtit rättigheter att använda en egenutvecklad plattform. Prissättning för dessa rättigheter är till fastpris upptill en avtalad volym och redovisas i resultatet i takt med produktionen. Överstiger producerad volym avtalad prissättning tas intäkten på löpande räkning.

Inkomstskatter
Aktuella skatter värderas utifrån de skattesatser och skatteregler som gäller på balansdagen. Uppskjutna skatter värderas utifrån de skattesatser och skatteregler som är beslutade före balansdagen.
Uppskjuten skatteskuld avseende temporära skillnader som hänför sig till investeringar i dotterföretag redovisas inte i koncernredovisningen då moderföretaget i samtliga fall kan styra tidpunkten för återföring av de temporära skillnaderna och det inte bedöms sannolikt att en återföring sker inom överskådlig framtid.
Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den utsträckning det är sannolikt att avdraget kan avräknas mot överskott vid framtida beskattning.
Fordringar och skulder nettoredovisas endast när det finns en legal rätt till kvittning.
Aktuell skatt, liksom förändring i uppskjuten skatt, redovisas i resultaträkningen om inte skatten än hänförlig till en händelse eller transaktion som redovisas direkt i eget kapital. Skatteeffekter av poster som redovisas direkt mot eget kapital, redovisas mot eget kapital.
På grund av sambandet mellan redovisning och beskattning särredovisas inte den uppskjutna skatteskulden som är hänförlig till obeskattade reserver.

Immateriella tillgångar
Immateriella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och nedskrivningar. Aktiveringsmodellen tillämpas för internt upparbetade immateriella tillgångar.
Avskrivningar görs linjärt över den bedömda nyttjandetiden. Avskrivningstiden för internt upparbetade immateriella anläggningstillgångar uppgår till fem år.

Materiella anläggningstillgångar
Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med avskrivningar. I anskaffningsvärdet ingår utgifter som direkt kan hänföras till förvärvet av tillgången.
När en komponent i en anläggningstillgång byts ut, utrangeras eventuell kvarvarande del av den gamla komponenten och den nya komponentens anskaffningsvärde aktiveras.

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Tillkommande utgifter som avser tillgångar som inte delas upp i komponenter läggs till anskaffningsvärdet om de beräknas ge företaget framtida ekonomiska fördelar, till den del tillgångens prestanda ökar i förhållande till tillgångens värde vid anskaffningstidpunkten .

Utgifter för löpande reparation och underhåll redovisas som kostnader.

Materiella anläggningstillgångar skrivs av systematiskt över tillgångens bedömda nyttjandeperiod. När tillgångarnas avskrivningsbara belopp fastställs, beaktas i förekommande fall tillgångens restvärde. Linjär avskrivningsmetod används för övriga typer av materiella tillgångar.
Följande avskrivningstider tillämpas:

Immateriella anläggningstillgångar

Materiella anläggningstillgångar
Inventarier, verktyg och installationer 5 - 10 år

Leasingavtal
Samtliga leasingavtal där företaget är leasetagare redovisas som operationell leasing (hyresavtal), oavsett om avtalen är finansiella eller operationella. Leasingavgiften redovisas som en kostnad linjärt över leasingperioden.

Finansiella instrument
Finansiella instrument som redovisas i balansräkningen inkluderar värdepapper, kundfordringar och övriga fordringar, kortfristiga placeringar, leverantörsskulder, och låneskulder. Instrumenten redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor.
Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och koncernen har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten.

Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Kundfordringar och övriga fordringar
Fordringar redovisas som omsättningstillgångar med undantag för poster med förfallodag mer än 12 månader efter balansdagen, vilka klassificeras som anläggningstillgångar. Fordringar tas upp till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar. Fordringar som är räntefria eller som löper med ränta som avviker från marknadsräntan och har en löptid överstigande 12 månader redovisas till ett diskonterat nuvärde och tidsvärdeförändringen redovisas som ränteintäkt i resultaträkningen.

Låneskulder och leverantörsskulder
Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Kvittning av finansiell fordran och finansiell skuld
En finansiell tillgång och en finansiell skuld kvittas och redovisas med ett nettobelopp i balansräkningen endast då legal kvittningsrätt föreligger samt då en reglering med ett nettobelopp avses ske eller då en samtida avyttring av tillgången och reglering av skulden avses ske.

Nedskrivningsprövning av finansiella anläggningstillgångar
Vid varje balansdag bedömer bolaget om det finns någon indikation på nedskrivningsbehov i någon utav de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående. Nedskrivning redovisas i resultaträkningsposten Resultat från övriga värdepapper och fordringar som är anläggningstillgångar. Nedskrivningsbehovet prövas individuellt för aktier och andelar och övriga enskilda finansiella anläggningstillgångar som är väsentliga. Exempel på indikationer på nedskrivningsbehov är negativa ekonomiska omständigheter eller ogynnsamma förändringar av branschvillkor i företag vars aktier bolaget investerat i. Nedskrivning för tillgångar värderade till upplupet anskaffningsvärde beräknas som skillnaden mellan tillgångens redovisade värde och nuvärdet av företagsledningens bästa uppskattning av de framtida kassaflödena diskonterade med tillgångens ursprungliga effektivränta. För tillgångar med rörlig ränta används den på balansdagen aktuella räntan som diskonteringsränta. Vid prövning av nedskrivningsbehov för värdepappersportföljen med ränteinstrument fastställs på motsvarande sätt en effektivränta för portföljen som används vid diskonteringen. Om nedskrivning av aktier sker fastställs nedskrivningsbeloppet som skillnaden mellan det redovisade värdet och det högsta av verkligt värde med avdrag för försäljningskostnader och nuvärdet av framtida kassaflöden (som baseras på företagsledningens bästa uppskattning).

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Aktier och andelar i dotterföretag
Aktier och andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott och koncernbidrag läggs till anskaffningsvärdet när de uppkommer. Utdelning från dotterföretag redovisas som intäkt.

Bokslutsdispositioner
Förändringar av obeskattade reserver redovisas som bokslutsdispositioner i resultaträkningen.
Koncernbidrag redovisas som bokslutsdispositioner. Koncernbidrag som lämnas till ett dotterföretag redovisas dock som en ökning av andelens redovisade värde.

Ersättningar till anställda
Ersättningar till anställda avser alla former av ersättningar som företaget lämnar till de anställda. Kortfristiga ersättningar utgörs av bland annat löner, betald semester, betald frånvaro, bonus och ersättning efter avslutad anställning (pension). Kortfristiga ersättningar redovisas som kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning till följd av en tidigare händelse och en tillförlitlig uppskattning av beloppet kan göras.

I företaget finns endast avgiftsbestämda pensionsplaner. Som avgiftsbestämda planer klassificeras planer där fastställda avgifter betalas och det inte finns förpliktelser att betala något ytterligare, utöver dessa avgifter.

Utgifter för avgiftsbestämda planer redovisas som en kostnad under den period de anställda utför de tjänster som ligger till grund för förpliktelsen.

Nyckeltalsdefinitioner

Soliditet
Eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt) i förhållande till balansomslutningen.

Avkastning på totalt kapital
Resultat före avdrag för räntekostnader i förhållande till balansomslutningen.

Avkastning på eget kapital
Resultat efter finansiella poster i förhållande till eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt).

Not 2 Övriga rörelseintäkter

	2021	2020
Realiserade- och orealiserade övriga intäkter	1 481 811	7 948
	1 481 811	**7 948**

Not 3 Medelantalet anställda

	2021	2020
Medelantalet anställda	14	15

Not 4 Balanserade utgifter för utvecklingsarbeten och liknande arbeten

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	39 993 595	39 993 595
Utgående ackumulerade anskaffningsvärden	**39 993 595**	**39 993 595**
Ingående avskrivningar	-39 993 595	-39 913 551
Årets avskrivningar	0	-80 044
Utgående ackumulerade avskrivningar	**-39 993 595**	**-39 993 595**
Utgående redovisat värde	**0**	**0**

20221102078 28

Not 5 Övriga immateriella anläggningstillgångar

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	286 005	286 005
Utgående ackumulerade anskaffningsvärden	**286 005**	**286 005**
Ingående avskrivningar	-286 005	-286 005
Utgående ackumulerade avskrivningar	**-286 005**	**-286 005**
Utgående redovisat värde	**0**	**0**

Not 6 Inventarier, verktyg och installationer

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	1 842 158	1 842 158
Utgående ackumulerade anskaffningsvärden	**1 842 158**	**1 842 158**
Ingående avskrivningar	-1 129 127	-982 197
Årets avskrivningar	-165 427	-146 930
Utgående ackumulerade avskrivningar	**-1 294 554**	**-1 129 127**
Utgående redovisat värde	**547 604**	**713 031**

Not 7 Andelar i koncernföretag

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	349 756	349 756
Utgående ackumulerade anskaffningsvärden	**349 756**	**349 756**
Utgående redovisat värde	**349 756**	**349 756**

Not 8 Resultaträkning före och efter rättelse av jämförelsetalen

I föregående års bokslut 2020-12-31 hade man inte tagit upp intäkter avseende internprissättningar om 1 897 546 kr och aktierelaterade ersättningar om 1 756 988 kr. Nedan resultatanalys visar vilken påverkan rättelse av jämförelsetalen får på resultaträkningen 2020. I tabellen nedan framgår att intäkterna ökat med 1 897 546 kr och att personalkostnaderna ökat med 1 756 987 kr. Sedan har rättelser gjorts avseende redovisad bolagsskatt om 160 338 kr. Se not 9–10 avseende vilken påverkan rättelse av jämförelsetalen får på balansräkningen och förändring av eget kapital.

Resultaträkning	**Resultat-räkning före rättelse 20200101-20201231**	**Rättelse av jämförelsetalen**	**Resultat-räkning efter rättelse 20200101-20201231**
Nettoomsättning	39 547 708	1 897 546	41 445 254
Övriga rörelseintäkter	7 948	0	7 948
Övriga externa kostnader	-22 667 144	0	-22 667 144
Personalkostnader	-14 326 920	-1 756 988	-16 083 908
Avskrivningar och nedskrivningar av materiella och immateriella anläggningstillgångar	-226 973	0	-226 973
Övriga rörelsekostnader	-983 252	0	-983 252
Skatt på årets resultat	-373 867	160 338	-213 529
Årets resultat	**977 500**	**300 896**	**1 278 396**

20221102078 29

Not 9 Balansräkning före och efter rättelse av jämförelsetalen

Omräkning av bolagets jämförelsesiffror har sammanställts på följande sätt:

	Utgående balans 2020-12-31 före rättelse	Rättelse av jämförelsetalen	Utgående balans 2020-12-31 efter rättelse
Tillgångar			
Inventarier, verktyg och installationer	713 031	0	713 031
Andelar i koncernföretag	349 756	0	349 756
Kundfordringar	3 746 443	0	3 746 443
Fordringar hos koncernföretag (kortfristig)	23 357 514	1 897 546	25 255 060
Övriga fordringar	347	0	347
Förutbetalda kostnader och upplupna intäkter	171 197	0	171 197
Kassa och bank	10 962 551	0	10 962 551
Summa tillgångar	**39 300 839**	**1 897 546**	**41 198 385**

Eget kapital och skulder	Utgående balans 2020-12-31 före rättelse	Rättelse av jämförelsetalen	Utgående balans 2020-12-31 efter rättelse
Aktiekapital	114 800	0	114 800
Balanserad vinst eller förlust	25 148 471	0	25 148 471
Årets resultat	977 500	300 896	1 278 396
Skulder till koncernföretag (kortfristig)	5 069 955	0	5 069 955
Aktuella skatteskulder	194 221	-165 367	28 854
Uppskjuten skatteskuld	0	5 029	5 029
Övriga skulder	653 448	1 756 988	2 410 436
Upplupna kostnader och förutbetalda intäkter	7 142 444	0	7 142 444
Summa eget kapital och skulder	**39 300 839**	**1 897 546**	**41 198 385**

Not 10 Förändringar i eget kapital, justering föregående år

	Aktie-kapital	Balanserat resultat	Årets resultat
Belopp vid årets utgång enligt fastställd balansräkning 2020-12-31	114 800	25 148 471	977 500
Rättelse av jämförelsetal påverkan på årets resultat 2020			300 896
Belopp vid årets ingång 2021-01-01 efter justeringar av jämförelsesiffror 2020	**114 800**	**25 148 471**	**1 278 396**
Disposition enligt beslut av årsstämman:			
Balanseras i ny räkning		1 278 396	-1 278 396
Årets resultat			902 862
Belopp vid årets utgång 2021-12-31	**114 800**	**26 426 867**	**902 862**

Not 11 Uppgifter om moderföretag

Moderföretaget i den minsta koncern där CPA Global (Ipendo) AB är dotterföretag är CPA Global Sweden Holdings AB, org nr 556859-5135 med säte i Stockholm.

Moderföretag i den största koncern där CPA Global (Ipendo) AB ingår och som koncernredovisning upprättas är Clarivate PLC (org. nr. 128050) med säte i Jersey.

20221102078330

Malmö 2022-10-28

Jaspal Chahal
Ordförande

Carl-Axel Åfors
Styrelseledamot

Vår revisionsberättelse har lämnats 2022-10-31

Öhrlings PricewaterhouseCoopers AB

Ola Salemyr
Auktoriserad revisor

20221102078 31

Certified to be true copy of
the original:

Mikaela Laaksonen

Revisionsberättelse

Till bolagsstämman i CPA Global (Ipendo) AB, org.nr 556671-9893

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för CPA Global (Ipendo) AB för år 2021.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av CPA Global (Ipendo) ABs finansiella ställning per den 31 december 2021 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för CPA Global (Ipendo) AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till CPA Global (Ipendo) AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för CPA Global (Ipendo) AB för år 2021 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

20221102078 32

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till CPA Global (Ipendo) AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta *revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt* avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Anmärkning

Årsredovisningen har inte upprättats i sådan tid att det varit möjligt att, enligt 7 kap. 10 § aktiebolagslagen, hålla årsstämma inom sex månader efter räkenskapsårets utgång.

Stockholm den 31 oktober 2022

Öhrlings PricewaterhouseCoopers AB

Ola Salemyr
Auktoriserad revisor

From: "arsredovisning@bolagsverket.se" <arsredovisning@bolagsverket.se>
Date: 4 Jan 2023 15:31:04 +0100
To: "PD-DelarDatumDFARAB" <PDDelarDatumDFARAB@bolagsverket.se>
Subject: VB: Ang ärende 9600169/2022 - CPA Global (Ipendo) AB
Attachments: 20230301, CPA Global (Ipendo), Notice SCRO.pdf, Clarivate PLC - 2021 annualreport.pdf

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Annica Paro
Konsult

Bolagsverket, 851 81 Sundsvall, Telefon: 0771-670 670
bolagsverket@bolagsverket.se – http://www.bolagsverket.se

Tänk på miljön innan du skriver ut det här e-postmeddelandet!
Förenkla ditt företagande – använd våra e-tjänster!

Från: Mikaela Laaksonen <Mikaela.Laaksonen@intertrustgroup.com>
Skickat: den 4 januari 2023 14:53
Till: arsredovisning@bolagsverket.se
Kopia: Diana Hillberg <Diana.Hillberg@intertrustgroup.com>; Carl-Axel Åfors <CarlAxel.Afors@intertrustgroup.com>
Ämne: Ang ärende 9600169/2022 - CPA Global (Ipendo) AB

Hej,

Vänligen se bifogad kopia av koncernredovisning för ovan nämnt bolag enligt bifogat föreläggande.

Vänliga hälsningar,
Mikaela

Kind regards,

Mikaela Laaksonen
Business Unit Manager, Corporate Services

M: + 46 70 710 32 39

Sveavägen 9, 10th floor, 111 57 Stockholm, Sweden
T: +46 8 402 72 00

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2021

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File No. 001-38911

CLARIVATE PLC
(Exact name of registrant as specified in its charter)

Jersey, Channel Islands	N/A
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
70 St. Mary Axe London EC3A 8BE United Kingdom (Address of principal executive offices)	**Not applicable (Zip Code)**

Registrant's telephone number, including area code: **+44 207 4334000**

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	**Trading Symbol(s)**	**Name of exchange on which registered**
Ordinary Shares, no par value	CLVT	New York Stock Exchange
5.25% Series A Mandatory Convertible Preferred Shares, no par value	CLVT PR A	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Exchange Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ☐ No ☒

The aggregate market value of the approximately 319.9 million ordinary shares held by non-affiliates of the Company (assuming for these purposes, but without conceding, that all executive officers and directors of the Company are affiliates of the Company) as of June 30, 2021, the last day of business of our most recently completed second fiscal quarter, was $8.8 billion, based on the closing sale price of the ordinary shares of $27.53 on June 30, 2021 as reported by the New York Stock Exchange.

The number of ordinary shares of the Company outstanding as of January 31, 2022 was 683,151,263.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Registrant's Definitive Proxy Statement for the 2022 Annual Shareholders Meeting are incorporated by reference into Part III of this Form 10-K.

TABLE OF CONTENTS

	Page
Part I	4
Item 1. Business	4
Item 1A. Risk Factors	21
Cautionary Statement Regarding Forward-Looking Statements	27
Item 1B. Unresolved Staff Comments	28
Item 2. Properties	28
Item 3. Legal Proceedings	28
Item 4. Mine Safety Disclosures	29
Part II	29
Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	29
Item 6. [Reserved]	31
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	32
Item 7A. Quantitative and Qualitative Disclosures About Market Risk	66
Index to Financial Statements	67
Item 8. Financial Statements and Supplementary Data	67
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	147
Item 9A. Controls and Procedures	147
Item 9B. Other Information	148
Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	148
Part III	148
Item 10. Directors, Executive Officers and Corporate Governance	148
Item 11. Executive Compensation	149
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	149
Item 13. Certain Relationships and Related Transactions, and Director Independence	149
Item 14. Principal Accounting Fees and Services	149
Part IV	149
Item 15. Exhibits and Financial Statement Schedules	149
Item 16. Form 10-K Summary	152

Note on Defined Terms and Presentation

We employ a number of defined terms in this annual report for clarity and ease of reference, which we have capitalized so that you may recognize them as such. As used throughout this annual report, unless otherwise indicated or the context otherwise requires, the terms "Clarivate," the "Company," "our," "us" and "we" refer to Clarivate Plc and its consolidated subsidiaries; "Baring" refers to the affiliated funds of Baring Private Equity Asia Pte Ltd that from time to time hold our ordinary shares; "LGP" refers to affiliated funds of Leonard Green & Partners, L.P. that from time to time hold our ordinary shares; "Onex" refers to the affiliates of Onex Partners Advisor LP that from time to time hold our ordinary shares; "CIG" refers to affiliate funds of Cambridge Information Group that from time to time hold our ordinary shares; and "Atairos" refers to the affiliates of Atairos that from time to time hold our ordinary shares.

Unless otherwise indicated, dollar amounts throughout this annual report are presented in thousands of dollars, except for share and per share amounts.

Website and Social Media Disclosure

We use our website (www.clarivate.com) and corporate Twitter account (@Clarivate) as routine channels of distribution of company information, including news releases, analyst presentations, and supplemental financial information, as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Securities Act") and the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Accordingly, investors should monitor our website and our corporate Twitter account in addition to following press releases, SEC filings, and public conference calls and webcasts. Additionally, we provide notifications of news or announcements as part of our investor relations website. Investors and others can receive notifications of new information posted on our investor relations website in real time by signing up for email alerts.

None of the information provided on our website, in our press releases, public conference calls, and webcasts, or through social media channels is incorporated into, or deemed to be a part of, this annual report or in any other report or document we file with the SEC, and any references to our website or our social media channels are intended to be inactive textual references only.

Industry and Market Data

The market data and other statistical information used throughout this annual report are based on industry publications and surveys, public filings and various government sources. Industry publications and surveys generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of the included information. Statements as to our ranking, market position and market estimates (including estimates of the sizes and future growth rates of our markets) are based on independent industry publications, government publications, third-party forecasts and management's good faith estimates and assumptions about our markets and our internal research. We have not independently verified such third-party information nor have we ascertained the underlying economic assumptions relied upon in those sources, and we are unable to assure you of the accuracy or completeness of such information contained in this annual report. While we are not aware of any misstatements regarding our market, industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors. See Item 1A. Risk Factors and Cautionary Statement Regarding Forward-Looking Statements in this annual report.

PART I

Item 1. Business

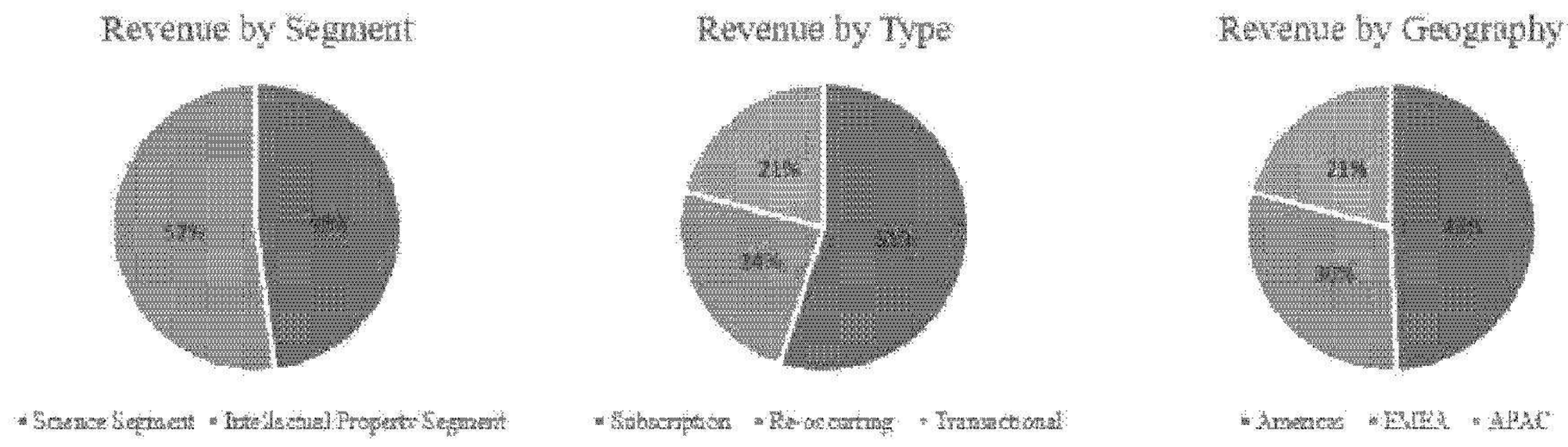
Overview

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, MarkMonitor, CPA Global and ProQuest. We serve a large, diverse and global customer base. As of December 31, 2021, we served over 50,000 customers in approximately 180 countries, including the top 30 pharmaceutical companies. We believe that the strong value proposition of our content, user interfaces, visualization 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.

Corporations, government agencies, universities, researchers, law firms and other professional services organizations around the world depend on our high-value, curated information, analytics and services. Unstructured data has grown exponentially over the last decade. This trend has resulted in a critical need for unstructured data to be meaningfully filtered, analyzed and curated into relevant information that facilitates key operational and strategic decisions made by businesses, law firms, academic institutions and governments worldwide. Our highly curated, proprietary information created through our sourcing, aggregation, verification, translation and categorization of data has resulted in our solutions being embedded in our customers' workflow and decision-making processes.

For the year ended December 31, 2021, we generated approximately $1,876,894 of revenues. We generated recurring revenues through our subscription-based model and re-occurring revenue transactions, which accounted for 79.1% of our revenues for the year ended December 31, 2021. In each of the past three years, we have also achieved annual revenue renewal rates in excess of 90% and our ten largest customers represented only 9% of revenues for the year ended December 31, 2021. (For information on annual revenue renewal rates, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Key Performance Indicators - Annual Revenue Renewal Rates).

The following charts illustrate our revenues for the year ended December 31, 2021 by group, type and geography:



Business Segments

Our reportable segment structure is comprised of two segments: Science and Intellectual Property ("IP"). This structure enables a sharp focus on cross-selling opportunities within the markets we serve and provides substantial scale. Additional information with respect to business segment results is included in Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations, and Item 8. Financial Statements and Supplementary Data - Note 22 to the Consolidated Financial Statements - Segment Information.

Science Segment (48% of revenues for the year ended December 31, 2021)

Our Science segment consists of our Academia & Government and Life Sciences & Healthcare Product Lines. Both provide curated, high-value, structured information that is delivered and embedded into the workflows of our customers, which include research intensive corporations, life science and healthcare organizations, researchers and universities world-wide.

Our product portfolio for our Science segment is summarized below.

Product Line	Academia & Government	Life Sciences & Healthcare
Product Description	Used to navigate scientific and academic research discoveries, conduct analysis and evaluate research impact	Used by life sciences and healthcare firms for drug research and medical device research
Curated Information Set	Database of **2.1B+ citations, 187mm+ indexed records**	**84,000+** drug program records, **495,000** clinical trial records
Customers	**9,000+** leading **academic institutions** and **governments** and research intensive corporations use Web of Science and its Journal Impact Factor	Trusted by the **top 30 pharma companies** and hundreds of research groups
Notable Products and Offerings	Web of Science InCites ScholarOne EndNote Alma ProQuest Central and eBook Central	Cortellis Competitive Intelligence Cortellis Regulatory Intelligence Cortellis Drug Discovery Intelligence Cortellis Generic Intelligence

Academia & Government Product Line

Our Academia & Government Product Line ("AGPL") provides products and services to organizations that plan, fund, implement and utilize research. We deliver search and discovery services to researchers with proprietary scientific data; we help researchers cite their research with workflow tools; we provide data and analytics to allow for global measures of research excellence and university rankings; we support governments and policy makers worldwide in assessment programs; and we inform a wide range of sector specific consultation and reporting activities to national and institutional research agencies across the G20 countries. We believe that the high quality and unique nature of AGPL's products and the informed approach of our professional service expertise have resulted in our information, services and workflow tools becoming embedded within the fabric of the research community. Key products include Web of Science, InCites, Journal Citation Reports, EndNote, ScholarOne, Converis, Publons, Alma, ProQuest Central, and eBook Central.

Web of Science ("WOS"), our flagship product, holds a unique and pivotal role in the infrastructure of R&D and is frequently utilized as a reference standard in the academic, institutional and corporate sectors. It provides publication records and essential metadata from trusted published assets and is linked and indexed together via over 2.1 billion tracked citations from over 187 million indexed records going back to 1900 within the Web of Science Core, and back to 1864 in Zoological Record. A key metric we provide is the "Journal Impact Factor" ("JIF"), which we believe is the most influential and best-known research metric of the last 50 years. Its primary value is as a journal-level metric to assess what journals are the most impactful, but universities and research funders use JIF to inform their evaluation of research excellence when assessing faculty and selecting funding grantees. Researchers also rely on the JIF to identify top-tier journals where they should publish their content.

Example Use Cases

- A physics professor planning a research program and making a grant proposal accesses WOS to evaluate the current state of research in her discipline, identify emerging trends within highly regarded and relevant scientific journals and select a research topic, while the grant-making institutions will use WOS's analytic tools to measure the professor's credentials.

- A university provost interested in evaluating her university's chemistry department accesses WOS and our analytical tool InCites to measure the strength of the university's research output and benchmark it against comparable institutions and find the best researchers to bolster the university's ranking and improve the caliber of research, and find highly cited researchers, departments and laboratories.

Life Sciences & Healthcare Product Line

Our Life Sciences & Healthcare Product Line ("LSHPL") provides products and services primarily to pharmaceutical, healthcare and biotechnology companies. We believe we provide a unique end-to-end proposition, which links to early research workflows, and believe there is an opportunity to stretch further into the approval and post-approval phases of drug development.

Cortellis, our flagship LSHPL product, is used by strategy, business development, drug development, medical affairs and clinical professionals at pharmaceutical and biotechnology companies to support research, market intelligence and competitive monitoring in connection with the development and commercialization of new drugs. Our customers use the database to access and evaluate scientific data, drug pipeline data, clinical trial information, drug monographs, pharmaceutical M&A data and regulatory information, all of which have been aggregated, curated and classified by our team of scientific experts who evaluate and select data for inclusion in the database from a wide array of sources. In addition, our team of experts creates high-value content from this data, such as analytics, abstracts, conference summaries and regulatory reports. As of December 31, 2021, our data included more than 84,000 drug program records and more than 495,000 clinical trial records.

Example Use Case

- An analyst at a pharmaceutical firm who is evaluating several potential R&D programs will access the Cortellis database to assess competitive products in the drug development pipeline, review clinical trial data, and summarize regulatory information.

Intellectual Property Segment (52% of revenues for the year ended December 31, 2021)

Our Intellectual Property segment consists of our Patent, Trademark, Domain and IP Management Product Lines. These Product Lines help manage customer's end-to-end portfolio of intellectual property from patents to trademarks to corporate website domains.

Our product portfolio for our Intellectual Property segment is summarized below.

Product Line	Patent	Trademark	Domain	IP Management
Product Description	Used to search and analyze patents	Used to monitor trademarks on an ongoing basis	Used to register and manage portions of web domains	Used for renewal and validation of intellectual property rights on behalf of customers
Curated Information Set	Database of **103 million + patent filings across 50+ patent offices**	**180+ patent and trademark offices**	Database of **1.4 million corporate domain names**	Database of **3.5 million patent and trademark renewals** performed annually with over **200+ patent and trademark offices** across the world
Customers	Used by **50+ patent offices, large R&D organizations** of Fortune 1000 companies and various universities	**65 industrial databases, 70 Pharma in-use databases**	Manages **46% of the top 50 most trafficked corporate website domain portfolios**	**12,000 direct and indirect customers** including **47 out of 50 top R&D** spenders globally
Notable Products and Offerings	Derwent Innography IncoPat	Compumark Watch Compumark Saegis Compumark Search	MarkMonitor Brand Protection	CPA Global Renewals, Filing and Prosecution, Patent Search and IPMS Solutions

Patent Product Line

Our Patent Product Line ("PPL") enables customers to evaluate the novelty of potential new products, confirm freedom to operate with respect to their product design, help them secure patent protection, assess the competitive technology landscape and ensure that their products comply with required industry standards. We provide a range of analytics capabilities and data visualization tools to improve the efficiency and accuracy of IP-driven decisions. Key products include Derwent Innovation, Innography and IP Professional Services.

Derwent, our flagship PPL product, is used by R&D professionals and lawyers to monitor patent filings, search existing patents and analyze data to support R&D decision-making. It is a critical resource to help our customers secure patent protection and address litigation of patent infringement. The product is powered by Derwent World Patents Index, our proprietary database of over 103 million patent publications from 59 patent offices, which represented 92% of all patents published globally in 2021 and has been developed and curated for over 50 years. The database combines data science with our team of domain experts who correct, enrich and abstract over seven million global patents per year in over 30 languages, as of December 31, 2021. We provide customers with easy-to-understand summaries of patent filings that are prepared by our domain experts, who index and translate the highly technical and intentionally obscure patent filings into understandable abstracts that provide insights into a patent's novelty, use and advantage over prior patents.

Example Use Case

- An employee developing a new product or idea (e.g., a chemical engineer or a product designer) will access the Derwent database of patents to evaluate the novelty and determine the patentability of the new product or idea.

Trademark Product Line

Our Trademark Product Line ("TPL") provides trademark research and protection services for businesses and law firms globally and relies on our leading trademark database, CompuMark. CompuMark's offerings span the entire life cycle of a trademark, from determining availability of a proposed trademark to monitoring for infringement post registration. TPL provides global trademark research and protection to corporations and law firms globally. Over the last 30 years, the organization has curated content from more than 180 patent and trademark offices. Coupled with industry specific sources,

including over 65 industrial design databases and 70 Pharma in-use databases, as of December 31, 2021, CompuMark delivers the most comprehensive data set available for trademark professionals.

Key products include trademark screening, trademark searching and trademark watching. We do this by (i) providing customers with sophisticated self-service tools to narrow large lists of potential trademarks, which we refer to as "screening"; (ii) preparing detailed, custom reports post screening that uncover potential risks related to a proposed trademark, which we refer to as "clearance searching"; and (iii) monitoring trademark applications and other data sources on a recurring subscription revenues basis to alert customers to potential instances of infringement post registration, which we refer to as "watching."

Example Use Case

- An attorney for a large law firm helps clear a trademark for use by its corporate customer as part of a new product launch. The attorney first conducts a "knock-out" search as part of a preliminary screening process using our trademark research tool and then later orders an analyst curated "Full Search" report by CompuMark to ensure the availability of the proposed trademark in the markets in which the customer will be operating. In this way, the attorney can clear both the word and image mark for use by his/her client. The attorney will then subscribe to CompuMark's trademark watching services to continually ensure that none of their customers' valuable trademarks are being infringed upon.

Domain Product Line

Our Domain Product Line ("DPL") helps global enterprises establish, manage, optimize and protect their online presence. Our primary offering, MarkMonitor, provides a suite of technology services for brand managers, IT managers, marketing teams, and legal counsel in corporations to register and manage portfolios of domain names critical for their business. This allows customers to achieve the right balance of being easily found online without overpaying for domains that generate little to no Internet user traffic. MarkMonitor also provides data and domain industry insights which help enterprises maximize the power of their portfolios, and mitigate cyber squatters' attempts to register domains aimed to defraud consumers.

Example Use Case

- An in-house counsel uses MarkMonitor to ensure that important domain names are registered and protected from security threats such as domain hijacking, spam, and other forms of domain name system ("DNS") abuse.

IP Management Product Line

Our IP Management Product Line ("IPMPL") provides technology solutions and legal support services across the intellectual property lifecycle under the CPA Global brand name. The principal activities are renewal and validation of IP rights on behalf of customers and the development and provision of IP management software, as well as other activities including patent searching, IP filing, prosecution support and trademark watching.

Example Use Case

- A law firm partnership uses the technology solutions to provide renewal and validation of IP rights on behalf of a customer.

Our Strategy

The Clarivate management team has implemented a transformation strategy designed to improve operations, increase cash flow and accelerate revenues growth.We have embarked on a race to deliver excellence to the markets we serve and continue our evolution as a world-class organization. As we move forward, the focus will be on three basic principles; focus, simplify and execute. This means:

1. Focusing on our core capabilities and the greatest opportunities for growth.

2. Simplifying our organization and processes. The focus on two segments is the driver for streamlining our operations.

3. Relentlessly driving execution of our strategy and growth plans.

These principles will help us operate with greater focus and urgency. They will ensure that we put our customers first, drive accountability throughout the organization, accelerate decision-making, and promote consistency. These tenets will enable us to deliver long-term, sustainable growth.

With a proven operational playbook with multiple levers, we have quickly pursued initiatives to set ourselves on a growth trajectory. Our results for the year ended December 31, 2021 are continued proof that our transformation is well underway.

Accelerate Revenue Growth

~ Product and pricing enhancement strategies

~ Increased pipeline of new products

~ Build strength in Asia Pacific

~ Optimizing pricing and cross-sell

Enhance Margins

~ Benefit from top-line initiatives

~ Simplifying Selling, General and Administrative ("SG&A") cost structure

~ Consolidating footprint

~ Increase automation and cloud infrastructure

2021 Earnings Progress Report[1]

1. Revenue growth 49.7%[2]
2. Subscription revenue growth 17.9%
3. Transactional revenue growth 36.8%
4. ACV growth (at constant currency) 77.8%[3]
5. 90.6% retention rate[4]
6. Net loss $(311,956) (Net loss margin and margin improvement not meaningful; reduction in Net loss of (11.0)%) [2]
7. Adjusted EBITDA margin 42.6%[2]
8. Adjusted EBITDA margin improvement 450.0 bps[2]
9. Adjusted EBITDA growth 64.5%[2]

(1) For a reconciliation of our non-GAAP measures to the corresponding most closely related measures calculated in accordance with GAAP, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Certain Non-GAAP Measures.

(2) Results calculated for the year ended December 31, 2021 as compared to the year ended December 31, 2020.

(3) "ACV" or "annualized contract value" refers to the annualized value for a 12-month period following a given date of all subscription-based client license agreements, assuming that all license agreements that come up for renewal during that period are renewed. The figure above represents the year-over-year growth in the annual value of our subscriptions as of December 31, 2021 as compared to December 31, 2020. For information on ACV, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Key Performance Indicators - Annualized Contract Value.

(4) Retention rate measurement period is for the year ended December 31, 2021.

Operational Improvement Initiatives

We have implemented several cost-saving and margin improvement initiatives designed to generate substantial incremental cash flow. We have engaged a strategic consulting firm to assist us in optimizing our structure and cost base. The focus of these initiatives is to identify significant cost reductions to be implemented over the next several quarters, enabling us to deliver margins consistent with those of our peer group. Some examples include:

- decreasing costs by simplifying organizational structures and rationalizing general and administrative functions to enhance a customer-centric focus;
- using artificial intelligence and the latest technologies to reduce costs and increase efficiencies for content sourcing and curation;
- moving work performed by contractors in-house to best-cost geographic locations, particularly India, where we have significant scale that can be leveraged;

- achieving headcount productivity benchmarks and operational efficiency metrics based on alignment with quantified sector leader benchmarks;
- expanding existing operations in best-cost geographic locations, aligning with business objectives;
- minimizing our real estate footprint by reducing facility locations substantially over the next three years; and
- divesting non-core assets.

Revenues Growth Initiatives

We believe a significant opportunity exists for us to accelerate revenues growth by increasing the value of our products and services, developing new products, cross-selling certain products and optimizing sales force productivity. Actions to achieve such revenues growth are expected to include:

- developing new value-added products and services;
- delivering an enhanced customer experience through ongoing renovations to our products' user interface and user experience;
- offering additional analytics that enhance existing products and services;
- moving up the value chain by providing our customers with predictive and prescriptive analytics, allowing for stronger growth and higher retention rates;
- expanding our footprint with new and existing customers, with significant opportunity for growth in the Asia Pacific and emerging markets;
- broadening our consulting capabilities, in particular in the Science segment, where there is considerable opportunity for us to deliver high value consulting services to drive significant revenue growth;
- optimizing product pricing and packaging based on customer needs;
- increasing sales force focus on large accounts;
- expanding our inside sales capability to improve account coverage; and
- restructuring our incentive plans to drive new business, as well as cross-selling among similar products and overlapping buying centers.

The above actions are part of an overarching effort to improve retention rates and new business growth rates to best-in-class levels across our portfolio.

Pursue Acquisition Opportunities

Given the fragmented nature of the broader information services industry, we track and, where appropriate, will continue to pursue opportunities across our product lines. From 2017 through 2021, we completed nine small add-on acquisitions and three significant acquisitions to augment our existing portfolio of assets and provide additional datasets and services for our customers. Our completed acquisitions include Publons, Kopernio, Decision Resources Group, Bioinfogate, ProQuest, and Patient Connect within the Science segment and TrademarkVision, SequenceBase, Darts-ip, CPA Global, Beijing IncoPat and Hanlim in the IP segment. We also acquired the assets of CustomersFirst Now, which was accounted for as an asset acquisition. Certain of these acquisitions are fully integrated into our platform, while others continue to be integrated, and we believe they have already provided additional value to our customers. Additionally, we divested lower margin, non-core products lines such as MarkMonitor Brand Protection, Antipiracy and Antifraud solutions, and Techstreet.

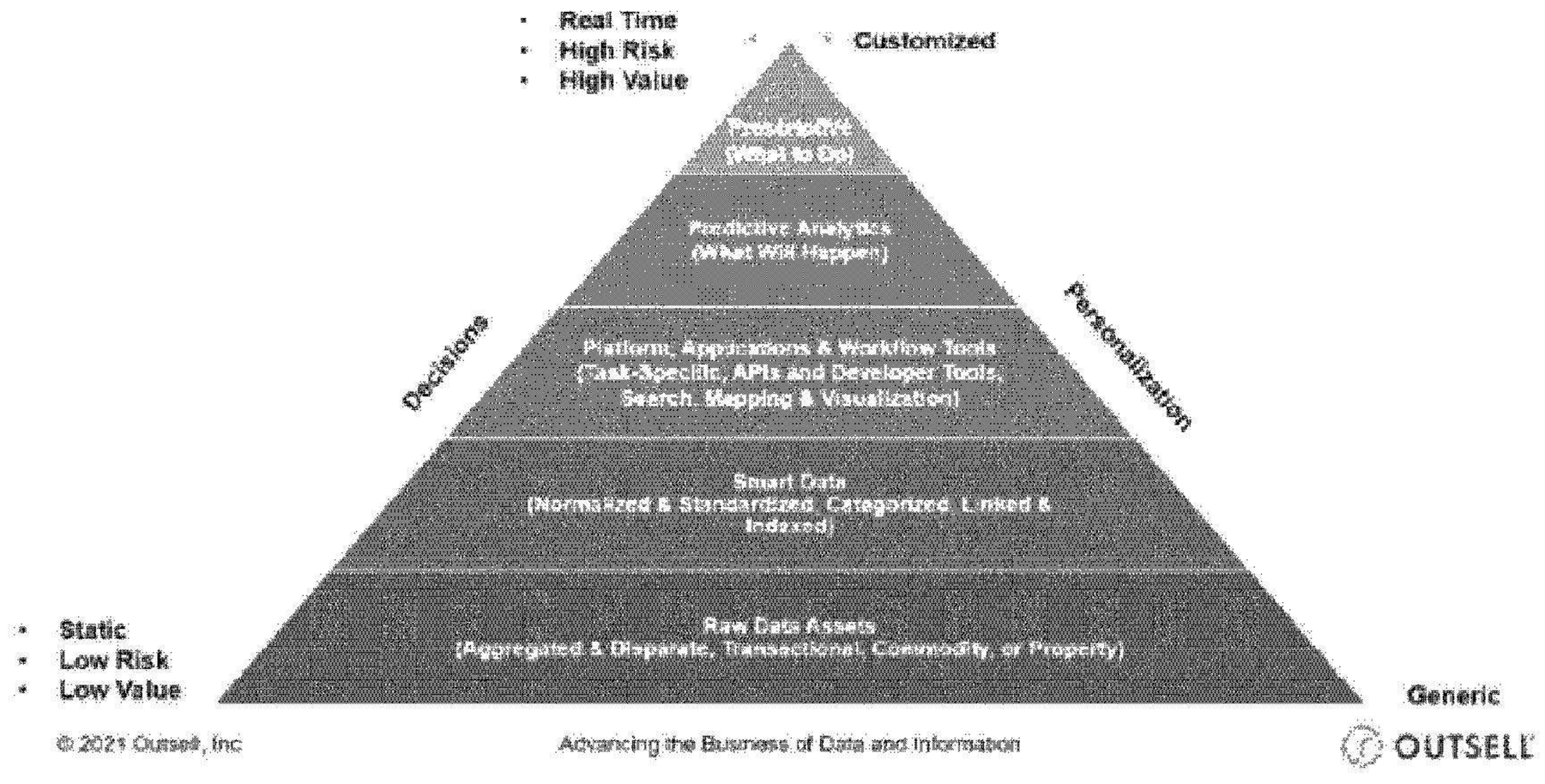
We are evaluating additional acquisition opportunities to supplement our existing platform and enable us to enter new markets. Our focus is on disciplined and accretive investments that leverage our core strengths and enhance our current product, market, geographic and customer strategies. We believe that our scale and status as a global information services leader uniquely positions us to create value through additional acquisitions.

Positive Sector Dynamics Support Our Trajectory

We operate in the global information and analytics sector, which is experiencing robust growth due to many factors. Data and analytics have become critical inputs into broader corporate decision-making in today's marketplace, and companies and institutions are seeking services like ours to enhance the predictive nature of their analysis. In addition to creating greater demand for our services, rapid innovation within our customers' businesses has created new use cases for our services. We have a significant addressable opportunity of over $100 billion which represents the target addressable market across verticals that have a need for data and analytical services.

Customers of data and analytics products continue to approach complex business decisions in new ways. We believe that these customers are placing greater emphasis and value on the ability to embed predictive and prescriptive analytics into their decision-making processes. These customers are using smart data to anticipate what will happen in the future, as opposed to using historical data to study what has happened in the past. As such, we are investing in these critical, forward-facing products and solutions. We believe offering these types of products will increase the value customers place on our products, allow for stronger growth and open new addressable markets, as illustrated below.

Significant Move Up the Value Chain with Smart Data Offerings



Our Competitive Strengths

Leading Market Positions in Attractive and Growing Global Markets

We offer a collection of high-quality, market-leading information and insights products and solutions serving the Academia & Government, Life Sciences & Healthcare, Professional Services and Consumer Products, Manufacturing & Technology end-markets. Through our products and services, we address the large and growing demand from corporations, government agencies, universities, researchers, law firms and other professional services organizations worldwide for comprehensive, industry-specific information and analytical tools to facilitate the discovery, development, protection, commercialization and measurement of scientific research, inventions and brands. We believe that the outlook for growth in each of our Product Lines is compelling because of customer demand for curated high-quality data, underpinned by favorable end-market trends, such as rising global R&D spending, growing demand for information services in emerging markets, the acceleration of e-commerce and the increasing number of patent and trademark applications.

A Trusted Partner Delivering Highly Curated Information Embedded Within Customer Workflows

We believe the substantial increase in unstructured data over the last decade has increased the importance of our proprietary, curated databases to our customers. This trend has resulted in a critical need for unstructured data to be meaningfully filtered, analyzed and curated into relevant information that facilitates key operational and strategic decisions made by businesses, academic institutions and governments worldwide. Our suite of branded information and insights solutions provides access to content that has been collected, curated and standardized over decades, making our products and services highly valued and increasingly important for our customers. Our content curation and editorial teams include over 1,400 employees who clean, analyze and classify unstructured data to ensure high-quality content and an enhanced user experience. We believe our solutions and commitment to excellence provide us with a significant advantage in both retaining existing and attracting new customers.

Attractive Business Model with Strong Free Cash Flow Profile

Approximately 55.0% of revenues for the year ended December 31, 2021 were generated through annual or multi-year subscription agreements. Approximately 24.1% of revenues for the year ended December 31, 2021 were generated through re-occurring transactional revenues. In addition, we have been able to achieve annual revenues renewal rates in excess of 90% over the past three years. We believe our business has strong and attractive free cash flow characteristics due to our highly visible and recurring subscription revenues stream, attractive Adjusted EBITDA margins, low capital expenditure requirements and favorable net working capital characteristics. Anticipated revenue growth, margin improvement and effective working capital management are expected to result in strong free cash flow generation. We believe this will create capacity to invest further into the business so that we can grow and maximize shareholder returns.

Diversified Product Lines with Longstanding Customer Relationships

We believe that the diversified nature of our Product Lines enhances the stability of our entire platform as we are not dependent on any one end-market, product, service or customer. We serve a large, diverse and global customer base, and as of December 31, 2021, we served over 50,000 customers in approximately 180 countries, including the top 30 pharmaceutical companies. Our 10 largest customers represented only 9% of revenues for the year ended December 31, 2021. We believe the strong value proposition offered by our content, combined with the integration of our products and services into our customers' daily workflows and decision-making processes, leads to substantial customer loyalty. Our relationships with our top 50 customers by revenues have an average lifespan of over 15 years. Our diverse global footprint is highlighted by the distribution of our revenues for the year ended December 31, 2021 by geography: Americas (49.4%), Europe/Middle East/Africa (29.6%), and Asia Pacific (21.0%).

Resilience Through Economic Cycles

We believe our business is resilient across economic cycles because our products and services are an integral part of our customers' decision-making processes. We believe multi-year agreements also help to maintain this resiliency. During the COVID pandemic, certain of our key products realized year-over-year revenue increases and have been able to maintain annual revenues renewal rates in excess of 90%. In addition, our diverse global footprint reduces our exposure to national and regional economic downturns.

Our performance is largely due to the sectors we serve and the deep integration of our products with our customers' workflows, which provides for a resilient business model even during an economic downturn.

Background and History

Clarivate Plc was registered on January 7, 2019 and is organized under the laws of Jersey, Channel Islands. Our registered office is located at 4th Floor, St Paul's Gate, 22-24 New Street, St. Helier, Jersey JE1 4TR. Our principal business offices are located at 70 St. Mary Axe, London EC3A 8BE, United Kingdom, where our main telephone number is +44 207 4334000. We maintain a website at www.clarivate.com. In addition, the SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers (including Clarivate) that file electronically with the SEC at www.sec.gov.

Our predecessors date back to the acquisition of two industry-leading information services businesses: Derwent World Patents Index ("DWPI") and Institute for Scientific Information ("ISI"). DWPI was founded in 1951 by Monte Hyams who first began abstracting and publishing British patents on a weekly basis. This platform was then launched as the first online patent search tool in 1974. ISI was founded in 1957 by Dr. Eugene Garfield as a series of databases which laid the foundation for modern day bibliometrics and the influential Journal Impact Factor indicator. Thomson Reuters acquired DWPI in 1984 and ISI in 1992; it made further investments in complementary businesses centered on life science research and domain management.

Since Thomson Reuters acquired DWPI and ISI, the business now known as Clarivate has emerged as the leading global information and analytics company serving the scientific research, intellectual property and life sciences end-markets. Through product development, investment and acquisitions, we have developed a full suite of solutions providing high-value structured information that facilitates the discovery, protection and commercialization of scientific research,

innovations and brands.

During the majority of its time under prior ownership, the Company operated as a set of non-core, separate divisions until Thomson Reuters decided in 2015 to divest them. This decision led to two key transformative events.

The first transformative event occurred in October 2016, when Onex and Baring acquired subsidiaries and assets comprising the intellectual property and science business of Thomson Reuters for $3,566,599 and formed Clarivate.

Onex, Baring and the new executive team they put in place focused on transitioning the business to be a standalone company and completed a substantial number of operational improvements, including:

- building a new senior executive management team;
- investing in our core products to upgrade their content, functionality, analytical tools and user interfaces;
- completing the acquisitions of Publons, Kopernio, TrademarkVision, and SequenceBase to complement our product offerings;
- implementing initial cost savings initiatives; and
- fully transitioning the business from reliance on Thomson Reuters.

The second transformative event occurred in January 2019, when Churchill Capital Corp, a special purpose acquisition company led by Mr. Stead, announced that it would combine with Clarivate in a transaction completed in May 2019. Following the merger, the ordinary shares of Clarivate began trading on the New York Stock Exchange ("NYSE") and NYSE American. Clarivate shares now trade on the NYSE under the symbol "CLVT".

Recent Developments

Strategic Acquisitions

Acquisition of ProQuest

On December 1, 2021, we acquired 100% of ProQuest, a leading global software, data and analytics provider to academic, research and national institutions, and its subsidiaries from Cambridge Information Group ("CIG"), Atairos and certain other equityholders (collectively, the "Seller Group"). The aggregate consideration in connection with the closing of the ProQuest acquisition was $4,994,334, net of $52,514 cash acquired. The aggregate consideration was composed of (i) $1,094,901 from the issuance of up to 46,910,923 ordinary shares to the Seller Group and (ii) approximately $3,951,947 in cash, including approximately $917,491 to fund the repayment of ProQuest debt. We funded the cash purchase price through a combination of cash on hand, new debt financing in the form of the Senior Unsecured Notes and the Senior Secured Notes (see Note 14 of the Notes to Consolidated Financial Statements) and equity financing in the form of the June 2021 Ordinary Share Offering and the 5.25% Series A Mandatory Convertible Preferred Shares Offering (see Note 16 of the Notes to Consolidated Financial Statements).

Acquisition of CPA Global

On October 1, 2020, we acquired 100% of the assets, liabilities and equity interests of CPA Global, a global leader in intellectual property software and tech-enabled services. Clarivate acquired all of the outstanding shares of CPA Global in a cash and stock transaction. The aggregate consideration in connection with the closing of the CPA Global acquisition was $8,540,886, net of $102,675 cash acquired, including an equity hold back consideration of $46,485, which was issued in January 2021. The aggregate consideration was composed of (i) $6,565,477 from the issuance of up to 218,183,778 ordinary shares to Redtop Holdings Limited, a portfolio company of Leonard Green & Partners, L.P., representing approximately 35% *pro forma* fully diluted ownership of Clarivate and (ii) approximately $2,078,084 in cash to fund the repayment of CPA Global's parent company outstanding debt of $2,055,822 and related interest swap termination fee of $22,262. Of the 218,306,663 ordinary shares issuable in the acquisition, Clarivate issued 210,357,918 ordinary shares as of October 1, 2020. There were 6,325,860 shares that were issued to Leonard Green & Partners, L.P. that were returned to Clarivate to fund an Employee Benefit Trust established for the CPA Global Phantom Equity Plan. Accordingly, these shares were excluded from purchase price consideration.

In conjunction with the closing of the transaction, the Company incurred an incremental $1,600,000 of term loans under our term loan facility and used the net proceeds from such borrowings, together with cash on hand, to fund the transaction.

Acquisition of Decision Resources Group

On February 28, 2020, we acquired 100% of the assets, liabilities and equity interests of Decision Resources Group ("DRG"), a premier provider of high-value data, analytics and insights products and services to the healthcare industry, from Piramal Enterprises Limited ("PEL"), which is a part of global business conglomerate Piramal Group. The acquisition helps us expand our core businesses and provides us with the potential to grow in the Life Sciences Product Line.

The aggregate consideration paid in connection with the closing of the DRG acquisition was $964,997, composed of $900,000 of base cash plus $6,100 of adjusted closing cash paid on the closing date and up to 2,895,638 of the Company's ordinary shares issued to PEL in March 2021. The contingent stock consideration was valued at $58,897 on the closing date and was revalued at each period end and included in the Accrued expenses and other current liabilities in the Consolidated Balance Sheets.

Redemption of Public Warrants

On February 20, 2020, we announced the redemption of all of our outstanding public warrants to purchase our ordinary shares that were issued as part of the units sold in the Churchill Capital Corp initial public offering and remained outstanding at 5:00 p.m. New York City time on March 23, 2020, for a redemption price of $0.01 per public warrant. In addition, our Board of Directors elected that, upon delivery of the notice of the redemption on February 20, 2020, all public warrants were to be exercised only on a "cashless basis." Accordingly, by virtue of the cashless exercise of public warrants, exercising public warrant holders received 0.4626 of an ordinary share for each public warrant, and 4,747,432 ordinary shares were issued for public warrants exercised on a cashless basis and 4,649 public warrants were redeemed for $0.01 per public warrant. As of December 31, 2020, no public warrants were outstanding.

The private warrants issued in a private placement concurrently with the Churchill Capital Corp initial public offering and still held by their initial holders were not subject to this redemption.

Dispositions

Disposition of Techstreet

On November 6, 2020, the Company completed the sale of certain assets and liabilities of non-core assets and liabilities within the IP segment for a total purchase price of $42,832. A gain of $28,140 was recognized in the Consolidated Statements of Operations during the year ended December 31, 2020.

MarkMonitor Brand Protection, Antipiracy and Antifraud Disposition

In November 2019, we announced an agreement to sell the MarkMonitor brand protection, antipiracy and antifraud businesses, and completed such divestiture on January 1, 2020. We retained the MarkMonitor Domain Management business.

Customers

We serve a large, diverse and global customer base and, as of December 31, 2021, we served over 50,000 customers in approximately 180 countries. Our customers either use our databases on an exclusive basis or on a dual-sourced basis and our 10 largest customers represented only 9%, 6% and 5% of revenues for the years ended December 31, 2021, 2020 and 2019, respectively.

Competitive Environment

We believe the principal competitive factors in our business include the quality of content embedded in our databases and those of our competitors, customers' perception of our products relative to the value that they deliver, user interface of the products, and the quality and breadth of our overall offerings. We believe we compete favorably with respect to each of these factors.

We believe no single competitor currently offers the same scope of services and market coverage we provide, nor do we provide the same scope of services and market coverage as our competitors. The breadth of markets we serve exposes us to a broad range of competitors as described below.

Our primary competitors differ by product line and include the following companies and product offerings:

- *Abstracting and Indexing Database Market*: Elsevier (Scopus, SciVal), and Digital Science (Dimensions);
- *Patent Protection Market*: LexisNexis (TotalPatent), Minesoft (PatBase) and Questel (Orbit);
- *Life Sciences Regulatory and Competitive Intelligence Market*: Evaluate (Evaluate Pharma), Global Data (Global Data Pharmaceuticals), Informa (Pharma Intelligence, BioMedTracker, Pharmaprojects, Trialtrove, Sitetrove), IQVIA (Tarius) and Qiagen (Qiagen Services);
- *Trademark Protection Market*: Corsearch (Contour, Corsearch Screening, search and watch services), and Markify (ComprehensiveSearch, ProSearch and trademark and domain watch); and
- *Domain Management Market*: Corporation Service Company ("CSC") (domain name management) and AppDetex (domain management and online brand protection).
- *Academic and Government Market*: Barriers to entering the higher education, research institutions, corporate, K-12, government agency and public organization markets, especially with respect to Open Access and Open Educational Resource products and platforms, are relatively low, and we expect competition in these markets to intensify.

Sources of Data

The data supporting our products and services is sourced principally through two different types of arrangements. First, we source data generally at little or no cost from public sources, including federal, state and local governments. Second, we purchase data from third-party data aggregators under contracts that reflect prevailing market pricing for the data elements purchased.

Technology

Our information technology systems are fundamental to our success. They are used for the storage, processing, access and delivery of the data which forms the foundation of our business and the development and delivery of our solutions provided to our customers.

We generally own or have secured ongoing rights to use for the purposes of our business all the customer-facing applications which are material to our operations.

We are continually transforming our content, products, services and company to better meet our customers' needs. We also are focused on securing our customer data and global systems as we implement and enhance our security programs. We are migrating the infrastructure for several of our customer applications and content databases to a third-party service provider, which provides a distributed computing infrastructure platform for business operations, or what is commonly referred to as a "cloud" computing service.

Intellectual Property

As of December 31, 2021, we owned approximately 1,786 registered trademarks, 98 trademark applications, 5,037 domain names, 169 granted patents and 59 patent applications. We also own certain proprietary software. In addition, we are licensed to use certain third-party software, and obtain significant content and data through third-party licensing arrangements with content providers. We consider our trademarks, service marks, databases, software and other IP to be proprietary, and we rely on a combination of statutory (e.g., copyright, trademark, trade secret and patent), contractual and technical safeguards to protect our IP rights. We believe that the IP we own and license is sufficient to permit us to carry on our business as presently conducted.

Our agreements with our customers and business partners place certain restrictions on the use of our IP. As a general practice, employees, contractors and other parties with access to our proprietary information sign agreements that prohibit the unauthorized use or disclosure of our IP and confidential information.

New Product Development

We believe that innovation is essential to our success and is one of our primary bases of competition. We believe we are uniquely positioned to help shape how professionals find, evaluate, interact with, consume and act upon information. We are focused on developing capabilities to improve our products' user interfaces, analytical tools, searching algorithms and content curation processes. Our current focus includes building out a technology platform focused on search technologies, big data and analytics, machine learning, social computing and natural language technologies. This will enable more rapid product development as we shift our investment focus toward new products rather than maintenance of legacy technology.

We also add to our business line offerings through acquisitions. We have completed three significant acquisitions in 2021 and 2020 including ProQuest and DRG, expanding our Sciences product offerings, and CPA Global, broadening our IP product offerings. During the past five years we have completed small add-on acquisitions to augment our existing portfolio of assets and provide additional datasets and services for our customers. Given the fragmented nature of the broader information services industry, we track and, where appropriate, have pursued opportunities across our Product Lines. This includes, for example, Connect in CPA Global. These acquisitions are fully integrated into our platform and we believe they have already provided additional value to our customers.

When we find it advantageous, we augment our proprietary data sources and systems by forming alliances with other leading information providers and technology companies and integrating their product offerings into our offerings. This approach gives our customers the opportunity to obtain the information they need from a single source and more easily integrate the information into their workflows.

Enforcement of Civil Liabilities

U.S. laws do not necessarily extend either to us or our officers or directors. We are incorporated under the laws of Jersey, Channel Islands. Some of our directors and officers reside outside of the United States. Substantially all of our assets and the assets of our directors and officers are located outside the United States. As a result, it may not be possible for investors to effect service of process on either us or our officers and directors within the United States, or to enforce against these persons or us, either inside or outside the United States, a judgment obtained in a U.S. court predicated upon the civil liability provisions of the federal securities or other laws of the United States or any U.S. state.

We have appointed Vistra USA, LLC, as our agent to receive service of process with respect to any action brought against us in the United States under the federal securities laws of the United States or of the laws of any state of the United States.

A judgment of a U.S. court is not directly enforceable in Jersey, but constitutes a cause of action which may be enforced by Jersey courts provided that:

- the applicable U.S. courts had jurisdiction over the case, as recognized under Jersey law;
- the judgment is given on the merits and is final, conclusive and non-appealable;
- the judgment relates to the payment of a sum of money, not being taxes, fines or similar governmental penalties;
- the defendant is not immune under the principles of public international law;
- the same matters at issue in the case were not previously the subject of a judgment or disposition in a separate court;
- the judgment was not obtained by fraud; and
- the recognition and enforcement of the judgment is not contrary to public policy in Jersey.

Jersey courts award compensation for the loss or damage actually sustained by the plaintiff. Although punitive damages are generally unknown to the Jersey legal system, there is no prohibition on them either by statute or customary law. Whether a particular judgment may be deemed contrary to Jersey public policy depends on the facts of each case, though judgments found to be exorbitant, unconscionable, or excessive will generally be deemed as contrary to public policy. Moreover, certain defendants may qualify for protection under Protection of Trading Interests Act 1980, an act of the UK extended to Jersey by the Protection of Trading Interests Act 1980 (Jersey) Order, 1983. This Act provides that a qualifying defendant is not liable for multiple damages, in excess of that required for actual compensation. A "qualifying defendant" for these purposes is a citizen of the UK and its Colonies (as defined in the Act), a corporation or other limited liability entity organized under the laws of the UK, Jersey or other territory for whose international relations the UK is responsible or a person conducting business in Jersey.

Jersey courts cannot enter into the merits of the foreign judgment and cannot act as a court of appeal or review over the foreign courts. It is doubtful that an original action based on U.S. federal or state securities laws could be brought before Jersey courts. In addition, a plaintiff who is not resident in Jersey may be required to provide a security bond in advance to cover the potential of the expected costs of any case initiated in Jersey. In addition, Clarivate has been further advised by our legal counsel in Jersey that it is uncertain as to whether the courts of Jersey would entertain original actions or enforce judgments from U.S. courts against us or our officers and directors which originated from actions alleging civil liability under U.S. federal or state securities laws.

Marketing, Sales and Customer Support

We primarily sell our products and services directly to our customers, although some of our products and services are sold through partners. Focusing some of our sales and marketing efforts on digital sales and marketing has allowed us to broaden our range of customers and reduce sales and marketing costs.

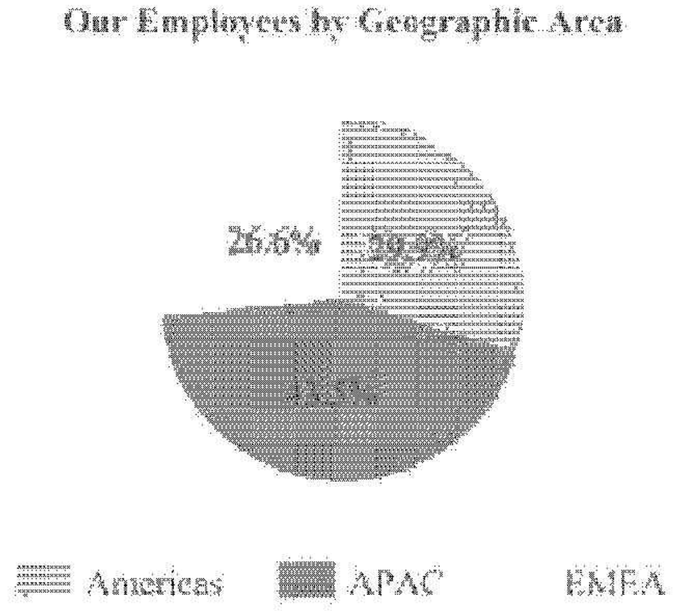
We annually develop sales, distribution and marketing strategies on a product-by-product and service-by-service basis. We leverage customer data, business and market intelligence and competitive profiling to retain customers and cross-sell products and services, while also working to promote unified brand recognition across all our products and services.

Our sales teams participate in both service and sales activities. They provide direct support, interacting frequently with assigned customers to assure a positive experience using our products and services. Sales people primarily seek out new sales opportunities, including existing customer retention and upsell, and work with the various sales teams to coordinate sales activity and provide the best solutions for our customers. A portion of our sales people's compensation is tied to revenues retention. We believe our sales people's product knowledge and local presence differentiates us from our competition.

In addition, we employ product specialists who are subject-matter experts and work with sales people on specific opportunities for their assigned products. Both sales people and product specialists have responsibility for identifying new sales opportunities. A team approach and a common customer relationship management system allow for effective coordination between the two groups.

Human Capital

As of December 31, 2021, we had approximately 11,095 full-time and approximately 258 part-time employees located in 43 countries around the world supporting our business operations. Of our total employees, 3,391 were located in the Americas, 4,940 were located in APAC and 3,022 were located in EMEA. The below chart summarizes the percentage of our employees by geographic area:



None of our employees in the United States are represented by unions; however, customary representation by unions and

works councils applies for certain of our non-U.S. employees. We consider our relationship with our employees to be good and have not experienced interruptions to operations due to labor disagreements.

Diversity, Equity, Inclusion & Belonging ("DEIB")

We have taken our commitment to diversity, equity, inclusion and belonging to a whole new level, especially after witnessing instances of civil unrest and outcries for real change. We believe that our colleagues are our most important competitive advantage and see people coming together from different cultures and backgrounds, with different life experiences, as a key driver of innovation. We know that colleagues who feel engaged and included will be the most proactive and productive. Our goal is to weave these principles into the fabric of our culture to become a recognized global leader and employer of choice. Throughout our organization and across all our regions, we are accelerating innovation and action in support of a more diverse and inclusive workforce. As a company, we are magnifying our voice, our platform and our resources to address injustice and inequity wherever it occurs.

In 2020, we signed the CEO Action for Diversity & Inclusion, the largest CEO-driven business commitment to advancing diversity and inclusion in the workplace. As part of our commitment to the CEO Action for Diversity & Inclusion, we supported two colleagues to represent Clarivate as Racial Equity Fellows, and continue to do so in 2022. We are also signatories to the UN Women's Empowerment Principles, and the UN Global Compact and in 2021, proudly joined the coalition of Scientific publishing organizations and national laboratories, partnering on transgender-inclusive name-change process for published papers. Name changes allow researchers of all genders to own their academic work.

We are taking positive actions to further diversity, equity, inclusion and belonging led by the Clarivate Diversity Council. Our five-pillar framework of Leadership, Culture, Workplace practices, Business integration and Community, includes key elements such as Board level accountability through the Nominating, Governance and Sustainability Committee, Board Diversity Policy, advancing people analytics and metrics insights, setting targets for diverse hiring in every part of our organization, non-bias training and education, engaging in difficult conversations around the role of race in our company and society, strategic structure and support for colleague engagement through Colleague Resource Groups and supporting diversity throughout our supply chain and in our communities. The Company's Colleague Resource Groups include:

- *SPECTRUM*, Clarivate's LGBTQ+ and Allies resource group;
- *Women @ Clarivate*, support of advancing the Women's Empowerment Principles;
- *Vibrant*, Clarivate's colleague resource group focused on racial & ethnic diversity, inclusion and equity;
- *Military Veterans at Clarivate*, supporting members with military backgrounds, including military family members and supporters;
- *Clarivate Volunteer Network*, to explore and promote the benefits of volunteering and reach our Sustainability goals; and
- *Element*, the Environment and Climate Change colleague resource group to raise awareness of the environment and our impact on it and to promote activities and behaviors to address our environmental impact.

Learning and Development Programs

Our learning and development ("L&D") philosophy is about bringing our organizational beliefs and values to life – to map our actions and behaviors to our words. It's about empowering each colleague to be their best self every day and providing a wide range of skills development opportunities applicable now and for the future. Some guiding principles include:

- We develop our L&D plans and programs in alignment with our key business functions to help further our mutual success and avoid creating silos;
- Our L&D commitments are performance related and designed to improve corporate, functional, team and individual accountability;
- We strongly believe that every colleague across our entire business should be provided equal opportunities to learn, develop and grow;
- We believe in empowering individual colleagues with their own L&D milestones. With ownership comes commitment, responsibility and greater chances of success for ongoing learning and development; and

- We continuously focus on outcomes and business impact when it comes to evaluating L&D programs.

Retention and Engagement

The Company has spent the past three years fostering a values-led culture that begins with the Company's Purpose and Vision that human ingenuity can transform the world and we will improve the way the world creates, protects and advances innovation. With a continuous focus on three company Values (aim for greatness, value every voice and own your actions) along with transparent communication and a wide variety of colleague support programs, our colleague engagement has steadily climbed and reached a score of 75 (out of 100) in October 2021.

We provide a variety of benefits to promote retention and growth of our employees. We strive to offer equitable pay and competitive salaries and wages. In addition, we have historically provided an annual broad-based equity grant to our employees to promote a sense of company pride and ownership. We offer a comprehensive benefits package that gives a robust collection of rewards and benefits, including healthcare and insurance benefits, and retirement savings plans. We also host a number of affinity groups for our employees. We have an online academy that fosters a learning culture, leveraging the knowledge and expertise of our people.

Workplace Health and Safety

We have invested in a robust, proven health and well-being strategy to foster a healthier, happier and more productive workforce. We're committed to providing colleagues with meaningful resources to support their personal, family and community needs using a holistic approach that focuses on four key pillars of well-being: Physical, Financial, Social and Emotional. As part of a new level of health and wellness engagement, we:

- Launched 'Be Well', our new, online well-being platform that enables colleagues to take a health assessment, track daily health habits, participate in health and fitness challenges, sync mobile and fitness devices and more - all while earning rewards along their personalized well-being journey;
- Leverage data insights from benefits utilization reports, real-time analytics, colleague feedback and more to continuously enhance our engagement and impact;
- Provide access to science-based tools and technologies to help colleagues better navigate the digital workplace while balancing needs at home; and
- Leverage proven techniques to enhance mindfulness, stress management, emotional intelligence, resilience, quality of sleep, performance and more.

We have also provided the following support during the COVID-19 pandemic:

- Maintained a steady, compassionate communications with colleagues to help them ensure they remain safe and informed, including weekly live Q&A sessions with the CEO and leadership team;
- Increased focus on mental health and well-being in response to disruptive impact of the global pandemic;
- Prioritized and promoted our global Employee Assistance Program ("EAP") to provide all colleagues with the support they need;
- Enhanced existing programs, such as increased paid time off, expanded child/elder care benefits, allowed rollovers and mid-year election changes to pre-tax spending accounts in the United States, adopted several CARES Act provisions in our 401(k) Plan and more; and
- Launched a financial hardship assistance program in response to COVID-19 which delivered funding to help colleagues and their families.

Sustainability and Environment, Social and Governance ("ESG")

Recognizing that sustainability and ESG are critical to the Company's future success, a formal ESG commitment was launched in 2020, with the issuance of our inaugural sustainability report in 2021, landing in the 76th percentile in the S&P Global Corporate Sustainability Assessment upon our first entry. Sustainability is everything we do, and we approach it holistically across all aspects of ESG dimensions, in support of and alignment with the United Nations Sustainable Development Goals.

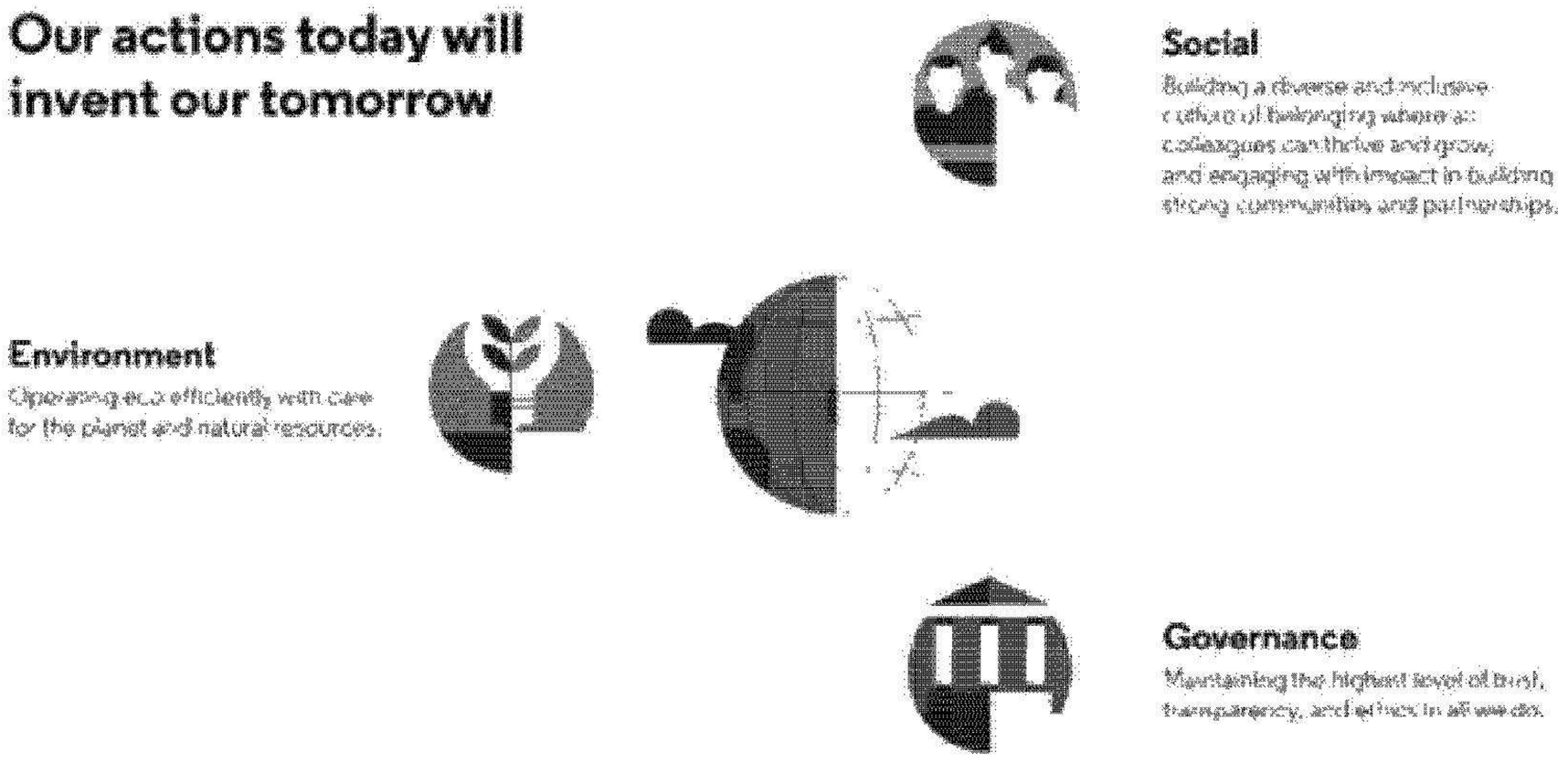
ESG pillars of Sustainability@Clarivate

We are progressing at a rapid pace since launching our ESG journey, with ambitious goals to be listed on the DJSI in 2024 and be carbon neutral for all known and measurable emissions. As we work to advance a more sustainable world, we have begun mapping all we do to the UN Sustainable Development Goals ("SDG"), with a focus on mapping our customer impact and SDGs 3, 9, and 12; and internally focused on responsible business practices that address SDG 12, 13 and 10.

Environment: We continue to work on minimizing environmental impacts, with our global e-waste program, and in 2021 publishing environmental metrics for 75% of facilities for the first time, thus also enabling us to report into the CDP for the first time. We are now evaluating our suppliers for ESG performance, having invited our 100 top suppliers to participate in our ESG assessments, with over 30% of supplier spend now completed the assessments. We are making great strides in our Climate Transition planning with improved ability to capture, track, minimize and mitigate our carbon footprint, SDG 13.

Social: Our social efforts are focused on our colleagues and our community. In 2021, we reported out in our sustainability report many human capital metrics for the first time and we continue to build our capabilities for robust people metrics management, as we advance our DEIB efforts in support of SDG 10 and reducing inequalities. We participated for the first time in the Diversity 50 and Corporate Equality Index, helping to build upon our work and further inform our DEIB strategy. We have over 80 global and local sustainability teams and colleague resource groups, working in alignment through the Global Engagement Council to enable colleague actions and real impact. Through our Clarivate Volunteer Network, we shared over 14,000 hours of time helping in communities around the world and launched a global volunteer recognition program. We are building meaningful strategic partnerships that further strengthen our engagement opportunities, community impact and advance all 17 SDGs.

Governance: We are committed to maintaining the highest level of trust, transparency and ethics in all we do, and are proud participants in the UN Global Compact, including participation in the UN SDG Ambition program. In 2021 Sustainability officially became of the Board Committee, known as the Nominating, Governance and Sustainability Committee. We have a robust privacy center online, published the Board Diversity statement and updated the Modern Slavery statement. The company achieved ISO 27001 in recognition of the critical importance of information security.



Seasonality

Our cash flows from operations are generated primarily from payments from our subscription customers and the standard term of a subscription is typically 12 months. When a customer enters into a new subscription agreement, or submits a notice to renew their subscription, we typically invoice for the full amount of the subscription period, record the balance to deferred revenues and ratably recognize the deferral throughout the subscription period. As a result, we experience cash flow seasonality throughout the year, with a heavier weighting of operating cash inflows occurring during the first half, and particularly first quarter, of the year, when most subscription invoices are sent, as compared to the second half of the year.

Regulatory Environment

Certain of our Product Lines provide authorized customers with products and services such as access to public records. Our Product Lines that provide such products and services are subject to applicable privacy and consumer information laws and regulations, including U.S. federal and state and European Union ("EU") and member state regulation. Our compliance obligations vary from regulator to regulator, and may include, among other things, strict data security programs, submissions of regulatory reports, providing consumers with certain notices and correcting inaccuracies in applicable reports. Many of these laws and regulations are complex and their application to us, our customers or the specific services and relationships we have with our customers are not always clear. Our failure to accurately anticipate the application of these laws and regulations, or any failure to comply, could create liability for us, result in adverse publicity and otherwise negatively affect our business. See Item 1A. Risk Factors for more information about the impact of government regulation on our company.

Item 1A. Risk Factors

Investing in our ordinary shares involves risks. You should carefully consider the risks described herein before making a decision to invest in our ordinary shares. If any of these risks actually occurs, our business, financial condition and results of operations could be materially and adversely affected. In such case, the trading price of our ordinary shares would likely decline, and you may lose all or part of your investment.

Any significant disruption in or unauthorized access to our computer systems or those of third parties that we utilize in our operations, including those relating to cybersecurity or arising from cyber-attacks, could adversely impact our business.

Our reputation and ability to attract, retain and serve our customers is dependent upon the reliable performance and security of our computer systems and those of third parties that we utilize in our operations to collect, store and use public records, IP and sensitive data. We expend significant resources to develop and secure our systems, but they may be subject to damage or interruption from natural disasters, terrorist attacks, power loss, Internet and telecommunications failures and cybersecurity risks. Our computer systems and those of third parties we use in our operations may be vulnerable to cybersecurity risks, including cyber-attacks from state-sponsored entities and individual activity, such as computer viruses, denial of service attacks, physical or electronic break-ins and similar disruptions. We have implemented certain systems and processes to thwart hackers and protect our data and systems; however, these systems and processes may not be effective and, similar to many other global multinational companies, we experience cyber-threats, cyber-attacks and other attempts to breach the security of our systems. Any fraudulent, malicious or accidental breach of data security could result in unintentional disclosure of, or unauthorized access to, customer, vendor, employee or other confidential or sensitive data or information, which could potentially result in additional costs to our company to enhance security or to respond to occurrences, lost sales, violations of privacy or other laws, notifications to individuals, penalties or litigation. Any failure of our systems, significant disruption to our operations or unauthorized access to our systems or those of third parties (or "cloud" computing service providers) we contract with to host our computing could result in significant expense to repair, replace or remediate systems, equipment or facilities, a loss of customers, legal or regulatory claims, and proceedings or fines and adversely affect our business and results of operations. We do not have control over the operations of the facilities of the third party cloud computing service that we use. This, coupled with the fact that we cannot easily switch our cloud computing operations to another cloud provider, means that any disruption of or interference with our use of our current third party cloud computing service could disrupt our operations and our business could be adversely impacted.

If our products and services do not maintain and/or achieve broad market acceptance, or if we are unable to keep pace with or adapt to rapidly changing technology, evolving industry standards, macroeconomic market conditions and changing regulatory requirements, our revenues could be adversely affected.

Our business is characterized by rapidly changing technology, evolving industry standards and changing regulatory requirements. Our growth and success depend upon our ability to keep pace with such changes and developments and to meet changing customer needs and preferences. Our business could also be affected by macroeconomic factors beyond our control and our ability to keep pace with technology and business and regulatory changes is subject to a number of risks, including that we may find it difficult or costly to:

- update our products and services and develop new products and services quickly enough to meet our customers' needs;
- make some features of our products work effectively and securely or with new or changed operating systems; and
- update our products and services to keep pace with business, evolving industry standards, regulatory requirements and other developments in the markets in which our customers operate.

In addition, the principal customers for certain of the products and services are universities and government agencies, which fund purchases of these products and services from limited budgets that are sensitive to changes in private and governmental sources of funding. Recession, economic uncertainty or austerity have contributed, and may in the future contribute, to reductions in spending by such sources. Accordingly, any further decreases in budgets of universities or government agencies, which have remained under pressure, or changes in the spending patterns of private or governmental sources that fund academic institutions, could adversely affect our results of operations.

The loss of, or the inability to attract and retain, key personnel could impair our future success.

Our future success depends to a large extent on the continued service of our employees, including our experts in research and analysis and other areas, as well as colleagues in sales, marketing, product development, critical operational roles, and management, including our executive officers. We must maintain our ability to attract, motivate, and retain highly qualified colleagues in order to support our customers and achieve business results. The loss of the services of key personnel and our inability to recruit effective replacements or to otherwise attract, motivate, or retain highly qualified personnel could have a material adverse effect on our business, financial condition, and operating results.

Our collection, storage and use of personal data are subject to applicable data protection and privacy laws, and any failure to comply with such laws may harm our reputation and business or expose us to fines and other enforcement action.

In the ordinary course of business, we collect, store, use and transmit certain types of information that are subject to different laws and regulations. In particular, data security and data protection laws and regulations that we are subject to often vary significantly by jurisdiction, such as the privacy requirements of the Health Insurance Portability and Accountability Act and the stringent operational requirements for processors and controllers of personal data implemented by the EU-wide General Data Protection Regulation. It also significantly increased penalties for noncompliance, including where we act as a data processor. Data security and data protection laws and regulations are continuously evolving and there are currently a number of legal challenges to the validity of EU mechanisms for adequate data transfers such as the Privacy Shield Framework and the Standard Contractual Clauses. Although we have implemented policies and procedures that are designed to ensure compliance with applicable laws, rules and regulations, if our privacy or data security measures fail to comply with applicable current or future laws and regulations, including, without limitation, the EU ePrivacy Regulation and the California Consumer Privacy Act, we will likely be required to modify our data collection or processing practices and policies in an effort to comply with such laws and regulations, and we could be subject to increased costs, fines, litigation, regulatory investigations, and enforcement notices requiring us to change the way we use personal data or our marketing practices or other liabilities such as compensation claims by individuals affected by a personal data breach, as well as negative publicity and a potential loss of business.

Our business continuity plans may not be effective against events that may adversely impact our business.

We have established operational policies and procedures that manage the risks associated with business continuity and recovery from potential disruptions to our business. These policies and procedures are designed to increase the likelihood

that we are prepared to continue operations during times of unexpected disruption and we have taken steps to minimize risks that could lead to disruptions in our operations and to avoid our customers being harmed in the event of a significant disruption in our operations. However, there is no guarantee that these measures will be effective in minimizing any disruption from unexpected events that could result from a variety of causes, including human error, natural disasters (such as hurricanes and floods), infrastructure or network failures (including failures at third-party data centers, by third party cloud-computing providers, or of aging technology assets), and a disruption to our business that we are not capable of managing could adversely affect us.

We are dependent on third parties, including public sources, for data, information and other services, and our relationships with such third parties may not be successful or may change, which could adversely affect our results of operations.

Substantially all our products and services are developed using data, information or services obtained from third-party providers and public sources or are made available to our customers or are integrated for our customers' use through information and technology solutions provided by third-party service providers. We have commercial relationships with third-party providers whose capabilities complement our own and, in some cases, these providers are also our competitors. The priorities and objectives of these providers, particularly those that are our competitors, may differ from ours, which may make us vulnerable to unpredicted price increases and unfavorable licensing terms. Agreements with such third-party providers periodically come up for renewal or renegotiation, and there is a risk that such negotiations may result in different rights and restrictions which could impact our customers' use of the content. From time to time, we may also receive notices from third parties claiming infringement by our products and services of third-party patent and other IP rights and as the number of products and services in our markets increases and the functionality of these products and services further overlaps with third-party products and services, we may become increasingly subject to claims by a third party that our products and services infringe on such party's IP rights. Moreover, providers that are not currently our competitors may become competitors or be acquired by or merge with a competitor in the future, any of which could reduce our access to the information and technology solutions provided by those companies. If we do not maintain, or obtain the expected benefits from, our relationships with third-party providers or if a substantial number of our third-party providers or any key service providers were to withdraw their services, we may be less competitive, our ability to offer products and services to our customers may be negatively affected, and our results of operations could be adversely impacted.

Increased accessibility to free or relatively inexpensive information sources may reduce demand for our products and services.

In recent years, more public sources of free or relatively inexpensive information have become available and this trend is expected to continue. Public sources of free or relatively inexpensive information may reduce demand for our products and services. Competition from such free or lower cost sources may also require us to reduce the price of some of our products and services (which may result in lower revenues) or make additional capital investments (which might result in lower profit margins). Demand could also be reduced as a result of cost-cutting, reduced spending or reduced activity by customers. Our results of operations could be adversely affected if our customers choose to use these public sources as a substitute for our products or services.

We may be unable to derive fully the anticipated benefits from organic growth, existing or future acquisitions, joint ventures, investments or dispositions, including anticipated revenue and cost synergies, and costs associated with achieving synergies or integrating such acquisitions may exceed our expectations.

We seek to achieve our growth objectives by optimizing our offerings to meet the needs of our customers through organic development, including by delivering integrated workflow platforms, cross-selling our products across our existing customer base, acquiring new customers, implementing operational efficiency initiatives, and through acquisitions, joint ventures, investments and dispositions. However, we may not be able to achieve the expected benefits of our acquisitions, including anticipated revenue, cost synergies or growth opportunities and we may not succeed in cross-selling our products and services. Moreover, we may not be able to integrate the assets acquired in any such acquisition or achieve our expected cost synergies without increases in costs or other difficulties. If we are unable to successfully execute on our strategies to achieve our growth objectives, drive operational efficiencies, realize our anticipated cost or revenue synergies or if we experience higher than expected operating costs that cannot be adjusted accordingly, our growth rates and profitability could be adversely affected and the market price of our ordinary shares may decline. Furthermore, acquisitions may subject us to new types of risks to which we were not previously exposed.

We operate in a highly competitive industry and we may be adversely affected by competition and other changes in our markets.

The markets for our products and services are highly competitive and are subject to rapid technological changes and evolving customer demands and needs. We compete on the basis of various factors, including the quality of content embedded in our databases, customers' perception of our products relative to the value that they deliver, user interface of the products and the quality of our overall offerings. Many of our principal competitors are established companies that have substantial financial resources, recognized brands, technological expertise and market experience, and these competitors sometimes have more established positions in certain product lines and geographies than we do. We also compete with smaller and sometimes newer companies, some of which are specialized with a narrower focus than our company, and with other Internet services companies and search providers. New and emerging technologies can also have the impact of allowing start-up companies to enter the market more quickly than they would have been able to in the past. In addition, some of our competitors combine competing products with complementary products as packaged solutions, which could pre-empt use of our products or solutions and some of our customers may decide to independently develop certain products and services. If we fail to compete effectively, our financial condition and results of operations would be adversely affected.

We generate a significant percentage of our revenues from recurring subscription-based arrangements and highly predictable re-occurring transactional ("re-occurring") arrangements. If we are unable to maintain a high annual revenue renewal rate, our results of operations could be adversely affected.

For the twelve months ended December 31, 2021, approximately 79.1% of our revenues were subscription-based and re-occurring based. Because most of the revenues we report in each quarter are the result of subscription and re-occurring agreements entered into or renewed in previous quarters, with subscription renewals historically concentrated in the first quarter, a decline in subscriptions in any one quarter may not affect our results in that quarter, but could reduce revenues in future quarters. Our operating results depend on our ability to achieve and sustain high renewal rates on our existing subscription and re-occurring arrangements and to obtain new subscriptions and re-occurring contracts with new and existing customers at competitive prices and other commercially acceptable terms. Failure to meet one or more of these subscription and re-occurring objectives could have a material adverse effect on our business, financial condition, and operating results.

Our brand and reputation are key assets and competitive advantages of our company and our business may be affected by how we are perceived in the marketplace.

Our ability to attract and retain customers is affected by external perceptions of our brand and reputation. Failure to protect the reputation of our brands may adversely impact our credibility as a trusted source of content and may have a negative impact on our business. In addition, in certain jurisdictions we engage sales agents in connection with the sale of certain of our products and services. Poor representation of our products and services by agents, or entities acting without our permission, could have an adverse effect on our brands, reputation and our business.

The international scope of our operations may expose us to increased risk, and our international operations and corporate and financing structure may expose us to potentially adverse tax consequences.

We have international operations and, accordingly, our business is subject to risks resulting from differing legal and regulatory requirements, political, social and economic conditions and unforeseeable developments in a variety of jurisdictions. Our international operations are subject to the following risks, among others:

- political instability;
- international hostilities, military actions, terrorist or cyber-terrorist activities, natural disasters, pandemics (including a prolonged and delayed recovery from COVID-19), and infrastructure disruptions;
- differing economic cycles and adverse economic conditions;
- unexpected changes in regulatory environments and government interference in the economy;
- varying tax regimes, including with respect to the imposition of withholding taxes on remittances and other payments by our partnerships or subsidiaries and the possibility that a U.S. person treated as owning at least 10% of our ordinary shares could be subject to adverse U.S. federal income tax consequences;
- differing labor regulations in locations where we have a significant number of employees;
- foreign exchange controls and restrictions on repatriation of funds;
- fluctuations in currency exchange rates;

- insufficient protection against product piracy and differing protections for IP rights;
- varying attitudes towards censorship and the treatment of information service providers by foreign governments, particularly in emerging markets;
- various trade restrictions (including trade and economic sanctions and export controls prohibiting or restricting transactions involving certain persons and certain designated countries or territories) and anti-corruption laws (including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act 2010);
- possible difficulties in enforcing a U.S. judgment against us or our directors and officers residing outside the United States, or asserting securities law claims outside of the United States; and
- protecting your interests as a shareholder due to the differing rights of shareholders under Jersey law, where we are incorporated.

Our overall success as a global business depends, in part, on our ability to anticipate and effectively manage these risks, and there can be no assurance that we will be able to do so without incurring unexpected costs. If we are not able to manage the risks related to our international operations, our business, financial condition and results of operations may be materially affected.

The international scope of our business operations subjects us to multiple overlapping tax regimes that can make it difficult to determine what our obligations are in particular situations. For example, we have been advised that we should be able to deliver the Merger Shares, consistent with our obligations under the Sponsor Agreement, to the recipients thereof without withholding for U.K. employment and related taxes. However, it is possible that Her Majesty's Revenue and Customs ("HMRC") could dispute our position and proceed against us for the amount of such taxes, which could be significant and, if sustained, could adversely affect our cash flows and financial position. Although we believe we would ultimately prevail in any such a proceeding, there can be no assurance that we would not be required to pay a significant amount in settlement of any such a claim brought by HMRC.

Our indebtedness could adversely affect our business, financial condition, and results of operations.

Our indebtedness could have significant consequences on our future operations, including:

- making it more difficult for us to satisfy our debt obligations and our other ongoing business obligations, which may result in defaults;
- events of default if we fail to comply with the financial and other covenants contained in the agreements governing our debt instruments, which could result in all of our debt becoming immediately due and payable or require us to negotiate an amendment to financial or other covenants that could cause us to incur additional fees and expenses;
- sensitivity to interest rate increases on our variable rate outstanding indebtedness, including uncertainty relating to the likely phasing out of LIBOR by the end of 2021, which could result in increased interest under our credit facilities which could cause our debt service obligations to increase significantly;
- reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes, and limiting our ability to obtain additional financing for these purposes;
- limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industries in which we operate, and the overall economy;
- placing us at a competitive disadvantage compared to any of our competitors that have less debt or are less leveraged;
- increasing our vulnerability to the impact of adverse economic and industry conditions; and
- if we receive a downgrade of our credit ratings, our cost of borrowing could increase, negatively affecting our ability to access the capital markets on advantageous terms, or at all.

Our ability to meet our payment and other obligations under our debt instruments depends on our ability to generate significant cash flow in the future. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We cannot assure you that our business will generate cash flow from operations, or that future borrowings will be available to us under our existing or any future credit facilities or otherwise, in an amount sufficient to enable us to meet our debt obligations and to fund other liquidity needs. We may incur substantial additional indebtedness, including secured indebtedness, for many reasons, including to fund acquisitions. If we add additional debt or other liabilities, the related risks that we face could intensify.

Our outstanding private placement warrants are accounted for as liabilities and are recorded at fair value with changes in fair value each period reported in earnings, which may cause volatility in our earnings and thus may have an adverse effect on the market price of our ordinary shares.

As described in our financial statements included in Part II, Item 8, to this Annual Report on Form 10-K, the Company accounts for its outstanding private placement warrants as liabilities at fair value on the balance sheet. The private placement warrants are subject to remeasurement at each balance sheet date and any change in fair value is recognized as a component of change in fair value as of the end of each period for which earnings are reported. The Company will continue to adjust the liability for changes in fair value until the earlier of exercise or expiration of the warrants. The volatility introduced by changes in fair value on earnings may have an adverse effect on the market price of our ordinary shares.

We have identified material weaknesses in our internal control over financial reporting as of December 31, 2021, and if we are not able to remediate the material weaknesses, or if we identify additional material weaknesses in the future or otherwise fail to design and maintain effective internal control over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent misstatements due to fraud or error.

We identified certain control deficiencies in the design of our internal control over financial reporting that constituted material weaknesses as of December 31, 2021. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses related to: (1) the lack of an effectively designed control over the communication of modifications to pre-existing compensation agreements in an acquisition transaction between the legal function and the accounting function to ensure the accounting impact of the modifications could be evaluated, and (2) the lack of an effectively designed control with a sufficient level of precision to allow for an appropriate review of the tax balances associated with the opening balance sheet of acquired entities. The material weakness related to the communication of modifications to pre-existing compensation agreements in an acquisition transaction resulted in the restatement of the Company's consolidated financial statements for the year ended December 31, 2020, the quarter ended December 31, 2020 and the first, second and third quarters of 2021. The material weakness related to the review of the tax balances associated with the opening balance sheet of acquired entities resulted in immaterial adjustments of the Company's consolidated financial statements for the year ended December 31, 2020 and each of the quarters of 2020 and the first, second and third quarters of 2021.

If we fail to design and maintain effective internal control over financial reporting, there could be material misstatements in our consolidated financial statements that we may not be able to prevent or detect on a timely basis and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could limit our access to capital markets, adversely affect our results of operations and lead to a decline in the trading price of the ordinary shares. Additionally, ineffective internal control over financial reporting could expose us to an increased risk of fraud or misappropriation of assets and subject us to potential delisting from the stock exchange on which we list or to other regulatory investigations and civil or criminal sanctions.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This annual report includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, "forward-looking statements," within the meaning of the "safe harbor provisions" of the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "seeks," "projects," "intends," "plans," "may," "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this annual report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, anticipated cost savings, results of operations, financial condition, liquidity, prospects, growth, strategies and the markets in which we operate. Such forward-looking statements are based on available current market material and management's expectations, beliefs and forecasts concerning future events impacting us. Factors that may impact such forward-looking statements include:

- any significant disruption in or unauthorized access to our computer systems or those of third parties that we utilize in our operations, including those relating to cybersecurity or arising from cyber-attacks;
- our ability to maintain revenues if our products and services do not achieve and maintain broad market acceptance, or if we are unable to keep pace with or adapt to rapidly changing technology, evolving industry standards, macroeconomic market conditions and changing regulatory requirements;
- our loss of, or inability to attract and retain, key personnel;
- our ability to comply with applicable data protection and privacy laws;
- the effectiveness of our business continuity plans;
- our dependence on third parties, including public sources, for data, information and other services, and our relationships with such third parties;
- increased accessibility to free or relatively inexpensive information sources;
- our ability to derive fully the anticipated benefits from organic growth, existing or future acquisitions, joint ventures, investments or dispositions;
- our ability to compete in the highly competitive industry in which we operate, and potential adverse effects of this competition;
- our ability to maintain high annual revenue renewal rates;
- the strength of our brand and reputation;
- our exposure to risk from the international scope of our operations, and our exposure to potentially adverse tax consequences from the international scope of our operations and our corporate and financing structure;
- our substantial indebtedness, which could adversely affect our business, financial condition, and results of operations;
- volatility in our earnings due to changes in the fair value of our outstanding warrants each period; and
- other factors beyond our control.

The forward-looking statements contained in this annual report are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks and uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described under the heading "Item 1A. Risk Factors." Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from

those projected in these forward-looking statements. We will not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The Company's primary office spaces as of December 31, 2021 are represented in the table below:

Location	Space Leased	Lease Expiration
Ann Arbor, Michigan, USA	130,961 square feet	November 2023
Noida, India	81,126 square feet	March 2025
Philadelphia, Pennsylvania, USA	78,778 square feet	October 2029
Jerusalem, Israel	65,294 square feet	December 2024
Bangalore, India	57,850 square feet	February 2022
Hyderabad, India	54,064 square feet	July 2021
Belgrade, Serbia	53,841 square feet	August 2027
Ypsilanti, Michigan, USA	40,000 square feet	December 2026
Boston, Massachusetts, USA	35,600 square feet	October 2024
Chandler, Arizona, USA	35,213 square feet	January 2028
Jersey, United Kingdom	30,784 square feet	September 2028
Des Plaines, Illinois, USA	25,086 square feet	December 2027
Alexandria, Virginia, USA	24,660 square feet	June 2027
Milwaukee, Wisconsin, USA	24,016 square feet	May 2027
Penang, Malaysia	23,639 square feet	September 2023
Tokyo, Japan	23,078 square feet	May 2022
Burlington, Massachusetts, USA	20,026 square feet	December 2027
Bethesda, Maryland, USA	19,492 square feet	November 2025
San Francisco, California, USA	18,900 square feet	October 2025
Chennai, India	18,844 square feet	Indefinite
London, United Kingdom	17,800 square feet	December 2029
Barcelona, Spain	17,000 square feet	September 2024
Toronto, Canada	16,786 square feet	May 2025
Seoul, South Korea	16,435 square feet	May 2022
Seattle, Washington, USA	16,187 square feet	August 2024

We believe that our properties, taken as a whole, are in good operating condition, are suitable and adequate for our current business operations, and that additional or alternative space will be available on commercially reasonable terms for future use and expansion.

Item 3. Legal Proceedings

From time to time, we are a party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of our business. While the outcomes of these matters are uncertain, management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on our consolidated financial position, results of operations or cash flows. For additional discussion of legal proceedings, see Item 8. Financial Statements and Supplementary Data - Notes to the Consolidated Financial Statements - Note 23 in this Report.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Price of Ordinary Shares

Our ordinary shares are traded on the NYSE under the symbol CLVT.

Holders

As of December 31, 2021, there were 95 holders of record of ordinary shares. A substantially greater number of holders of our ordinary shares are "street name" or beneficial holders, whose shares of record are held by banks, brokers, and other financial institutions.

Dividends

We did not pay any dividends to ordinary shareholders during the year ended December 31, 2021. We presently intend to retain our earnings for use in business operations and, accordingly, we do not anticipate that our board will declare dividends related to ordinary shares in the foreseeable future. In addition, the terms of our credit facilities and the indenture governing our secured notes due 2026 include restrictions that may impact our ability to pay dividends.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth information as of December 31, 2021, with respect to compensation plans under which equity securities are authorized for issuance.

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights[a]	Weighted-average exercise price of outstanding options, warrants, and rights[b]	Number of securities remaining available for issuance under equity compensation plans (excluding securities reflected in column)[a][c]
Equity Compensation Plans Approved by Security Holders			
2019 Incentive Award Plan	10,693,988 [2]	$ 13.43 [3]	40,200,324 [4]
Equity Compensation Plans Not Approved by Security Holders [1]			
Total	10,693,988	$ 13.43	40,200,324

(1) See Item 11. Executive Compensation - Compensation Committee Interlocks and Insider Participation. See Item 8. Financial Statements and Supplementary Data - Notes to the Consolidated Financial Statements - Note 16 - Shareholders' Equity for information regarding the Warrants.

(2) Includes (a) 4,801,602 of stock options, (b) 4,532,131 restricted share units that were issued with no exercise price or other consideration, and (c) 1,360,255 performance share units at grant that were issued with no exercise price or other consideration, and may not ultimately vest based on achievement of certain performance and market conditions.

(3) The weighted-average exercise price is reported for the outstanding stock options reported in the first column. There are no exercise prices for the restricted share units or performance share units.

(4) The total number of securities to be issued under the 2019 Incentive Award Plan.

Issuer Purchases of Equity Securities

The following table sets forth the total number of shares purchased, the average price paid per share, the total number of shares purchased as part of publicly announced programs, and the approximate dollar value of shares that may yet be purchased under the programs during each month during the year ended December 31, 2021.

Period	Total Number of Shares Purchased[1]	Price Paid Per Share	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs[2]	Number of Shares that May Yet Be Purchased Under Plans or Programs
January 1, 2021-January 31, 2021	8,250	$ 30.55	—	—
February 1, 2021-February 28, 2021	33,580	$ 30.09	—	—
March 1, 2021-March 31, 2021	311,619	$ 23.88	—	—
April 1, 2021-April 30, 2021	200,205	$ 27.19	—	—
May 1, 2021-May 31, 2021	298,624	$ 29.39	—	—
June 1, 2021-June 30, 2021	310,821	$ 28.01	—	—
July 1, 2021-July 31, 2021	17,648	$ 26.95	—	10,965,000
August 1, 2021-August 31, 2021	137,783	$ 23.55	1,769,000	9,196,000
September 1, 2021-September 31, 2021[3]	22,050	$ 25.41	830,700	8,365,300
October 1, 2021 - October 31, 2021	14,010	$ 22.27	—	
November 1 2021 - November 30, 2021	95,980	$ 23.34	2,500,800	5,864,500
December 1, 2021 - December 31, 2021	162,100	$ 24.65	1,475,000	4,389,500
Total	1,612,670		6,575,500	4,389,500

[1] Includes shares withheld to satisfy tax withholding obligations on behalf of employees that occur upon vesting and delivery of outstanding shares underlying stock options and restricted stock units under the 2019 Incentive Award Plan.

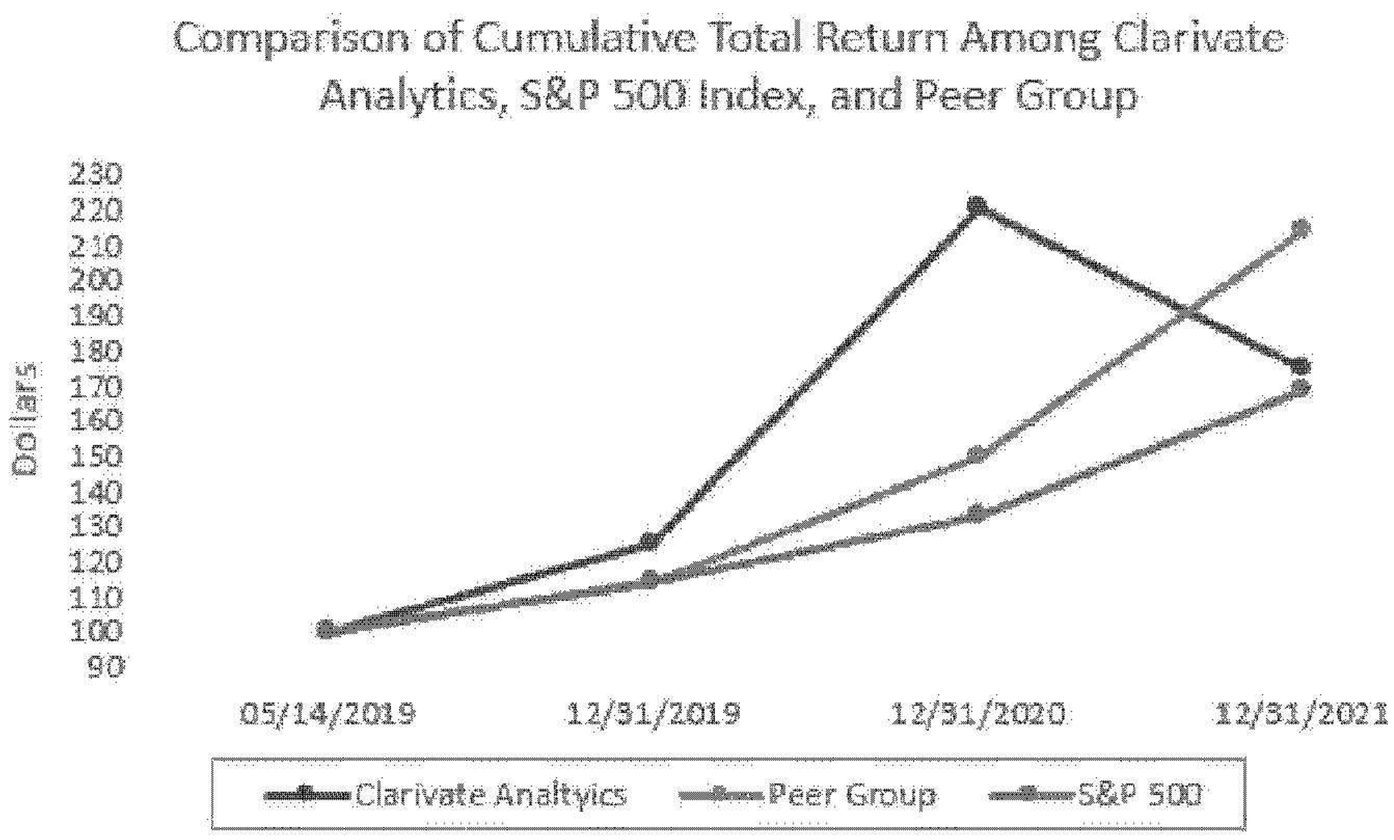
[2] In August 2021, the Company's Board of Directors authorized a share repurchase program allowing the Company to purchase up to $250,000 of its outstanding ordinary shares, subject to market conditions. During the year ended December 31, 2021, the Company purchased 6,575,500 shares for a total of $159,356. As of December 31, 2021, the Company had approximately $90,644 of availability remaining under this program.

[3] Total number of shares purchased and price paid per share is for the period beginning September 1, 2021 and ending September 30, 2021. Total number of shares purchased as part of publicly announced plans or programs and number of shares that may yet be purchased is for the period beginning September 1, 2021 and ending September 9, 2021.

Performance Graph

The following graph compares our total cumulative stockholder return with the Standard & Poor's Composite Stock Index ("S&P 500") and a market capitalization-weighted peer index consisting of FactSet Research Systems Inc., Gartner Inc., IHS Markit Ltd., Moody's Corporation, MSCI Inc., S&P Global Inc. and Verisk Analytics, Inc.

The graph assumes a $100 cash investment on May 14, 2019 and the reinvestment of all dividends, where applicable. This graph is not indicative of future financial performance. The following graph is not filed but is furnished pursuant to Regulation S-K Item 201(e), Instruction 7.



Recent Sales of Unregistered Equity; Use of Proceeds from Registered Offerings

In March 2017, the Company adopted the management incentive plan under which certain employees of the Company may be eligible to purchase shares of the Company. In exchange for each share purchase subscription, the purchaser is entitled to a fully vested right to an ordinary share. Additionally, along with a subscription, employees received a corresponding number of options to acquire additional ordinary shares subject to five year vesting. The vesting of these options was accelerated on November 30, 2020. The Company did not receive any subscriptions during the years ended December 31, 2021, 2020 and 2019. As of December 31, 2021, 2020 and 2019, respectively, there were 125,760, 127,060 and 358,313 shares issued and outstanding under the management incentive plan. None of the foregoing transactions involved any underwriters, underwriting discounts or commissions or any public offering.

Item 6. [Reserved]

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our Consolidated Financial Statements, including the notes thereto, included elsewhere in this annual report. Certain statements in this section are forward-looking statements that involve risks and uncertainties, such as statements regarding our plans, objectives, expectations and intentions. Our future results and financial condition may differ materially from those we currently anticipate as a result of the factors we describe under Item 1A. Risk Factors. Certain income statement amounts discussed herein are presented on an actual and on a constant currency basis. We calculate constant currency by converting the non-U.S. dollar income statement balances for the most current year to U.S. dollars by applying the average exchange rates of the preceding year. Certain amounts that appear in this section may not sum due to rounding.

Overview

We offer a collection of high quality, market leading information and analytic products and solutions through our Science segment and Intellectual Property ("IP") segment, which are also our reportable segments. Our Science segment consists of our Academic and Government Product Line ("AGPL") and Life Sciences Product Lines, and our IP segment consists of our Patent, Trademark, Domain, and IP Management Product Lines. Our highly curated Web of Science products are offered primarily to universities, helping them navigate scientific literature, facilitate research and evaluate and measure the quality of researchers, institutions and scientific journals across various academic disciplines. Our Life Sciences Product Line offerings serve the content and analytical needs of pharmaceutical and biotechnology companies across the drug development lifecycle, including content on discovery and preclinical research, competitive intelligence, regulatory information and clinical trials. Our Patent Product Line offerings help patent and legal professionals in R&D intensive businesses evaluate the novelty and patentability of new ideas and products to help protect and research patents. Our Trademark Product Line allow businesses and legal professionals to access our comprehensive trademark database. Our Domain Product Line offerings include enterprise web domain portfolio management products and services. Finally, our IP Management Product Line provides technology solutions and legal support services across the IP lifecycle, including renewal and validation of IP rights on behalf of customers and the development and provision of IP management software, as well as other patent activities including patent searching, IP filing, prosecution support and trademark watching.

For further information regarding an overview of our business and certain related trends and uncertainties, refer to Part I - Item 1. Business.

Objective

The objective of the Management Discussion and Analysis is to detail material information, events, uncertainties and factors impacting the Company and provide investors an understanding from "Management's perspective". Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, Management highlights the critical areas for evaluating the Company's performance which includes a discussion of reportable segment information. In addition, refer to Item 1. Business for Management's discussion of forward looking transformational strategy and initiatives including operational improvements, revenue growth and pursuit of acquisition opportunities.

Factors Affecting the Comparability of Our Results of Operations

The following factors have affected the comparability of our results of operations between the periods presented in this annual report and may affect the comparability of our results of operations in future periods.

Strategic Acquisitions

Acquisition of ProQuest

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

On December 1, 2021, we acquired 100% of ProQuest, a leading global software, data and analytics provider to academic, research and national institutions, and its subsidiaries from the Seller Group. The aggregate consideration in connection with the closing of the ProQuest acquisition was $4,994,334, net of $52,514 cash acquired. The aggregate consideration was composed of (i) $1,094,901 from the issuance of up to 46,910,923 ordinary shares to the Seller Group, representing approximately 7% *pro forma* fully diluted ownership of Clarivate and (ii) approximately $3,951,947 in cash, including approximately $917,491 to fund the repayment of ProQuest debt. We funded the cash purchase price through a combination of cash on hand, new debt financing related to the Senior Unsecured Notes and Senior Secured Notes (see Note 14 of the Notes to Consolidated Financial Statements) and the June 2021 Ordinary Share Offering and 5.25% Series A Mandatory Convertible Preferred Shares Offering (see Note 16 of the Notes to Consolidated Financial Statements).

Acquisition of CPA Global

On October 1, 2020, we acquired 100% of the assets, liabilities and equity interests of CPA Global, a global leader in intellectual property software and tech-enabled services. Clarivate acquired all of the outstanding shares of CPA Global in a cash and stock transaction. The aggregate consideration in connection with the closing of the CPA Global acquisition was $8,540,886, net of $102,675 cash acquired, including an equity hold-back consideration of $46,485. The aggregate consideration was composed of (i) $6,565,477 from the issuance of up to 218,183,778 ordinary shares to Redtop Holdings Limited, a portfolio company of Leonard Green & Partners, L.P., representing approximately 35% *pro forma* fully diluted ownership of Clarivate and (ii) approximately $2,078,084 in cash to fund the repayment of CPA Global's parent company outstanding debt of $2,055,822 and related interest swap termination fee of $22,262. Of the 218,306,663 ordinary shares issuable in the acquisition, Clarivate issued 210,357,918 ordinary shares on October 1, 2020. There were 6,325,860 shares that were transferred to Clarivate to fund an Employee Benefit Trust established for the CPA Global Equity Plan. Accordingly, these shares were excluded from purchase price consideration.

In conjunction with the closing of the transaction, the Company incurred an incremental $1,600,000 of term loans under our term loan facility and used the net proceeds from such borrowings, together with cash on hand, to fund the transaction.

Acquisition of Decision Resources Group

On February 28, 2020, we acquired 100% of the assets, liabilities and equity interests of Decision Resources Group ("DRG"), a premier provider of high-value data, analytics and insights products and services to the healthcare industry, from Piramal Enterprises Limited ("PEL"), which is a part of global business conglomerate Piramal Group. The acquisition helps us expand our core businesses and provides us with the potential to grow in the Life Sciences Product Line.

The aggregate consideration paid in connection with the closing of the DRG acquisition was $964,997, composed of $900,000 of base cash plus $6,100 of adjusted closing cash paid on the closing date and 2,895,638 of the Company's ordinary shares issued to PEL in March 2021. The contingent stock consideration was valued at $58,897 on the closing date and was revalued at each period end until its issuance date and was included in Accrued expenses and other current liabilities in the Consolidated Balance Sheets.

Dispositions

Disposition of Techstreet

On November 6, 2020, the Company completed the sale of certain assets and liabilities of certain non-core assets and liabilities within the IP segment for a total purchase price of $42,832. A gain of $28,140 was recognized in the Consolidated Statements of Operations within Other operating (expense) income, net during the year ended December 31, 2020.

Public Ordinary and Mandatory Convertible Preferred Share Offerings

In February 2020, we completed an underwritten public offering of 27,600,000 of our ordinary shares, generating proceeds of $540,736, which we used to fund a portion of the cash consideration for the DRG acquisition.

In June 2020, we completed an underwritten public offering of 50,400,000 of our ordinary shares (including 2,400,000 ordinary shares pursuant to the underwriters' option to purchase up to an additional 7,200,000 ordinary shares from certain selling shareholders) at a share price of $22.50.

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

In June 2021, we completed an underwritten public offering of 44,230,768 of our ordinary shares at a share price of $26.00, of which 28,846,154 ordinary shares were issued and sold by Clarivate and 15,384,614 were sold by selling shareholders (which included 5,769,230 ordinary shares that the underwriters purchased pursuant to their option to purchase additional shares). The ordinary shares sold by selling shareholders included 10,562,882 ordinary shares from Onex, 4,107,787 ordinary shares from Baring and 713,945 ordinary shares from Directors, Executive Officers and other shareholders.

See Note 1 - Background and Nature of Operations for further details on the public ordinary share offerings.

In June 2021, concurrently with the June 2021 Ordinary Share Offering, we completed an underwritten public offering of 14,375,000 of our 5.25% Series A Mandatory Convertible Preferred Shares (which included 1,875,000 of our MCPS that the underwriters purchased pursuant to their option to purchase additional shares). See Note 16 - Shareholders' Equity for further details on the MCPS offering.

Private Placement Notes Offering

2021 Senior Secured Notes and Senior Notes Offering

In June 2021, we issued $1,000,000 in aggregate principal amount of Senior Secured Notes due June 30, 2028 (the "Old Secured Notes") and $1,000,000 in aggregate principal amount of Senior Notes due June 30, 2029 (the "Old Unsecured Notes" and, together with the Old Secured Notes, the "Old Notes") bearing interest at a rate of 3.875% and 4.875% per annum, respectively. The interest was payable semi-annually to holders of record on June 30 and December 30 of each year, commencing on December 30, 2021. The Old Secured Notes and the Old Unsecured Notes were issued by Clarivate Science Holdings Corporation (the "Issuer"), an indirect wholly-owned subsidiary of Clarivate.

In August 2021, we (i) exchanged all of the outstanding, validly tendered and not withdrawn 3.875% Senior Secured Notes due 2028 (the "Old Secured Notes") for the newly-issued 3.875% Senior Secured Notes due 2028 (the "New Secured Notes"), and (ii) exchanged all of the outstanding, validly tendered and not withdrawn 4.875% Senior Unsecured Notes due 2029 (the "Old Unsecured Notes" and, together with the Old Secured Notes, the "Old Notes") for the Issuer's newly-issued 4.875% Senior Notes due 2029 (the "New Unsecured Notes" and, together with the New Secured Notes, the "New Notes"). The initial aggregate principal amount of New Notes is equal to the aggregate principal amount of Old Notes that were validly tendered and not validly withdrawn for exchange, and that were accepted by the Issuer. The offers to exchange are referred to herein as the "Exchange Offers." Pursuant to the Exchange Offers, the aggregate principal amounts of the Old Notes set forth as follows were validly tendered and not validly withdrawn, and were accepted by the Issuer and subsequently cancelled: (i) $921,177 aggregate principal amount of Old Secured Notes; and (ii) $921,399 aggregate principal amount of Old Unsecured Notes. Following such cancellation, (i) $78,823 aggregate principal amount of Old Secured Notes remained outstanding; and (ii) $78,601 aggregate principal amount of Old Unsecured Notes remained outstanding. The Issuer redeemed such remaining outstanding Old Secured Notes and Old Unsecured Notes at 100% of the principal amount thereof plus accrued and unpaid interest from June 24, 2021 to the redemption date in August 2021. In connection with the settlement of the Exchange Offers, the Issuer (i) issued $921,177 aggregate principal amount of its New Secured Notes; and (ii) issued $921,399 aggregate principal amount of its New Unsecured Notes. The interest is payable semi-annually to holders of record on June 30 and December 30 of each year, commencing on December 30, 2021. The exchange was treated as a debt modification in accordance with Accounting Standards Codification 470, *Debt* ("ASC 470").

Concurrently with the settlement of the Exchange Offers, the Issuer deposited (or caused to be deposited) an amount in cash equal to the aggregate principal amount of the New Notes of each series into segregated escrow accounts until the date that certain escrow release conditions (the "Escrow Release Conditions") including the consummation of the ProQuest acquisition, were satisfied. On December 1, 2021 the Escrow Release Conditions were satisfied, and the escrow proceeds were released from the escrow accounts and used to fund a portion of the purchase price of the ProQuest acquisition and to pay related fees and expenses.

In connection with the closing of the ProQuest acquisition on December 1, 2021, the New Notes are guaranteed on a joint and several basis by each of Clarivate's indirect subsidiaries that is an obligor or guarantor under Clarivate's existing credit facilities and senior secured notes due 2026. The New Secured Notes are secured on a first-lien pari passu basis with borrowings under the existing credit facilities and senior secured notes, and the New Unsecured Notes are the Issuer's and such guarantors' unsecured obligations.

Restructuring

During 2020 and 2019, we engaged a strategic consulting firm to assist us in optimizing our structure and cost base. As a result, we have implemented several cost-saving and margin improvement programs designed to generate substantial

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

incremental cash flow including the Operation Simplification and Optimization Program, the DRG Acquisition Integration Program and the CPA Global Acquisition Integration and Optimization Program. During 2021, we approved the One Clarivate restructuring plan, which streamlines operations within targeted areas of the Company and the ProQuest Acquisition Integration Program. The programs are expected to result in a reduction in operational costs, with the primary driver of the cost saving being from a reduction in workforce.

Operation Simplification and Optimization Program

During the fourth quarter of 2019, the Company approved restructuring actions designed to streamline our operations by simplifying our organization and focusing on two segments in planned phases. Approximately $44,538 costs have been incurred to date under the program which was substantially complete as of December 31, 2021.

During the year ended December 31, 2021, 2020, and 2019, the Company recorded pre-tax charges of $2,221, $26,647, and $15,670 recognized within Restructuring and impairment in the Consolidated Statements of Operations. These charges were composed of $2,063, $16,069 and $15,424 of severance and related benefit costs, $30, $4,567 and $246 of contract exit costs and legal and advisory fees, and $128, $6,011 and $0 of lease impairment and location exit costs.

DRG Acquisition Integration Program

During the second quarter of 2020, the Company approved restructuring actions designed to eliminate duplicative costs in planned phases following the acquisition of DRG. Approximately $6,792 of costs have been incurred to date under the program which was substantially complete as of December 31, 2021.

During the year ended December 31, 2021 and 2020, the Company recorded pre-tax charges of $195 and $6,597 recognized within Restructuring and impairment in the Consolidated Statements of Operations. These charges were composed of $120 and $5,133 of severance and related benefit costs, $75 and $487 of contract exit costs and legal and advisory fees, and $0 and $977 of lease impairment and location exit costs.

CPA Global Acquisition Integration and Optimization Program

During the fourth quarter of 2020, the Company approved restructuring actions designed to eliminate duplicative costs following the acquisition of CPA Global and to streamline our operations simplifying our organization and reducing our leasing portfolio. As a result of these actions, the company expects to record total pre-tax restructuring charges of approximately $128,017 for all phases of the program. Approximately $128,113 of costs have been incurred to date under the program which was substantially complete as of December 31, 2021.

During the year ended December 31, 2021 and 2020, the Company recorded pre-tax charges of $105,122 and $22,895 recognized within Restructuring and impairment in the Consolidated Statements of Operations. These charges were composed of $35,882 and $18,715 of severance and related benefit costs, $8,303 and $3,472 of contract exit costs and legal and advisory fees, and $60,937 and $707 of lease impairment and location exit costs.

One Clarivate Program

During the second quarter of 2021, the Company approved restructuring actions to streamline operations within targeted areas of the Company. The program will result in a reduction in operational costs, with the primary driver of the cost saving being from a reduction in workforce. As a result of these actions, the company expects to record total pre-tax restructuring charges of approximately $39,981 for all approved phases of the program. Approximately $19,981 of costs have been incurred to date under the program and $20,000 are expected to be incurred in a future period, all related to severance charges.

During the year ended December 31, 2021, the Company recorded pre-tax charges of $19,981 recognized within Restructuring and impairment in the Consolidated Statements of Operations. These charges were composed of $17,275 of severance and related benefit costs and $2,707 of contract exit costs and legal and advisory fees.

ProQuest Acquisition Integration Program

During the fourth quarter of 2021, the Company approved restructuring actions designed to eliminate duplicative costs following the acquisition of ProQuest and to streamline our operations simplifying our organization and continuing to

reduce our lease portfolio. As a result of these actions, the company expects to record total pre-tax restructuring charges of approximately $69,939 for all phases of the program. Approximately $1,939 of costs have been incurred to date under the program and $68,000 are expected to be incurred in a future period, related to severance, lease impairments and other exit costs, such as legal and advisory fees.

During the year ended December 31, 2021, the Company recorded pre-tax charges of $1,939 recognized within Restructuring and impairment in the Consolidated Statements of Operations. These charges were all related to severance and related benefit costs.

Effect of Currency Fluctuations

As a result of our geographic reach and operations across regions, we are exposed to currency transaction and currency translation impacts. Currency transaction exposure results when we generate revenues in one currency and incur expenses in another. While we seek to limit our currency transaction exposure by matching revenues and expenses, we are not always able to do so. For example, our revenues and direct expenses before depreciation and amortization, tax and interest were denominated in the following currencies:

	Year Ended December 31,		
	2021	**2020**	**2019**
Revenues			
USD	66 %	74 %	81 %
Euros	16 %	11 %	9 %
British pounds	12 %	8 %	3 %
Other currencies	6 %	6 %	7 %
Direct expenses			
USD	57 %	69 %	70 %
Euros	10 %	9 %	9 %
British pounds	20 %	13 %	13 %
Other currencies	13 %	9 %	8 %

The financial statements of our subsidiaries outside the U.S. and the UK are typically measured using the local currency as the functional currency. Assets and liabilities of these subsidiaries are translated at the balance sheet date exchange rates, while income and expense items are translated at the average monthly exchange rates. Resulting translation adjustments are recorded in Accumulated other comprehensive income (loss) on the Consolidated Balance Sheets.

Subsidiary monetary assets and liabilities that are denominated in currencies other than the functional currency are remeasured using the month-end exchange rate in effect during each month, with any related gain or loss recorded in Other operating expense, net within the Consolidated Statements of Operations.

In September 2020, the Company entered into two foreign exchange forward contracts to reduce its exposure to variability in cash flows relating to funding of the repayment of CPA Global's parent company outstanding debt on October 1, 2020. The Company recognized a gain from the mark to market adjustment of $0 and $2,903, in Other operating income, net on the Consolidated Statements of Operations for the year ended December 31, 2021 and 2020, respectively. The nominal amount of outstanding foreign currency contracts was $0 as of December 31, 2021 and December 31, 2020.

Additionally, the Company periodically enters into foreign currency contracts. The purpose of these derivative instruments is to help manage the Company's exposure to foreign exchange rate risks within the acquired CPA Global business. These contracts generally do not exceed 180 days in duration. See Item 7A. Quantitative and Qualitative Disclosures About Market Risk and Item 8. Financial Statements and Supplementary Data - Note 10 to the Consolidated Financial Statements - Derivative Instruments, for additional information.

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

Key Performance Indicators

We regularly monitor the following key performance indicators to evaluate our business and trends, measure our performance, prepare financial projections and make strategic decisions.

Adjusted Revenues

We present Adjusted Revenues, which excludes the impact of the deferred revenue purchase accounting adjustments relating to acquisitions prior to 2021 (see Note 3 - Summary of Significant Accounting Policies for further detail), which is allowable under the Company's debt covenant calculation. We present these measures because we believe it is useful to readers to better understand the underlying trends in our operations. Due to the adoption of ASU 2021-08, this performance indicator will not be used going forward. See - Certain Non-GAAP Measures - Adjusted Revenues below for important information on the limitations of Adjusted Revenues and their reconciliation to the respective revenues measures under U.S. GAAP.

Adjusted EBITDA and Adjusted EBITDA margin

Adjusted EBITDA is presented because it is a basis upon which our management assesses our performance, and we believe it is useful for investors to understand the underlying trends of our operations. See Certain Non-GAAP Measures - Adjusted EBITDA and Adjusted EBITDA margin for important information on the limitations of Adjusted EBITDA and its reconciliation to our Net loss under U.S. GAAP. Adjusted EBITDA represents net loss before provision for income taxes, depreciation and amortization, interest income and expense adjusted to exclude acquisition or disposal-related transaction costs (such costs include net income from continuing operations before provision for income taxes, depreciation and amortization and interest income and expense from divestitures), share-based compensation, mandatory convertible preferred share dividend expense, unrealized foreign currency gains/(losses), costs associated with the transition services agreement with Thomson Reuters, which we entered into in connection with our separation from Thomson Reuters in 2016, separation and integration costs, transformational and restructuring expenses, acquisition-related adjustments to deferred revenues, costs related to our merger with Churchill Capital Corp in 2019, non-operating income or expense, the impact of certain non-cash, mark to market adjustments on financial instruments and other items that are included in net income for the period that the Company does not consider indicative of its ongoing operating performance and certain unusual items impacting results in a particular period. Per Clarivate's Non-GAAP policy effective January 1, 2021, we have ceased use of adjustments for costs in connection with our separation from Thomson Reuters including costs related to the transition services agreement and separation, integration, and transformational expenses, as well as costs related to our merger with Churchill Capital Corp in 2019. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by Adjusted Revenues.

Annualized Contract Value

Annualized Contract Value ("ACV"), at a given point in time, represents the annualized value for the next 12 months of subscription-based client license agreements, assuming that all expiring license agreements during that period are renewed at their current price level. License agreements may cover more than one product and the standard subscription period for each license agreement typically runs for no less than 12 months. The renewal period for our subscriptions starts 90 days before the end of the current subscription period, during which customers must provide notice of whether they intend to renew or cancel the license agreement.

An initial subscription period for new customers may be for a term of less than 12 months, in certain circumstances. Most of our customers, however, opt to enter into a full 12-month initial subscription period, resulting in renewal periods spread throughout the calendar year. Customers that license more than one subscription-based product may, at any point during the renewal period, provide notice of their intent to renew only certain subscriptions within the license agreement and cancel other subscriptions, which we typically refer to as a downgrade. In other instances, customers may upgrade their license agreements by adding additional subscription-based products to the original agreement. Our calculation of ACV includes the impact of downgrades, upgrades, price increases, and cancellations that have occurred as of the reporting period. For avoidance of doubt, ACV does not include fees associated with transactional and re-occurring revenues.

We monitor ACV because it represents a leading indicator of the potential subscription revenues that may be generated from our existing customer base over the upcoming 12-month period. Measurement of subscription revenues as a key operating metric is particularly relevant because a majority of our revenues are generated through subscription-based and re-occurring

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

revenues, which accounted for 79.1%, 76.9% and 82.6% of our total revenues for the years ended December 31, 2021, 2020 and 2019, respectively. We calculate and monitor ACV for each of our segments, and use the metric as part of our evaluation of our business and trends.

The amount of actual subscription revenues that we earn over any 12-month period are likely to differ from ACV at the beginning of that period, sometimes significantly. This may occur for numerous reasons, including subsequent changes in annual revenue renewal rates, impact of price increases (or decreases), cancellations, upgrades and downgrades, and acquisitions and divestitures.

We calculate the ACV on a constant currency basis to exclude the effect of foreign currency fluctuations.

The following table presents ACV as of the dates indicated:

	December 31,			Change	
(dollars in thousands)	2021	2020	2019	2021 vs. 2020	2020 vs. 2019
Annualized Contract Value	$ 1,611,837	$ 906,554	$ 793,727	77.8 %	14.2 %

Annual Revenue Renewal Rates

Our revenues are primarily subscription based, which leads to high revenue predictability. Our ability to retain existing subscription customers is a key performance indicator that helps explain the evolution of our historical results and is a leading indicator of our revenues and cash flows for the subsequent reporting period.

"Annual revenue renewal rate" is the metric we use to determine renewal levels by existing customers across all of our Segments, and is a leading indicator of renewal trends, which impact the evolution of our ACV and results of operations. We calculate the annual revenue renewal rate for a given period by dividing (a) the annualized dollar value of existing subscription product license agreements that are renewed during that period, including the value of any product downgrades, by (b) the annualized dollar value of existing subscription product license agreements that come up for renewal in that period. "Open renewals," which we define as existing subscription product license agreements that come up for renewal, but are neither renewed nor canceled by customers during the applicable reposting period, are excluded from both the numerator and denominator of the calculation. We calculate the annual revenue renewal rate to reflect the value of product downgrades but not the value of product upgrades upon renewal, because upgrades reflect the purchase of additional services.

The impact of upgrades, new subscriptions and product price increases is reflected in ACV, but not in annual revenue renewal rates. Our annual revenue renewal rates were 90.6%, 91.2% and 90.1% for the years ended December 31, 2021, 2020 and 2019, respectively.

Key Components of Our Results of Operations

Revenues, net

The Company disaggregates revenue based on revenue recognition pattern. Subscription based revenues recognize revenue over time, whereas our re-occurring, transactional and other revenues typically recognize revenue at a point in time with professional services revenue recognized over time. The Company believes subscription, re-occurring, transactional and other is reflective of how the Company manages the business.

Subscription-based revenues are recurring revenues that are earned under annual, multi-year, or evergreen contracts, pursuant to which we license the right to use our products to our customers or provide maintenance services over a contractual term. Revenues from the sale of subscription data, maintenance services, continuing service fees related to our perpetual access license ("PALs"), and analytics solutions are recognized ratably over the contractual term as revenues are earned. Subscription revenues are driven by annual revenue renewal rates, new subscription business, price increases on existing subscription business and subscription upgrades and downgrades from recurring customers. Substantially all of our historical deferred revenues purchase accounting adjustments are related to subscription revenues.

Re-occurring revenues are earned under contracts for specific deliverables that are typically quoted on a product, data set, or project basis and often derived from repeat customers purchasing cyclical products. These contracts include either evergreen clauses, in which at least six month advance notice is required prior to cancellation, or terms of multiple years. Due to the cyclical nature of the Company's re-occurring products, and there typically being upfront setup time with the customer, the

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

re-occurring revenue stream benefits from an established customer base, with minimal customer attrition. A primary driver of the re-occurring revenue stream is the 'renewal' business obtained from the CPA global acquisition. Revenue from this revenue stream is typically recognized point in time.

Transactional and other revenues include "clearance searching" and "backfiles" products as well as professional services such as implementation. Clearance searching products relate to preparing detailed, custom reports post screening that uncover potential risks related to a proposed trademark. Backfiles represent an archive of historical data content. Transactional revenues are earned under contracts for specific deliverables that are typically quoted on a product, data set or project basis and often derived from repeat customers, including customers that also generate subscription-based revenues. Transactional content revenues are usually delivered to the customer instantly or in a short period of time, at which time revenues are recognized. Transactional revenues may involve sales to the same customer on multiple occasions but with different products or services comprising the order. Other revenues relate to professional services including implementation services for software and software as a service ("SaaS") subscriptions. These contracts vary in length from several months to years for multi-year projects. Revenue is recognized over time utilizing a reasonable measure of progress depicting the satisfaction of the related performance obligation.

Cost of Revenues

Cost of revenues consists of costs related to the production, servicing and maintenance of our products and are composed primarily of related personnel costs, such as salaries, benefits and bonuses for employees, fees for contracted labor, and data center services and licensing costs. Cost of revenues also includes the costs to acquire or produce content, royalties payable and non-capitalized R&D expenses. Cost of revenues does not include production costs related to internally generated software, which are capitalized.

Selling, General and Administrative

Selling, general and administrative costs consist primarily of salaries, benefits, commission and bonuses for the executive, finance and accounting, human resources, administrative, sales and marketing personnel, third-party professional services fees, such as legal and accounting expenses, facilities rent and utilities and technology costs associated with our corporate infrastructure. Also included within these costs are transaction expenses including costs incurred to complete business combination transactions, including acquisitions, dispositions and capital market activities and include advisory, legal, and other professional and consulting costs.

Depreciation

Depreciation expense relates to our fixed assets, including mainly computer hardware and leasehold improvements, furniture and fixtures. These assets are depreciated over their expected useful lives, and in the case of leasehold improvements over the shorter of their useful life or the duration of the related lease.

Amortization

Amortization expense relates to our finite-lived intangible assets, including mainly databases and content, customer relationships, internally generated computer software and trade names. These assets are amortized over periods of between two and twenty-three years. Definite-lived intangible assets are tested for impairment when indicators are present, and, if impaired, are written down to fair value based on discounted cash flows.

Impairment on Assets Held for Sale

Impairment on assets held for sale represents an impairment charge recorded for certain assets classified as assets held for sale.

Restructuring and Impairment

Restructuring and impairment expense includes costs associated with involuntary termination benefits provided to employees under the terms of a one-time benefit arrangement, ongoing benefit arrangements, certain contract termination costs, other costs associated with an exit or disposal activity and impairment charges associated with right of use assets in which the Company has ceased the use of during the period.

Other Operating Income (Expense), Net

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

Other operating income (expense), net consists of gains or losses related to the disposal of our assets, asset impairments or write-downs and the consolidated impact of re-measurement of the assets and liabilities of our company, sublease income, gain recognized on foreign exchange contract settlement and our subsidiaries that are denominated in currencies other than each relevant entity's functional currency.

Mark to Market Adjustment on Financial Instruments

Mark to market adjustment on financial instruments consists of the mark to market accounting adjustments related to certain of the Company's warrants issued to the founders of Churchill Capital Corp, a special purpose acquisition company or "SPAC" with which the Company consummated a business combination transaction in May 2019.

Legal Settlement

Legal settlement represents a net gain recorded in 2019 for cash received in relation to closure of a confidential legal matter.

Interest Expense and Amortization of Debt Discount, Net

Interest expense and amortization of debt discount, net consists of expense related to interest on our borrowings under our term loan facility and our secured notes due 2026, senior unsecured notes due in 2029 and senior secured notes due in 2028, the amortization and write off of debt issuance costs and original discount, and interest related to certain derivative instruments.

Provision for Income Taxes

A provision for income tax is calculated for each of the jurisdictions in which we operate. The benefit or provision for income taxes is determined using the asset and liability approach of accounting for income taxes. Under this approach, deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The benefit or provision for income taxes represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes result from differences between the book and tax bases of assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Interest accrued related to unrecognized tax benefits and income tax related penalties are included in the provision for income taxes.

Dividends on Preferred Shares

Dividends on our convertible preferred shares are calculated at an annual rate of 5.25% of the liquidation preference of $100.00 per share. We may pay declared dividends on March 1, June 1, September 1 and December 1 of each year, commencing on September 1, 2021 and ending on, and including, June 1, 2024.

Critical Accounting Policies, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with GAAP requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements. On an ongoing basis, we evaluate estimates, which are based on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. We consider the following accounting policies to be critical to understanding our financial statements because the application of these policies requires significant judgment on the part of management, which could have a material impact on our financial statements if actual performance should differ from historical experience or if our assumptions were to change. The following accounting policies include estimates that require management's subjective or complex judgments about the effects of matters that are inherently uncertain. For information on our significant accounting policies, including the policies discussed below, see Item 8. Financial Statements and Supplementary Data - Notes to the Consolidated Financial Statements - Note 3 - Summary of Significant Accounting Policies.

Revenue Recognition

We derive revenues from contracts with customers by selling information on a subscription and single transaction basis as well as performing professional services. Our subscription contract agreements contain standard terms and conditions, and most contracts include a one-year subscription, although we may provide a multi-year subscription in certain instances. In

some cases, contracts provide for variable consideration that is contingent upon the occurrence of uncertain future events, such as retroactive discounts provided to the customers, indexed or volume based discounts, and revenues between contract expiration and renewal. We estimate the amount of the variable consideration at the expected value or at the most likely amount depending on the type of consideration. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimate of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of its anticipated performance and all information (historical, current and forecasted) that is reasonably available to us.

Most of our revenues are derived from subscription contract arrangements, which may contain multiple performance obligations. For these arrangements, the transaction price is allocated to the identified performance obligations based on their relative standalone selling prices. We utilize standard price lists, together with consideration of market conditions, customer demographics, and geographic location, to determine the standalone selling price for most of our products and services, however certain products may not have a standalone selling price that is directly observable, which requires judgment.

Business Combinations

In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are accounted for using the acquisition method at the acquisition date and are recorded at their respective fair values. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities. The determination of the fair values is based on estimates and judgments made by management. Our estimates of fair value are based upon assumptions we believe to be reasonable, but which are inherently uncertain and unpredictable. The fair value of the customer relationships intangible assets acquired was estimated by management through a discounted cash flow model using the multi-period excess earnings method, which involved the use of significant estimates and assumptions related to projected revenue growth rates, operating margins, projected cash flows, royalty rates, tax rates, discount rates, tax amortization benefits, and customer attrition rates, among other items. The fair value of the technology and databases and trade names intangible assets acquired was estimated by management through a discounted cash flow model using the relief from royalty method, which involved the use of significant estimates and assumptions related to projected revenue growth rates, royalty rates, tax rates, discount rates, tax amortization benefits, and obsolescence rates. The significant estimates and assumptions used in determining their fair value may change during the finalization of the purchase price allocation. As a result, the Company may make adjustments to the provisional amounts recorded for certain items as part of the purchase price allocation subsequent to the acquisition, not to exceed one year after the acquisition date, until the purchase accounting allocation is finalized.

When a business combination involves contingent consideration, we record a liability for the estimated cost of such contingencies when expenditures are probable and reasonably estimable. A significant amount of judgment is required to estimate and quantify the potential liability in these matters. We engage outside experts as deemed necessary or appropriate to assist in the calculation of the liability; however, management is responsible for evaluating the estimate. We reassess the estimated fair value of the contingent consideration each financial reporting period over the term of the arrangement. Any resulting changes identified subsequent to the measurement period are recognized in earnings and could have a material effect on our results of operations.

Reviews of the tax balances associated with the opening balance sheet of acquired entities is a critical step of the acquisition accounting and throughout the measurement period.

Long-Lived Assets (including Other Intangible Assets)

Residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. We evaluate long-lived assets, including computer hardware and other property, computer software, and finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Upon such an occurrence, recoverability of assets to be held and used is measured by comparing the carrying amount of an asset to current forecasts of undiscounted future net cash flows expected to be generated by the asset over its remaining life. An asset is assessed for impairment at the lowest level that the asset generates cash inflows that are largely independent of cash inflows from other assets. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized equal to the amount by which the carrying amount of the asset exceeds the fair value of the

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

asset. Any such impairment would be recognized in full in the reporting period in which it has been identified, which could have a material adverse effect on our financial condition or results of operations.

Goodwill and Indefinite-Lived Intangible Assets Goodwill

Goodwill represents the excess of purchase price and related costs over the value assigned to the net tangible and identifiable intangible assets of businesses acquired. Goodwill and indefinite-lived intangible assets are not amortized, but instead are tested for impairment annually during the fourth quarter each year, or more frequently if events or changes in circumstances indicate that the asset might be impaired.

Goodwill

The Company performs goodwill impairment testing at the reporting unit level which is defined as the operating segment or one level below the operating segment. As of October 1, 2021, our most recent annual goodwill impairment testing date, the Company identified five reporting units. As part of our annual goodwill impairment testing, the Company has the option to first perform qualitative testing to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. The quantitative goodwill impairment test, used to identify both the existence of impairment and the amount of impairment loss, compares the estimated fair value of a reporting unit with its carrying amount, including goodwill. The Company estimates the fair value of a reporting unit using the income approach. Under the income approach, a discounted cash flow ("DCF") model is used to determine fair value based on the present value of estimated future cash flows, discounted at an appropriate risk-adjusted rate. The Company uses its internal forecasts to estimate future cash flows and includes an estimate of long-term future growth rates. Significant judgments inherent in these analyses include, but are not limited to, estimating the amount and timing of future cash flows and the selection of appropriate discount rates, tax rates and long-term growth rate assumptions. Changes in these estimates and assumptions could materially affect the determination of estimated fair value. Any such impairment charge would be recognized in full in the reporting period in which it has been identified, which could have a material adverse effect on our financial condition or results of operations.

In the fourth quarter of 2021, the Company performed its annual goodwill impairment testing by applying the qualitative assessment to three of its reporting units and the quantitative assessment to two of its reporting units. For the reporting units tested under the qualitative assessment, the Company considered various qualitative factors, including those described above, that would have affected the estimated fair value of the reporting units, as well as the historical significant level of headroom, and the results of the qualitative assessments indicated that it is not more likely than not that the fair values of the reporting units were less than their carrying values. For the reporting units tested under the quantitative assessment, the results indicated that, the estimated fair values of the reporting units exceeded their carrying values. As such, as of October 1, 2021, our most recent annual goodwill impairment testing date, goodwill was not impaired.

Of the five reporting units identified and tested for goodwill impairment as of October 1, 2021, the IP Management reporting unit within our Intellectual Property segment, for which a quantitative assessment was performed, indicated an estimated fair value that was not substantially in excess of its carrying value. The Company notes the following with respect to the IP Management reporting unit as of our most recent annual goodwill impairment testing date:

- The percentage by which the estimated fair value exceeded the carrying value was 7%;
- The amount of goodwill assigned to the reporting unit as of December 31, 2021 was $3,046,906, representing the goodwill acquired in Q4 2020 from the CPA Global and Hanlim IPS acquisitions;
- The Company estimated the fair value of the reporting unit using the income approach, and more specifically, the DCF model. The significant assumptions used in the DCF model included projected revenue growth rates and operating margins, tax rates, terminal values, and discount rates, among others, all of which require significant judgments by management;
    - The Company used its internal forecasts to estimate future cash flows and includes an estimate of long-term future growth rates based on its most recent views of the long-term outlook for the reporting unit. Future cash flow estimates are, by their nature, subjective and actual results may differ materially from the Company's estimates.
    - The discount rate was derived using a capital asset pricing model and analyzing published rates for industries relevant to the reporting unit to estimate the cost of equity financing. The Company used a

discount rate of 7.0%, which we believe to be commensurate with the risks and uncertainty inherent in the respective reporting unit and in its internally developed forecast.

- Certain future events and circumstances, including deterioration of market conditions, higher cost of capital or a decline in demand for IP Management's product offerings, could result in changes to these assumptions and judgements. A downward revision in the present value of future cash flow could result in impairment, and a non-cash charge would be recorded. Such a charge could have a material effect on our financial position and results of operations.

Indefinite-Lived Intangible Assets

The Company has indefinite-lived intangible assets related to trade names. As part of our annual indefinite-lived intangible asset impairment testing, the Company has the option to first perform qualitative testing by evaluating whether any events and circumstances occurred that provide evidence that it is more likely than not (a likelihood of more than 50 percent) that the indefinite-lived assets are impaired. If, based on our evaluation of the events and circumstances that occurred during the year we do not believe that it is more likely than not that the indefinite-lived assets are impaired, no quantitative impairment test is required. If the Company chooses not to complete a qualitative assessment, or if the initial assessment indicates that it is more likely than not that the carrying value exceeds the estimated fair value, additional quantitative testing is performed.

The quantitative test for impairment is performed using the relief-from-royalty method under the income approach to determine the fair value based on the present value of estimated future cash flows that the indefinite-lived intangible asset can be expected to generate in the future. Significant judgments inherent in the analysis include estimating the amount and timing of future cash flows and the selection of appropriate discount rates, royalty rates and long-term growth rate assumptions. Changes in these estimates and assumptions could materially affect the determination of estimated fair value and could result in an impairment charge. Any such impairment charge would be recognized in full in the reporting period in which it has been identified, which could have a material adverse effect on our financial condition or results of operations.

In the fourth quarter of 2021, the Company elected to forego the qualitative assessment and performed the quantitative impairment evaluation to determine the estimated fair value of the indefinite-lived intangible assets. The results indicated that the estimated fair value substantially exceeded its carrying value, and the indefinite-lived intangible assets were not impaired.

Share-Based Compensation

Share-based compensation expense includes cost associated with stock options, restricted stock units ("RSUs") and Performance stock units ("PSUs") granted to certain key members of management.

The stock option fair value 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 behavior. 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. Our dividend yield is based on forecasted expected payments, which are expected to be zero for the immediate future. We recognize compensation expense over the vesting period of the award on a graded-scale basis, and we recognize forfeitures as they occur.

The stock-based compensation cost of time-based RSU and PSU grants is calculated by multiplying the grant date fair value by the number of shares granted. We recognize compensation expense over the vesting period of the award on a graded-scale basis, and we recognize forfeitures as they occur. Each quarter, we evaluate the probability of the number of shares that are expected to vest and adjust our expense accordingly.

Equity compensation plans of the acquired CPA Global business are accounted for as a liability as they will be paid in cash. Changes in the fair value of these awards are recorded at the end of each reporting period.

Warrant Liabilities

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

The Company accounts for Private Placement Warrants for shares of the Company's ordinary stock that are not indexed to its own stock as liabilities at fair value on the balance sheet. The Private Placement Warrants are subject to remeasurement at each balance sheet date and any change in fair value is recognized as a component of Mark to market adjustment on financial instruments on the Consolidated Statements of Operations. The Company will continue to adjust the liability for changes in fair value until the earlier of the exercise or expiration of the ordinary stock warrants. At that time, the portion of the warrant liabilities related to the ordinary stock warrants will be reclassified to additional paid-in capital.

We used a third-party specialist to fair value the awards using the Monte Carlo simulation approach. The assumptions included in the model include, but are not limited to, risk-free interest rate, expected volatility of stock prices for the Company and its peer group, and dividend yield. A discount for the lack of marketability ("DLOM") is applied to shares that are subject to remaining post vesting lock up restrictions.

Recently Issued and Adopted Accounting Pronouncements

For recently issued and adopted accounting pronouncements, see Item 8. Financial Statements and Supplementary Data - Notes to the Consolidated Financial Statements - Note 3 - Summary of Significant Accounting Policies.

Results of Operations

The following table presents the results of operations for the years ended December 31, 2021, 2020 and 2019:

	Year Ended December 31,			Change 2021 vs. 2020	Change 2020 vs. 2019
(in thousands, except percentages)	2021	2020	2019	%	%
Revenues, net	$ 1,876,894	$ 1,254,047	$ 974,345	49.7 %	28.7 %
Operating expenses:					
Cost of revenues	(626,104)	(438,787)	(352,000)	42.7 %	24.7 %
Selling, general and administrative costs	(642,989)	(544,700)	(475,014)	18.0 %	14.7 %
Depreciation	(13,996)	(12,709)	(9,181)	10.1 %	38.4 %
Amortization	(523,819)	(290,441)	(191,361)	80.4 %	51.8 %
Impairment on assets held for sale	—	—	(18,431)	0.0 %	(100.0)%
Restructuring and impairment	(129,459)	(56,138)	(15,670)	130.6 %	258.3 %
Other operating (expense) income, net	(27,507)	52,381	4,826	(152.5)%	985.4 %
Total operating expenses	(1,963,874)	(1,290,394)	(1,056,831)	52.2 %	22.1 %
Loss from operations	(86,980)	(36,347)	(82,486)	139.3 %	(55.9)%
Mark to market adjustment on financial instruments	81,320	(205,062)	(47,656)	(139.7)%	330.3 %
Legal settlement	—	—	39,399	0.0 %	(100.0)%
Loss before interest expense and income tax	(5,660)	(241,409)	(90,743)	(97.7)%	166.0 %
Interest expense and amortization of debt discount, net	(252,490)	(111,914)	(157,689)	125.6 %	(29.0)%
Loss before income tax	(258,150)	(353,323)	(248,432)	(26.9)%	42.2 %
(Provision) benefit for income taxes	(12,298)	2,698	(10,201)	(555.8)%	126.4 %
Net loss	(270,448)	(350,625)	(258,633)	(22.9)%	35.6 %
Dividends on preferred shares	(41,508)	—	—	100.0 %	0.0 %
Net loss attributable to ordinary shares	$ (311,956)	$ (350,625)	$ (258,633)	(11.0)%	35.6 %

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

Revenues, net

Total Revenue

Revenues, net of $1,876,894 in 2021, increased by $622,847, or 49.7%, from $1,254,047 in 2020. On a constant currency basis, Revenues, net increased by $606,296, or 48.3%.

Adjusted Revenues of $1,880,845, which excludes the impact of the deferred revenue adjustment relating to acquisitions prior to 2021 (see Note 3 - Summary of Significant Accounting Policies for further detail), in 2021 increased by $603,697, or 47.3%, from $1,277,148 in 2020. On a constant currency basis, Adjusted Revenues increased by $587,110, or 46.0%.

Revenues, net of $1,254,047 in 2020 increased by $279,702, or 28.7%, from $974,345 in 2019. On a constant currency basis, Revenues, net increased by $276,176, or 28.3%.

Adjusted Revenues of $1,277,148, which excludes the impact of the deferred revenues adjustment, in 2020 increased by $302,365, or 31.0%, from $974,783 in 2019. On a constant currency basis, Adjusted Revenues increased by $298,839, or 30.7%.

The comparability of our Revenues, net between periods was impacted by several factors described under "Factors Affecting the Comparability of Our Results of Operations" above. The tables below presents the items that impacted the change in our revenues, net between periods.

	Variance 2021 vs. 2020	
(in thousands, except percentages)	$	%
Revenue change driver		
Increase due to a reduction in deferred revenues adjustment	$ 19,150	1.5 %
Decrease due to disposals	(49,296)	(3.9)%
Increase from acquisitions	579,159	46.2 %
Foreign currency translation	16,587	1.3 %
Revenue increase from organic business	57,247	4.6 %
Revenues, net (total change)	$ 622,847	49.7 %

	Variance 2020 vs. 2019	
(in thousands, except percentages)	$	%
Revenue change driver		
Decrease due to deferred revenues adjustment	$ (22,663)	(2.3)%
Decrease due to disposals	(64,815)	(6.7)%
Increase from acquisitions	353,195	36.2 %
Foreign currency translation	3,526	0.4 %
Revenue increase from organic business	10,459	1.1 %
Revenues, net (total change)	$ 279,702	28.7 %

Revenues, net from our ongoing business improved for both of our segments, led by Science, reflecting a trend consistent with the increase in our ACV between periods, mainly due to product price increases and new business. The evolution of our recurring business is discussed further below.

Revenue by Transaction Type

The following tables present the amounts of our subscription, re-occurring, and transactional and other revenues for the periods indicated, as well the drivers of the variances between periods, including as a percentage of such revenues.

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

	Year Ended December 31,		Variance Increase/(Decrease)		Percentage of Factors Increase/(Decrease)			
(in thousands, except percentages)	2021	2020	Total Variance (Dollars)	Total Variance (Percentage)	Acquisitions	Disposals	FX Impact	Organic
Subscription revenues	$ 1,034,356	$ 877,659	$ 156,697	17.9 %	16.1 %	(3.6) %	1.9 %	3.5 %
Re-occurring revenues	453,242	111,929	341,313	304.9 %	298.3 %	— %	(1.8) %	8.4 %
Transactional and other revenues	393,247	287,560	105,687	36.8 %	36.2 %	(6.2) %	0.8 %	5.9 %
Deferred revenues adjustment [1]	(3,951)	(23,101)	19,150	82.9 %	(19.0) %	— %	(0.2) %	102.1 %
Revenues, net	$ 1,876,894	$ 1,254,047	$ 622,847	49.7 %	45.8 %	(3.9) %	1.3 %	6.4 %
Deferred revenues adjustment [1]	3,951	23,101	(19,150)	(82.9) %	19.0 %	— %	0.2 %	(102.1) %
Adjusted revenues, net	$ 1,880,845	$ 1,277,148	$ 603,697	47.3 %	45.3 %	(3.9) %	1.3 %	4.5 %

[1] Reflects the deferred revenues adjustment made as a result of purchase accounting prior to the adoption of FASB ASU No. 2021-08, *"Accounting for Contract Assets and Contract Liabilities from Contracts with Customers"*. In the fourth quarter of 2021, Clarivate adopted ASU No. 2021-08 which allows an acquirer to account for the related revenue contracts in accordance with Topic 606 as if it had originated the contracts. This guidance was applied retrospectively to all business combinations for which the acquisition date occurs during or subsequent to the fiscal year 2021.

Subscription revenues of $1,034,356 in 2021, increased by $156,697, or 17.9% from $877,659 in 2020. On a constant currency basis, subscription revenues increased by $140,426, or 16.0%. Acquisitive subscription growth was primarily generated from the DRG Transaction, CPA Global Transaction and the ProQuest Transaction. Disposal subscription revenues reduction was derived from the Techstreet Transaction. Organic subscription revenues increased primarily due to price increases, new business and the benefit of net installations in prior year.

Re-occurring revenues of $453,242 in 2021, increased by $341,313, or 304.9% from $111,929 in 2020 due to nine months of acquisitive growth generated from the CPA Global Transaction, which was acquired on October 1, 2020. Organic re-occurring revenues increased primarily due to increases in patent renewal volumes and improvements in yield per case.

Transactional and other revenues of $393,247 in 2021, increased by $105,687, or 36.8% from $287,560 in 2020. On a constant currency basis, transactional revenues increased by $103,360, or 35.9%. Acquisitive transactional growth was primarily generated from the DRG Transaction, the CPA Global Transaction and the ProQuest Transaction. Disposal transactional revenue reduction was derived from the Techstreet Transaction. Organic transactional revenues increased due to an increase in trademark search volumes, stronger back file and custom data sales and strength in our professional services business lines.

	Year Ended December 31,		Variance Increase/(Decrease)		Percentage of Factors Increase/(Decrease)			
(in thousands, except percentages)	2020	2019	Total Variance (Dollars)	Total Variance (Percentage)	Acquisitions	Disposals	FX Impact	Organic
Subscription revenues	$ 877,659	$ 805,518	$ 72,141	9.0 %	13.4 %	(7.4) %	0.3 %	2.7 %
Re-occurring revenues	111,929	—	111,929	100.0 %	100.0 %	— %	— %	— %
Transactional and other revenues	287,560	169,265	118,295	69.9 %	79.0 %	(3.0) %	0.4 %	(6.5) %
Deferred revenues adjustment [1]	(23,101)	(438)	(22,663)	(5,174.2) %	(5,243.4) %	— %	— %	69.2 %
Revenues, net	$ 1,254,047	$ 974,345	$ 279,702	28.7 %	33.9 %	(6.7) %	0.4 %	1.1 %
Deferred revenues adjustment [1]	23,101	438	22,663	5,174.2 %	5,243.4 %	— %	— %	(69.2) %
Adjusted revenues, net	$ 1,277,148	$ 974,783	$ 302,365	31.0 %	36.2 %	(6.7) %	0.4 %	1.2 %

[1] Reflects the deferred revenues adjustment made as a result of purchase accounting

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

Subscription revenues of $877,659 in 2020 increased by $72,141, or 9.0% from $805,518 in 2019. On a constant currency basis, subscription revenues increased by $63,339, or 8.6%. Acquisitive subscription growth was generated from the Darts-ip Transaction, DRG Transaction, and CPA Global Transaction. Disposal subscription revenues reduction was derived from the MarkMonitor Transaction and Techstreet Transaction. Organic subscription revenues increased primarily due to price increases and new business.

Re-occurring revenues of $111,929 in 2020 increased by $111,929, or 100.0% from 2019 due to acquisitive growth generated from the CPA Global Transaction.

Transactional and other revenues of $287,560 increased by $118,295, or 69.9% from $169,265 in 2019. On a constant currency basis, transactional revenues increased by $117,571, or 69.5%. Acquisitive transactional growth was generated from the DRG Transaction and CPA Global Transaction. Disposal transactional reduction was derived from the MarkMonitor Transaction and Techstreet Transaction. Organic transactional revenues decreased due to an overall decrease in demand primarily driven by economic conditions resulting from the COVID-19 pandemic.

Revenue by Geography

The below tables present our revenues split by geographic region, separating the impacts of the deferred revenues adjustment:

	Year Ended December 31,		Variance Increase/(Decrease)		Percentage of Factors Increase/(Decrease)			
(in thousands, except percentages)			Total Variance (Dollars)	Total Variance (Percentage)	Acquisitions	Disposals	FX Impact	Organic
	2021	2020						
Americas	$ 928,690	$ 631,222	$ 297,468	47.1 %	45.8 %	(5.8) %	0.1 %	7.0 %
Europe/Middle East/Africa	555,804	365,599	190,205	52.0 %	50.5 %	(1.9) %	3.0 %	0.4 %
Asia Pacific	396,351	280,327	116,024	41.4 %	37.5 %	(2.0) %	1.8 %	4.0 %
Deferred revenues adjustment [1]	(3,951)	(23,101)	19,150	82.9 %	(19.0) %	— %	(0.2) %	102.1 %
Revenues, net	$ 1,876,894	$ 1,254,047	$ 622,847	49.7 %	45.8 %	(3.9) %	1.3 %	6.4 %
Deferred revenues adjustment [1]	3,951	23,101	(19,150)	(82.9) %	19.0 %	— %	0.2 %	(102.1) %
Adjusted revenues, net	$ 1,880,845	$ 1,277,148	$ 603,697	47.3 %	45.3 %	(3.9) %	1.3 %	4.5 %

[1] Reflects the deferred revenues adjustment made as a result of purchase accounting prior to the adoption of FASB ASU No. 2021-08, *"Accounting for Contract Assets and Contract Liabilities from Contracts with Customers"*. In the fourth quarter of 2021, Clarivate adopted ASU No. 2021-08 which allows an acquirer to account for the related revenue contracts in accordance with Topic 606 as if it had originated the contracts. This guidance was applied retrospectively to all business combinations for which the acquisition date occurs during or subsequent to the fiscal year 2021.

Acquisitive growth for all regions was primarily related to the DRG Transaction, the CPA Global Transaction and the ProQuest Transaction. Disposal revenue reduction for all regions was derived from the Techstreet Transaction. On a constant currency basis, Americas revenues increased by $296,784, or 47.0%, with organic growth due to improved subscription and transactional revenues. Transactional revenue increased primarily due to improved trademark search volumes, stronger back file sales, and custom data sales and strength in our professional services business lines. On a constant currency basis, Europe/Middle East/Africa revenues increased by $179,357, or 49.1%, primarily due to acquisitive growth and improved subscription revenues. Subscription revenue growth reflects the benefit of price increases, new products coming into market and net installations in prior year. On a constant currency basis, Asia Pacific revenues increased by $110,969, or 39.6%, primarily due to acquisitive growth and improved subscription and transactional revenues.

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

	Year Ended December 31,		Variance Increase/(Decrease)		Percentage of Factors Increase/(Decrease)			
(in thousands, except percentages)	2020	2019	Total Variance (Dollars)	Total Variance (Percentage)	Acquisitions	Disposals	FX Impact	Organic
Americas	$ 631,222	$ 463,041	$ 168,181	36.3 %	46.4 %	(9.4) %	— %	(0.7) %
Europe/Middle East/Africa	365,599	278,738	86,861	31.2 %	35.3 %	(5.9) %	0.7 %	1.0 %
Asia Pacific	280,327	233,004	47,323	20.3 %	17.2 %	(2.1) %	0.6 %	4.6 %
Deferred revenues adjustment [1]	(23,101)	(438)	(22,663)	N/M	N/M	— %	— %	69.2 %
Revenues, net	$ 1,254,047	$ 974,345	$ 279,702	28.7 %	33.9 %	(6.7) %	0.4 %	1.1 %
Deferred revenues adjustment [1]	23,101	438	22,663	— %	N/M	— %	— %	(69.2) %
Adjusted revenues, net	$ 1,277,148	$ 974,783	$ 302,365	31.0 %	36.2 %	(6.7) %	0.4 %	1.2 %

[1] Reflects the deferred revenues adjustment made as a result of purchase accounting

Acquisitive growth for all regions was related to the Darts-ip Transaction, DRG Transaction, and CPA Global Transaction. Disposal reduction for all regions was derived from the MarkMonitor Transaction and Techstreet Transaction. On a constant currency basis, Americas revenues increased by $167,982, or 36.3%, with an organic decline due to lower transactional revenues due to an overall decrease in demand primarily driven by economic conditions resulting from the COVID-19 pandemic, partially offset by improved subscription revenues. On a constant currency basis, Europe/Middle East/Africa revenues increased by $84,955, or 30.5%, primarily due to acquisitive growth and improved subscription revenues partially offset by a decline in transactional revenues. On a constant currency basis, Asia Pacific revenues increased $45,902, or 19.7%, primarily due to acquisitive growth and improved subscription revenues partially offset by a decline in transactional revenues driven by economic conditions resulting from the COVID-19 pandemic.

Revenue by Segment

The following tables, and the discussions that follow, present our revenues by segment for the periods indicated.

	Year Ended December 31,		Variance Increase/(Decrease)		Percentage of Factors Increase/(Decrease)			
(in thousands, except percentages)	2021	2020	Total Variance (Dollars)	Total Variance (Percentage)	Acquisitions	Disposals	FX Impact	Organic
Science Segment	$ 902,712	$ 743,641	$ 159,071	21.4 %	14.1 %	— %	2.0 %	5.4 %
IP Segment	978,133	533,507	444,626	83.3 %	89.0 %	(9.2) %	0.4 %	3.3 %
Deferred revenues adjustment [1]	(3,951)	(23,101)	19,150	82.9 %	(19.0) %	— %	(0.2) %	102.1 %
Revenues, net	$ 1,876,894	$ 1,254,047	$ 622,847	49.7 %	45.8 %	(3.9) %	1.3 %	6.4 %
Deferred revenues adjustment [1]	3,951	23,101	(19,150)	(82.9) %	19.0 %	— %	0.2 %	(102.1) %
Adjusted revenues, net	$ 1,880,845	$ 1,277,148	$ 603,697	47.3 %	45.3 %	(3.9) %	1.3 %	4.5 %

[1] Reflects the deferred revenues adjustment made as a result of purchase accounting prior to the adoption of FASB ASU No. 2021-08, *"Accounting for Contract Assets and Contract Liabilities from Contracts with Customers"*. In the fourth quarter of 2021, Clarivate adopted ASU No. 2021-08 which allows an acquirer to account for the related revenue contracts in accordance with Topic 606 as if it had originated the contracts. This guidance was applied retrospectively to all business combinations for which the acquisition date occurs during or subsequent to the fiscal year 2021.

Science Segment: Revenues of $902,712 in 2021 increased by $159,071, or 21.4%, from $743,641 in 2020. On a constant currency basis, revenues increased by $144,441, or 19.4%, primarily due to acquisitive growth and organic subscription and transactional revenue growth. Acquisitive growth was generated from the DRG Transaction, including two months of acquisitions revenue in 2021 compared to ten months in 2020, the ProQuest Transaction and the Bioinfogate Transaction. Organic revenues increased due to growth resulting from custom data sales and stronger back file sales and strength in our professional services business lines.

Intellectual Property Segment: Revenues of $978,133 in 2021 increased by $444,626, or 83.3%, from $533,507 in 2020. On a constant currency basis, revenues decreased by $442,669, or 83.0%. Acquisitive growth was generated from the CPA Global Transaction, including nine months of acquisitions revenue in 2021 compared to three months in 2020, the IncoPat

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

Transaction and the Hanlim Transaction. Disposal revenue reduction was derived from the Techstreet Transaction. Organic revenues, on a constant currency basis, increased primarily due to growth in re-occurring revenues from patent renewal volumes and yield and transactional revenues on improved trademark search transactional volumes and strength in our professional services business lines.

	Year Ended December 31,		Variance Increase/(Decrease)		Percentage of Factors Increase/(Decrease)			
(in thousands, except percentages)	2020	2019	Total Variance (Dollars)	Total Variance (Percentage)	Acquisitions	Disposals	FX Impact	Organic
Science Segment	$ 743,641	$ 547,542	$ 196,099	35.8 %	34.0 %	— %	0.3 %	1.5 %
IP Segment	533,507	427,241	106,266	24.9 %	39.0 %	(15.2) %	0.4 %	0.6 %
Deferred revenues adjustment[1]	(23,101)	(438)	(22,663)	(5,174.2) %	N/M	— %	— %	69.2 %
Revenues, net	$ 1,254,047	$ 974,345	$ 279,702	28.7 %	33.9 %	(6.7) %	0.4 %	1.1 %
Deferred revenues adjustment [1]	23,101	438	22,663	— %	N/M	— %	— %	(69.2) %
Adjusted revenues, net	$ 1,277,148	$ 974,783	$ 302,365	31.0 %	36.2 %	6.7 %	(0.4) %	1.2 %

[1] Reflects the deferred revenues adjustment made as a result of purchase accounting

Science Segment: Revenues of $743,641 in 2020 increased by $196,099, or 35.8%, from $547,542 in 2019. On a constant currency basis, revenues increased by $194,385, or 35.6%, primarily due to acquisitive growth and organic subscription revenue growth. Acquisitive growth was generated from the DRG Transaction. Organic revenues increased due to price increases and new business in subscription revenues, partially offset by lower transactional revenues due to a decline in demand primarily driven by economic conditions resulting from the COVID-19 pandemic.

Intellectual Property Segment: Revenues of $533,507 in 2020, increased by $106,266, or 24.9%, from $427,241 in 2019. On a constant currency basis, revenues increased by $104,454, or 24.4%. Acquisitive growth was generated from the Darts-IP Transaction and CPA Global Transaction. Disposal reductions were derived from the MarkMonitor Transaction and Techstreet Transaction. Organic revenues remained consistent due to an increase in subscription revenue driven by content upgrades, offset by lower transactional revenues due to a decline in demand primarily driven by economic conditions resulting from the COVID-19 pandemic.

Cost of Revenues

Cost of revenues of $626,104 in 2021, increased by $187,317, or 42.7%, from $438,787 in 2020. On a constant currency basis, cost of revenues increased by $182,902, or 41.7%, for the year ended December 31, 2021. The increase for the year ended December 31, 2021 was primarily due to an increase from acquisitions primarily driven by nine additional months of CPA Global expenses, which was acquired in October 2020, two additional months of DRG expenses, which was acquired in February 2020, and one month of ProQuest expenses, which was acquired in December 2021 The increase was also attributed to increased share-based compensation expenses, inclusive of expenses related to phantom equity awards under the CPA Global Equity Plan, as well as increased product expenses, which are attributed to the increase in revenues. The increase in cost of revenues was partially offset by a reduction in cost of revenues for the Techstreet divestiture in Q4 2020 and reduced people costs primarily driven by the Company's cost-saving and margin improvement programs. Cost of revenues as a percentage of revenues, net decreased by 1.6% to 33.4% for the year ended December 31, 2021 compared to 35.0% for the year ended December 31, 2020 primarily driven by the cost-saving and margin improvement programs designed to generate substantial incremental cash flow including the Operation Simplification and Optimization Program, the DRG Acquisition Integration Program, CPA Global Acquisition Integration and Optimization Program.

Cost of revenues of $438,787 in 2020, increased by $86,787, or 24.7%, from $352,000 in 2019. On a constant currency basis, cost of revenues increased by $85,383, or 24.3%, primarily due to additional costs related to CPA Global and DRG, which were acquired in October and February 2020, offset by a decrease in costs associated with the transition service agreement, employee related costs and outside services including consulting fees, as well as the Techstreet and MarkMonitor transactions in November and January 2020, respectively.

Selling, General and Administrative

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

Selling, general and administrative expense of $642,989 in 2021, increased by $98,289, or 18.0%, from $544,700 in 2020. On a constant currency basis, selling, general and administrative expense increased by $93,400, or 17.1%, for the year ended December 31, 2021. The increase for the year ended December 31, 2021 was primarily due to an increase from acquisitions primarily driven by nine additional months of CPA Global expenses, which was acquired in October 2020, two additional months of DRG expenses, which was acquired in February 2020, and one month of ProQuest expenses, which was acquired in December 2021. The increase was also attributed to an increase in share-based compensation expenses, inclusive of expenses related to phantom equity awards under the CPA Global Equity Plan. The increase was partially offset by the Techstreet divestiture in Q4 2020, a gain associated with the mark to market adjustment on contingent shares and reduced transaction costs, which were driven by expenses related to the DRG Transaction and CPA Global Transaction in 2020 that did not re-occur in 2021, partially offset by increased costs in 2021 related to the ProQuest transaction. Selling, general and administrative costs as a percentage of revenues, net decreased by 9.1% to 34.3% for the year ended December 31, 2021 compared to 43.4% for the year ended December 31, 2020 primarily driven by the reductions highlighted above, as well as cost-saving and margin improvement programs designed to generate substantial incremental cash flow including the Operation Simplification and Optimization Program, the DRG Acquisition Integration Program, CPA Global Acquisition Integration and Optimization Program, as well as the One Clarivate restructuring plan, which streamlines operations within targeted areas of the Company. The program is expected to result in a reduction in operational costs, with the primary driver of the cost saving being from a reduction in workforce.

Selling, general and administrative expense of $544,700 in 2020, increased by $69,686, or 14.7%, from $475,014 in 2019. On a constant currency basis, selling, general and administrative expense increased by $67,837, or 14.3% primarily due to additional costs related to CPA Global and DRG, which were acquired in October and February 2020, increased transaction expenses associated with the DRG acquisition, the CPA Global acquisition, the MarkMonitor divestiture, the Techstreet divestiture and other finance merger and acquisition related activities during 2020, offset by costs incurred in association with our merger with Churchill Capital Corp in 2019, and a decrease in costs associated with transition service agreement, employee related costs, outside services including consulting fees and marketing costs.

Depreciation

Depreciation expense of $13,996 in 2021, increased by $1,287, or 10.1%, from $12,709 in 2020. The increase for the year ended December 31, 2021 was driven by the additional depreciation on assets acquired through the DRG Transaction, CPA Global Transaction and ProQuest Transaction. This increase was offset by run-off of previously purchased capital assets.

Depreciation expense of $12,709 in 2020, increased by $3,528, or 38.4%, from $9,181 in 2019, driven by the additional depreciation on assets acquired through the Darts Transaction, DRG Transaction, and CPA Global Transaction. This increase was offset by run-off of previously purchased capital assets.

Amortization

Amortization expense of $523,819 in 2021, increased by $233,378, or 80.4%, from $290,441 in 2020. The increase for the year ended December 31, 2021 was driven by an increase in the amortization of intangible assets acquired through the DRG Transaction, CPA Global Transaction, ProQuest Transaction, IncoPat Transaction, BioInfogate Transaction and Hanlim Transaction. This increase was offset by a decrease in amortization related to the Techstreet divestiture in Q4 2020.

Amortization expense of $290,441 in 2020, increased by $99,080, or 51.8%, from $191,361 in 2019, driven by an increase in the amortization of intangible assets acquired through the Darts-ip Transaction, DRG Transaction, and CPA Global Transaction. This increase was offset by a decrease in amortization related to intangible assets acquired in connection with our separation from Thomson Reuters in 2016 that are now fully amortized and reduction of amortization from the Techstreet Transaction and MarkMonitor Transaction.

Impairment on Assets Held for Sale

The year ended December 31, 2019 includes an impairment on assets held for sale of $18,431. On November 3, 2019, the Company entered into an agreement with OpSec Security for the sale of certain assets and liabilities of its MarkMonitor Product Line within its IP Group. At December 31, 2019, an impairment charge of $18,431 was recognized in the Statement of Operations during the fourth quarter to reduce the Assets Held for Sale to their fair value. There were no impairment on assets held for sale during the years ended December 31, 2021 and 2020.

Restructuring and Impairment

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

Restructuring and impairment charges of $129,459 in 2021, increased by $73,321, or 130.6%, from $56,138 in 2020. The increase for the year ended December 31, 2021 was primarily driven by cost-saving and margin improvement programs designed to generate substantial incremental cash flow including the CPA Global Acquisition Integration and Optimization Program implemented in Q4 2020, as well as the One Clarivate restructuring plan, which streamlines operations within targeted areas of the Company implemented in Q2 2021. The increase was partially offset by the wind down of costs associated with the Operation Simplification and Optimization Program and the DRG Acquisition Integration Program.

Restructuring and impairment charges of $56,138 in 2020, increased by $40,468, from $15,670 in 2019. The increase is related to initiatives, following our merger with Churchill Capital Corp in 2019 and, acquisitions of DRG in February 2020 and CPA Global in October 2020, to streamline our operations by simplifying our organization and focusing on two segments.

Legal Settlement

The year ended December 31, 2019 includes a gain for a confidential legal settlement of $39,399. There were no legal settlements during the years ended December 31, 2021 and 2020.

Other Operating Income (Expense), Net

Other operating expense of $27,507 in 2021, decreased by $79,888, or 152.5%, from other operating income of $52,381 in 2020. The fluctuations were primarily driven by the consolidated impact of the remeasurement of the assets and liabilities of our Company that are denominated in currencies other than each relevant entity's functional currency.

Other operating income (expense), net of $52,381 in 2020, increased by $47,555 from $4,826 in 2019. The increase is primarily driven by the gain on the sale of certain assets and liabilities of the Techstreet business, along with the consolidated impact of the remeasurement of the assets and liabilities of our Company that are denominated in currencies other than each relevant entity's functional currency.

Mark to Market Adjustment on Financial Instruments

The mark to market adjustment on financial instruments resulted in a gain of $81,320 in 2021, a change of $286,382, or 139.7%, compared to a loss of $205,062 in 2020. The fluctuations were primarily driven by the Black-Scholes option valuation model and change in the Company's share price for the year ended December 31, 2021 compared to the year ended December 31, 2020.

The mark to market adjustment on financial instruments resulted in a loss of $205,062 in 2020, a change of $157,406, or 330.3%, compared to a loss of $47,656 in 2019. The fluctuations were primarily driven by the Black-Scholes option valuation model and change in the Company's share price for the year ended December 31, 2020 compared to the year ended December 31, 2019.

Interest Expense and amortization of debt discount, Net

Interest expense and amortization of debt discount, net of $252,490 in 2021, increased by $140,576, from $111,914 in 2020. The increase was primarily attributed to the private placement offerings and subsequent exchange offers of our New Senior Secured Notes due 2028 and Senior Notes due 2029, the $1,600,000 incremental term loan borrowing in connection with the CPA Global Transaction in October 2020 and the additional $360,000 incremental term loan borrowing in connection with the DRG Transaction in February 2020. The increase was also attributable to the $50,000 bridge commitment and structuring fees that were paid in connection with the closing of the ProQuest Transaction on December 1, 2021.

Interest expense and amortization of debt discount, net of $111,914 in 2020, decreased by $45,775, or 29.0%, from $157,689 in 2019. The change was due to lower interest payments resulting from lower interest rates on the Company's borrowings as the result of the refinancing transaction in October 2019. In addition, the decrease is attributed to the write down of deferred financing charges and original issuance discount on our prior term loan facility in proportion to the principal paydown in 2019 that did not reoccur in 2020, which was partially offset by the additional $1,960,000 incremental term loan borrowings in connection with the CPA Global and DRG acquisitions.

Provision (benefit) for Income Taxes

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

Provision for income taxes of $12,298 on a pre-tax book loss of $258,150 in 2021, increased by $14,996 from a benefit of $2,698 on a pre-tax book loss of $353,323 in 2020. The effective tax rate being (4.8)% in 2021, compared to 0.8% in 2020. The overall increase in tax expense is due to the recording valuation allowances against losses in certain jurisdictions where it has been deemed the losses are not recognizable. The current year effective tax rate may not be indicative of our effective tax rates for future periods.

Benefit (provision) for income taxes of $2,698 on a pre-tax book loss of $(353,323) in 2020, increased by $12,899 from a provision of $10,201 on a pre-tax book loss of $(248,432) in 2019. The effective tax rate being 0.8% in 2020 compared to (4.1)% in 2019. The overall decrease in tax expense is due to the increased benefit of share-based compensation, offset by recording valuation allowances against losses in certain jurisdictions where it has been deemed the losses are not recognizable and an increase in the Base Erosion Anti-Abuse Tax ("BEAT"). The current year effective tax rate may not be indicative of our effective tax rates for future periods.

Dividends on Preferred Shares

Dividends on preferred shares of $41,508 for the year ended December 31, 2021 increased 100% compared to the year ended December 31, 2020. In July 2021, The Company's Board of Directors declared a quarterly dividend of approximately $1.12 per share on its 5.25% Series A Mandatory Convertible Preferred Shares, payable in ordinary shares on September 1, 2021 to shareholders of record at the close of business on August 15, 2021. As permitted by the Statement of Rights governing its 5.25% Series A Mandatory Convertible Preferred Shares, such dividend was paid by delivery of ordinary shares (other than $1 paid in cash in lieu of any fractional ordinary share). The number of ordinary shares deliverable in respect of such dividend was 664,730, which was determined based on the average volume-weighted average price per ordinary shares over the five consecutive trading day period ending on, and including, the trading day prior to September 1, 2021, which had a value of $16,141. In October 2021, the Company's Board of Directors declared a quarterly dividend of approximately $1.3125 per share on its 5.25% Series A Mandatory Convertible Preferred Shares, payable in cash on December 1, 2021 to shareholders of record at the close of business on November 15, 2021. In February 2022, the Company's Board of Directors declared a quarterly dividend of $1.3125 per share on its 5.25% Series A Mandatory Convertible Preferred Shares, payable in cash on March 1, 2022 to shareholders of record at the close of business on February 15, 2022. As of December 31, 2021, we recognized an additional $6,499 of accrued preferred share dividends. While the dividends on the MCPS are cumulative, they will not be paid until declared by the Company's Board of Directors. If no dividends are declared and paid, they will continue to accumulate as the agreement contains a backstop to it being paid even if never declared by the board.

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

Certain Non-GAAP Measures

We include non-GAAP measures in this annual report, including Adjusted Revenues, Adjusted EBITDA, Adjusted EBITDA margin and Free Cash Flow because they are a basis upon which our management assesses our performance and we believe they reflect the underlying trends and indicators of our business by allowing management to focus on the most meaningful indicators of our continuous operational performance.

Although we believe these measures are useful for investors for the same reasons, we recommend users of the financial statements to note these measures are not a substitute for GAAP financial measures or disclosures. We provide reconciliations of these non-GAAP measures to the corresponding most closely related GAAP measure.

Adjusted Revenues

We present Adjusted Revenues, which excludes the impact of the deferred revenues purchase accounting adjustments relating to acquisitions prior to 2021 (see Note 3 - Summary of Significant Accounting Policies for further detail) as a result of businesses that we have acquired. We present this measure because we believe it is useful to readers to better understand the underlying trends in our operations. Due to the adoption of ASU 2021-08, this performance indicator will not be used going forward. Our presentation of Adjusted Revenues is for informational purposes only and is not necessarily indicative of our future results.

The following table presents our calculation of Adjusted Revenues for the years ended December 31, 2021, 2020 and 2019, and a reconciliation of this measure to our Revenues, net for the same periods:

	Year Ended December 31,			Change 2021 vs. 2020	Change 2020 vs. 2019
(in thousands, except percentages)	2021	2020	2019	%	%
Revenues, net	$ 1,876,894	$ 1,254,047	$ 974,345	49.7 %	28.7 %
Deferred revenues adjustment[(1)]	3,951	23,101	438	(82.9) %	5174.2 %
Adjusted revenues, net	$ 1,880,845	$ 1,277,148	$ 974,783	47.3 %	31.0 %

[(1)] Reflects the deferred revenues adjustment made as a result of purchase accounting prior to the adoption of FASB ASU No. 2021-08, *"Accounting for Contract Assets and Contract Liabilities from Contracts with Customers"*. In the fourth quarter of 2021, Clarivate adopted ASU No. 2021-08 which allows an acquirer to account for the related revenue contracts in accordance with Topic 606 as if it had originated the contracts. This guidance was applied retrospectively to all business combinations for which the acquisition date occurs during or subsequent to the fiscal year 2021.

Adjusted EBITDA and Adjusted EBITDA margin

Adjusted EBITDA is presented because it is a basis upon which our management assesses our performance, and we believe it is useful for investors to understand the underlying trends of our operations. See Certain Non-GAAP Measures - Adjusted EBITDA and Adjusted EBITDA margin for important information on the limitations of Adjusted EBITDA and its reconciliation to our Net loss under GAAP. Adjusted EBITDA represents net loss before provision for income taxes, depreciation and amortization, interest income and expense adjusted to exclude acquisition or disposal-related transaction costs (such costs include net income from continuing operations before provision for income taxes, depreciation and amortization and interest income and expense from divestitures), share-based compensation, mandatory convertible preferred share dividend expense, unrealized foreign currency gains/(losses), costs associated with the transition services agreement with Thomson Reuters, which we entered into in connection with our separation from Thomson Reuters in 2016, separation and integration costs, transformational and restructuring expenses, acquisition-related adjustments to deferred revenues, costs related to our merger with Churchill Capital Corp in 2019, non-operating income or expense, the impact of certain non-cash, mark to market adjustments on financial instruments and other items that are included in net income for the period that the Company does not consider indicative of its ongoing operating performance and certain unusual items impacting results in a particular period. Per Clarivate's Non-GAAP policy effective January 1, 2021, we have ceased use of adjustments for costs in connection with our separation from Thomson Reuters including costs related to the transition services agreement and separation, integration, and transformational expenses, as well as costs related to our merger with Churchill Capital Corp in 2019. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by Adjusted Revenues.

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

Our presentation of Adjusted EBITDA and Adjusted EBITDA margin should not be construed as an inference that our future results will be unaffected by any of the adjusted items, or that our projections and estimates will be realized in their entirety or at all. In addition, because of these limitations, Adjusted EBITDA should not be considered as a measure of liquidity or discretionary cash available to us to fund our cash needs, including investing in the growth of our business and meeting our obligations.

The following table presents our calculation of Adjusted EBITDA for the years ended December 31, 2021, 2020 and 2019, and reconciles these measures to our Net loss for the same periods:

	Year Ended December 31,		
(in thousands, except percentages)	2021	2020	2019
Net loss attributable to ordinary shares	$ (311,956)	$ (350,625)	$ (258,633)
Dividends on preferred shares	41,508	—	—
Net loss	(270,448)	(350,625)	(258,633)
Provision (benefit) for income taxes	12,298	(2,698)	10,201
Depreciation and amortization	537,815	303,150	200,542
Interest expense and amortization of debt discount, net	252,490	111,914	157,689
Deferred revenues adjustment [1]	3,951	23,101	438
Transaction related costs [2]	46,216	99,286	46,214
Share-based compensation expense	139,571	70,472	51,383
Gain on sale of Techstreet	—	(28,140)	—
Restructuring and impairment [3]	129,459	56,138	15,670
Legal settlement	—	—	(39,399)
Impairment on assets held for sale	—	—	18,431
Mark to market adjustment on financial instruments [4]	(81,320)	205,062	47,656
Other [5]	30,372	(1,060)	43,874
Adjusted EBITDA	$ 800,404	$ 486,600	$ 294,066
Adjusted EBITDA margin	42.6%	38.1%	30.2%

(1) Reflects the deferred revenues adjustment made as a result of purchase accounting prior to the adoption of FASB ASU No. 2021-08, *"Accounting for Contract Assets and Contract Liabilities from Contracts with Customers"*. In the fourth quarter of 2021, Clarivate adopted ASU No. 2021-08 which allows an acquirer to account for the related revenue contracts in accordance with Topic 606 as if it had originated the contracts. This guidance was applied retrospectively to all business combinations for which the acquisition date occurs during or subsequent to the fiscal year 2021.

(2) Includes costs incurred to complete business combination transactions, including acquisitions, dispositions and capital market activities and include advisory, legal, and other professional and consulting costs. This also includes the mark to market adjustments on the contingent stock consideration associated with the CPA Global and DRG acquisitions.

(3) Reflects costs related to restructuring and impairment associated with the acquisition of primarily DRG and CPA Global in 2020. This also includes costs incurred in connection with the initiative, following our merger with Churchill Capital Corp in 2019, to streamline our operations by simplifying our organization and focusing on two segments. During 2021, the CPA Global plan continued as well as the addition of the One Clarivate and ProQuest Programs, which were approved restructuring actions to streamline operations within targeted areas of the Company. Additionally, during the year ended December 31, 2021, 2020 and 2019, we incurred impairment charges taken on right-of-use assets of $57,305, $4,771 and $0 respectively, relating to the exit and ceased use of leased properties.

(4) Reflects mark to market adjustments on financial instruments under Accounting Standards Codification 815, *Derivatives and Hedging*, ("ASC 815"). Warrant instruments that do not meet the criteria to be considered indexed to an entity's own stock shall be initially classified as a liability at their estimated fair values, regardless of the likelihood that such instruments will ever be settled in cash. In periods subsequent to issuance, changes in the estimated fair value of the liabilities are reported through earnings.

(5) Includes primarily the net impact of foreign exchange gains and losses related to the re-measurement of balances and other items that do not reflect our ongoing operating performance. The 2021 detail also includes an accrual of $8,000 for a legal case. The 2020 detail also includes costs related to a transition services agreement and offset by the reverse transition services agreement from the sale of MarkMonitor. In 2019, this includes payments to Thomson Reuters under the Transition Services Agreement. For both 2020 and 2019, this also includes costs incurred in connection with and after our separation from Thomson Reuters in 2016 relating to the implementation of our standalone company infrastructure and related cost-savings initiatives. These costs include mainly transition consulting, technology infrastructure, personnel and severance expenses relating to our standalone company infrastructure, which are recorded in selling, general and administrative costs in our income statement, as well as expenses related to the

restructuring and transformation of our business following our separation from Thomson Reuters in 2016 mainly related to the integration of separate business units into one functional organization and enhancements in our technology. These costs were largely wound down by the end of 2020.

Free Cash Flow

We use free cash flow in our operational and financial decision-making and believe free cash flow is useful to investors because similar measures are frequently used by securities analysts, investors, ratings agencies and other interested parties to evaluate our competitors and to measure the ability of companies to service their debt. Our presentation of free cash flow should not be construed as a measure of liquidity or discretionary cash available to us to fund our cash needs, including investing in the growth of our business and meeting our obligations.

We define free cash flow as net cash provided by operating activities less capital expenditures. For further discussion on free cash flow, including a reconciliation to cash flows provided by operating activities, refer to Liquidity and Capital Resources - Cash Flows below.

Liquidity and Capital Resources

Liquidity describes the ability of a company to generate sufficient cash flows to meet the cash requirements of its business operations, including working capital needs, capital expenditures, debt service, acquisitions, other commitments and contractual obligations. Our principal sources of liquidity include cash from operating activities, cash and cash equivalents on our Consolidated Balance Sheets and amounts available under our revolving credit facility. We consider liquidity in terms of the sufficiency of these resources to fund our operating, investing and financing activities for a period of 12 months after the financial statement issuance date.

Our cash flows from operations are generated primarily from payments from our subscription and re-occurring transaction customers. As described above, the standard term of a subscription is typically 12 months. When a customer enters into a new subscription agreement, or submits a notice to renew their subscription, we typically invoice for the full amount of the subscription period, record the balance to deferred revenues, and ratably recognize the deferral throughout the subscription period. As a result, we experience cash flow seasonality throughout the year, with a heavier weighting of operating cash inflows occurring during the first half, and particularly first quarter, of the year, when most subscription invoices are sent, as compared to the second half of the year.

We require and will continue to need significant cash resources to, among other things, meet our debt service requirements under our credit facilities, the new unsecured notes due 2029, the new secured notes due 2028, the secured notes due 2026, and any future indebtedness, fund our working capital requirements, make capital expenditures (including related to product development), and expand our business through acquisitions. Based on our forecasts, we believe that cash flow from operations, available cash on hand and available borrowing capacity under our revolving credit facility will be adequate to service debt, meet liquidity needs and fund necessary capital expenditures for at least the next 12 months. Our future capital requirements will depend on many factors, including the number of future acquisitions and the timing and extent of spending to support product development efforts. We could be required, or could elect, to seek additional funding through public or private equity or debt financings; however, additional funds may not be available on terms acceptable to us.

The below table summarizes our total liquidity for the periods presented:

Total Liquidity	**Year Ended December 31,**	
(in thousands)	**2021**	**2020**
Cash and cash equivalents	$ 430,879	$ 257,730
Additional availability under revolving credit facility	168,920	244,738
	599,799	502,468

Unrestricted cash and cash equivalents was $430,879, $257,730 and $76,130 as of December 31, 2021, December 31, 2020 and December 31, 2019, respectively. Restricted cash increased from $14,678 as of December 31, 2020 to $156,734 as of December 31, 2021 due to the cash received from the sale of treasury shares from the Employee Benefit Trust established for the CPA Equity Plan in December 2021 and the holdback consideration as part of the Patient Connect acquisition, partially offset by the consideration related to the IncoPat transaction held in escrow that was paid in the fourth quarter of 2021. The cash received from the Employee Benefit Trust established for the CPA Equity Plan in December 2021 was

subsequently paid to the respective employees via payroll in the first quarter of 2022. As of December 31, 2021, we had approximately $5,567,211 of debt, consisting primarily of $2,818,800 in borrowings under our term loan facility, $921,399 in outstanding principal of our new senior notes due 2029, $921,177 in outstanding principal of our new senior secured notes due 2028, $700,000 in outstanding principal of senior secured notes due 2026, $175,000 of borrowings under our revolving credit facility, and $30,835 related to a financing lease. Refer to Note 14 - Debt in Item 8, Financial Statements and Supplementary Data, for a summary of amounts due under all of the outstanding borrowings as of December 31, 2021.

As of December 31, 2021 and December 31, 2020, we had $175,000 and $0 outstanding on the revolving credit facility, respectively. Additional availability under the revolving credit facility as of December 31, 2021 and December 30, 2020 was $168,920 and $244,738, respectively, which is net of a letter of credit utilization of $6,080 and $5,262. Refer to Note 14 - Debt in Item 8, Financial Statements and Supplementary Data, for additional information.

On June 24, 2021, we issued $1,000,000 in aggregate principal amount of Senior Secured Notes due June 30, 2028 and $1,000,000 in aggregate principal amount of Senior Notes due June 30, 2029 bearing interest at a rate of 3.875% and 4.875% per annum, respectively. In August 2021, we exchanged all of the outstanding, validly tendered and not withdrawn Old Secured Notes for the newly-issued 3.875% Senior Secured Notes due 2028, and exchanged all of the outstanding, validly tendered and not withdrawn Old Unsecured Notes for the Issuer's newly-issued 4.875% Senior Notes due 2029. The exchange was treated as a debt modification in accordance with ASC 470. See Note 14 - Debt for further details.

We used the net proceeds to finance a portion of the purchase price for the ProQuest acquisition, which was completed on December 1, 2021.

On October 1, 2020, in connection with the CPA Global acquisition, the Company incurred an incremental $1,600,000 of borrowings under our term loan facility and used the net proceeds from such borrowings to fund a portion of the repayment of CPA Global's outstanding debt.

On February 28, 2020, we incurred an incremental $360,000 of term loans under our term loan facility and used the net proceeds from such borrowings, together with cash on hand, to fund the remainder of the cash consideration for the DRG acquisition and to pay related fees and expenses.

As a result of additional term loans associated with the ProQuest, CPA Global and DRG acquisitions, we had $2,818,800 outstanding on our term loan facility at December 31, 2021. See Debt Profile below.

In August 2021, the Company's Board of Directors authorized a share repurchase program allowing the Company to purchase up to $250,000 of its outstanding ordinary shares, subject to market conditions. During the year ended December 31, 2021, the Company purchased 6,575,500 shares for a total of $159,356. As of December 31, 2021, the Company had approximately $90,644 of availability remaining under this program. In February 2022, the Company's Board of Directors approved the purchase of up to $1,000,000 of the Company's ordinary shares through open-market purchases, to be executed through December 31, 2023. The repurchase program replaces the repurchase program previously announced in August 2021.

Our capital expenditures in 2021, 2020 and 2019 consisted primarily of capitalized labor, consulting and other costs associated with product development. We estimate capital expenditures in 2022 associated with product development to be approximately $195,000. As of December 31, 2021, we had purchase obligations of approximately $199,944 primarily for cloud computing services and software licenses, pursuant to agreements to purchase goods and services that are enforceable, legally binding, and specify significant terms, including fixed or minimum quantities to be purchased, fixed minimum or variable pricing provisions, and the approximate timing of the transactions. Any amounts for which we are liable are reflected in our Consolidated Balance Sheets as Accounts payable or Accrued expenses and other current liabilities and $103,602 of this amount is expected to be paid within the next 12 months. For additional information related to contractual obligations, such as debt, leases, and commitments and contingencies, Refer to Note 7 - Leases, Note 14 - Debt and Note 23 - Commitments and Contingencies in Item 8, Financial Statements and Supplementary Data.

Cash Flows

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

The following table discloses our consolidated cash flows provided by (used in) operating, investing and financing activities for the periods presented:

	Year Ended December 31,		
(in thousands)	**2021**	**2020**	**2019**
Net cash provided by operating activities	$ 323,767	$ 263,500	$ 117,580
Net cash used in investing activities	(4,044,460)	(2,988,768)	(140,885)
Net cash provided by financing activities	4,032,160	2,926,580	75,215
Effect of exchange rates	3,738	(5,043)	(971)
Increase in cash and cash equivalents	315,205	196,269	50,939
Net increase in cash and cash equivalents	173,149	181,600	50,555
Net increase in restricted cash	142,056	14,669	—
Net increase in cash held for sale	—	—	384
Increase in cash and cash equivalents	315,205	196,269	50,939
Cash and cash equivalents, and restricted cash beginning of the year	272,408	76,139	25,584
Less: Cash included in assets held for sale, end of period	—	—	(384)
Cash and cash equivalents, and restricted cash end of the year	$ 587,613	$ 272,408	$ 76,139

Cash Flows Provided by Operating Activities

Net cash provided by operating activities consists of net loss adjusted for non-cash items, such as: depreciation and amortization of property and equipment and intangible assets, deferred income taxes, share-based compensation, mark to market adjustments on financial instruments, mark to market adjustment on contingent and phantom shares, deferred finance charges and for changes in net working capital assets and liabilities.

Net cash provided by operating activities was $323,767 and $263,500 for the years ended December 31, 2021 and 2020, respectively. The increase of $60,267 in net cash provided by operating activities was primarily due to higher results from operations in 2021, which was attributed to increased revenues and a reduction in costs as a percentage of revenues driven by the cost-saving and margin improvement programs designed to generate substantial incremental cash flow including the Operation Simplification and Optimization Program, the DRG Acquisition Integration Program, CPA Global Acquisition Integration and Optimization Program.

Net cash provided by operating activities was $263,500 and $117,580 for the years ended December 31, 2020 and 2019, respectively. The increase of $145,920 in net cash provided by operating activities was primarily due to higher results from operations in 2020, improved cash collections on accounts receivable, and increased working capital from acquired businesses.

Net Working Capital

(in thousands, except ratio)	December 31, 2021	December 31, 2020	December 31, 2019
Current assets	$ 1,637,238	$ 1,147,564	$ 493,076
Current liabilities	1,901,974	1,423,093	650,998
Net Working Capital	$ (264,736)	$ (275,529)	$ (157,922)

Cash Flows Used in Investing Activities

Cash used in investing activities are primarily for acquisitions and capital expenditures, while cash inflows are primarily proceeds from divestitures.

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

Net cash used in investing activities was $4,044,460 and $2,988,768 for the years ended December 31, 2021 and 2020, respectively. The $1,055,692 increase in cash used in investing activities was primarily due to cash paid for acquisitions, net of cash acquired for ProQuest in December 2021, Patient Connect in December 2021, Bioinfogate in August 2021 and the consideration related to the IncoPat transaction held in escrow that was paid in the fourth quarter of 2021, partially offset by the acquisitions of DRG in February 2020, CPA Global in October 2020, IncoPat in October 2020 and Hanlim in November 2020, as well as the acquisition of intangible assets due to key business intangible assets acquired from CustomersFirst Now in June 2020. The increase in cash used in investing activities was also attributed to an increase in capital expenditures primarily associated with product development from acquired businesses, as well as cash flows provided by the divestiture related to the sale of Techstreet in 2020 and MarkMonitor AntiFraud, Antipiracy, and Brand Protection Products in January 2020.

Net cash used in investing activities was $2,988,768 and $140,885 for the years ended December 31, 2020 and 2019. The $2,851,283 increase in cash used in investing activities was primarily due to an increase in cash paid related to acquisitions, net of cash acquired due to the acquisitions of DRG in February 2020, CPA Global in October 2020, IncoPat in October 2020 and Hanlim in November 2020, as well as the acquisition of intangible assets due to key business intangible assets acquired from CustomersFirst Now in June 2020, partially offset by the acquisitions of Darts-ip in 2019 and the acquisition of intangible assets due to key business intangible assets acquired from SequenceBase in 2019. The increase was also attributed to an increase in capital expenditures primarily associated with product development from acquired businesses. The increase in cash used in investing activities was partially offset by cash flows provided by the divestiture related to the sale of Techstreet in November 2020 and MarkMonitor AntiFraud, Antipiracy, and Brand Protection Products in January 2020.

Our capital expenditures in 2021, 2020 and 2019 consisted primarily of capitalized labor, consulting and other costs associated with product development.

Cash Flows Provided by Financing Activities

Net cash provided by financing activities was $4,032,160 and $2,926,580 for the years ended December 31, 2021 and 2020, respectively. The 1,105,580 increase in cash provided by financing activities was primarily due to the: (i) increase in proceeds of $1,392,616 from the issuance of our 5.25% Series A MCPS in June 2021; (ii) increase in borrowings under the revolving credit facility; (iii) decrease in repayment of borrowings under the revolving credit facility; (iv) increase in restricted cash proceeds from the sale of treasury shares from the Employee Benefit Trust established for the CPA Equity Plan (v) increase in proceeds from the issuance of debt due to the private placement offering and subsequent exchange offers of $1,000,000 in aggregate principal amount of Old Senior Secured Notes due 2028 and $1,000,000 in aggregate principal amount of Old Senior Notes due 2029 in June 2021 compared to the $1,960,000 of borrowings under our term loan facility in February 2020 and October 2020; (vi) increase in proceeds from the issuance of stock options; (vii) decrease in payments related to tax withholdings for share-based compensation; (viii) decrease in contingent purchase price payments related to the TradeMark Vision contingent earn out in the first quarter of 2020; and (ix) decrease in payment of debt issuance costs compared to the prior period. The increase in cash provided by financing activities was offset by the: (i) decrease in proceeds from the exercise of the Company's outstanding public warrants in the first quarter of 2020; (ii) repayment due to the redemption on the remaining outstanding $78,823 of Old Secured Notes and $78,601 of Old Unsecured Notes in August 2021; (iii) use of proceeds to repurchase 6,575,500 of the Company's ordinary shares for a total of $159,356 in 2021; (iv) decrease in proceeds from the issuance of ordinary shares driven by the Company's public offerings of 27,600,000 ordinary shares at $20.25 per share in February 2020 and 50,400,000 of our ordinary shares at a share price of $22.50 per share, of which 14,000,000 were ordinary shares offered by Clarivate and 36,400,000 were ordinary shares offered by selling shareholders in June 2020 compared to the public offering of 44,230,768 of our ordinary shares at a share price of $26.00, of which 28,846,154 ordinary shares were issued and sold by Clarivate and 15,384,614 were sold by selling shareholders in June 2021; (v) increase in principal payments on the term loan; and (vi) cash payment of dividends associated with our MCPS in 2021.

Net cash provided by financing activities was $2,926,580 and $75,215 for the year ended December 31, 2020 and 2019, respectively. The $2,851,365 increase in cash provided by financing activities was driven by: (i) the extinguishment debt related to October 2019 refinancing of our prior credit facilities and notes; (ii) reduced principal payments on term loans primarily driven by the repayment on our prior term loan facility upon consummation of the transaction with Churchill in 2019; (iii) payment related to the tax receivable agreement in 2019; (iv) increase in proceeds from the issuance of ordinary shares driven by the Company's public offerings of 27,600,000 ordinary shares at $20.25 per share in February 2020 and 50,400,000 of our ordinary shares at a share price of $22.50 per share, of which 14,000,000 were ordinary shares offered by

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

Clarivate and 36,400,000 were ordinary shares offered by selling shareholders in June 2020; (v) increase in proceeds from the exercise of the Company's outstanding public warrants in the first quarter of 2020; (vi) $1,960,000 of borrowings under our term loan facility in February 2020 and October 2020, partially offset by proceeds related to the refinancing of debt in 2019; (vii) decrease in the payment of debt issuance costs compared to the prior period; (vii) increase in proceeds from the issuance of stock options; and (vii) a reduction in the payment of debt issuance costs compared to the prior period. The increase in cash provided by financing activities was offset by: (i) proceeds from our merger with Churchill Capital Corp in 2019; (ii) increased repayments repayment of borrowings under the revolving credit facility; (iii) increase in payments related to tax withholdings for share-based compensation; (iv) decrease in borrowings under the revolving credit facility; and (v) increase in contingent purchase price payments primarily related to the TradeMark Vision contingent earn out in the first quarter of 2020.

In February 2020, we completed an underwritten public offering of 27,600,000 of our ordinary shares, generating net proceeds of $540,736, which we used to fund a portion of the cash consideration for the DRG acquisition. In addition, we incurred an incremental $360,000 of term loans under our term loan facility and used the net proceeds from such borrowings, together with cash on hand, to fund the remainder of the cash consideration for the DRG acquisition and to pay related fees and expenses.

In June 2020, we completed an underwritten public offering of 50,400,000 of our ordinary shares at a share price of $22.50. Of the 50,400,000 ordinary shares, 14,000,000 were primary ordinary shares offered by Clarivate and 36,400,000 were secondary ordinary shares offered by selling shareholders including 20,821,765 ordinary shares from Onex, 8,097,354 ordinary shares from Baring and 7,480,881 ordinary shares from Directors, Executive Officers and other shareholders. The Company did not receive any proceeds from the sale of secondary ordinary shares by the selling shareholders. The Company received approximately $304,030 in net proceeds from the sale of ordinary shares offered by the Company, after deducting underwriting discounts and estimated offering expenses payable. We used the net proceeds, in conjunction with the new $1,600,000 incremental term loan facility available to Clarivate on October 1, 2020, to fund the repayment of CPA Global parent company's $2,052,926 of outstanding debt.

In June 2021, we completed an underwritten public offering of 44,230,768 of our ordinary shares at a share price of $26.00, of which 28,846,154 ordinary shares were issued and sold by Clarivate and 15,384,614 were sold by selling shareholders (which included 5,769,230 ordinary shares that the underwriters purchased pursuant to their option to purchase additional shares). The ordinary shares sold by selling shareholders included 10,562,882 ordinary shares from Onex, 4,107,787 ordinary shares from Baring and 713,945 ordinary shares from Directors, Executive Officers and other shareholders. The Company received approximately $728,080 in net proceeds from the sale of ordinary shares offered by the Company, after deducting underwriting discounts and estimated offering expenses payable. We used the net proceeds to finance a portion of the purchase price for the ProQuest acquisition, which was completed on December 1, 2021. The Company did not receive any proceeds from the secondary ordinary shares sold by the selling shareholders.

In June 2021, concurrently with the June 2021 Ordinary Share Offering, we completed an underwritten public offering of 14,375,000 of our 5.25% Series A MCPS (which included 1,875,000 of our MCPS that the underwriters purchased pursuant to their option to purchase additional shares). The Company received approximately $1,392,671 in net proceeds from the sale of our MCPS offered by the Company, after deducting underwriting discounts and estimated offering expenses payable. We used the net proceeds to finance a portion of the purchase price for the ProQuest acquisition, which was completed on December 1, 2021.

Dividends on the MCPS are payable on a cumulative basis when declared by Clarivate's Board of Directors, or an authorized committee of Clarivate's Board of Directors, at an annual rate of 5.25% of the liquidation preference of $100.00 per share. Clarivate may pay declared dividends in cash or, subject to certain limitations, in Clarivate ordinary shares, or in any combination of cash and ordinary shares, on March 1, June 1, September 1 and December 1 of each year, commencing on September 1, 2021 and ending on June 1, 2024.

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

In July 2021, the Company's Board of Directors declared a quarterly dividend of approximately $1.12 per share on its 5.25% Series A Mandatory Convertible Preferred Shares, payable on September 1, 2021 to shareholders of record at the close of business on August 15, 2021. As permitted by the Statement of Rights governing its 5.25% Series A Mandatory Convertible Preferred Shares, such dividend was paid by delivery of ordinary shares (other than $1 paid in cash in lieu of any fractional ordinary share). The number of ordinary shares deliverable in respect of such dividend was 664,730, which was determined based on the average volume-weighted average price per ordinary shares over the five consecutive trading day period ending on, and including, the trading day prior to September 1, 2021, which had a value of $16,141. In October 2021, the Company's Board of Directors declared a quarterly dividend of approximately $1.3125 per share on its 5.25% Series A MCPS, paid in cash on December 1, 2021 to shareholders of record at the close of business on November 15, 2021. As of December 31, 2021, we recognized $6,499 of accrued preferred share dividends within accrued expenses and other current liabilities. While the dividends on the MCPS are cumulative, they will not be paid until declared by the Company's Board of Directors. If no dividends are declared and paid, they will continue to accumulate as the agreement contains a backstop to it being paid even if never declared by the board. In February 2022, the Company's Board of Directors declared a quarterly dividend of $1.3125 per share on its 5.25% Series A Mandatory Convertible Preferred Shares, payable in cash on March 1, 2022 to shareholders of record at the close of business on February 15, 2022.

During the period January 1, 2020 through February 21, 2020, 24,132,666 of the Company's outstanding warrants were exercised for one ordinary share per whole warrant at a price of $11.50 per share. On February 20, 2020, we announced the redemption of all of our outstanding public warrants to purchase our ordinary shares that were issued as part of the units sold in the Churchill Capital Corp initial public offering that remained outstanding at 5:00 p.m. New York City time on March 23, 2020, for a redemption price of $0.01 per public warrant. In addition, our Board of Directors elected that, upon delivery of the notice of the redemption on February 20, 2020, all public warrants were to be exercised only on a "cashless basis." Accordingly, by virtue of the cashless exercise of public warrants, exercising public warrant holders received 0.4626 of an ordinary share for each public warrant, and 4,747,432 ordinary shares were issued for public warrants exercised on a cashless basis and 4,649 public warrants were redeemed for $0.01 per public warrant. As of December 31, 2021, no public warrants were outstanding.

Free Cash Flow (non-GAAP measure)

The following table reconciles free cash flow measure, which is a non-GAAP measure, to net cash provided by operating activities:

	Year Ended December 31,		
	2021	**2020**	**2019**
Net cash provided by operating activities	$ 323,767	$ 263,500	$ 117,580
Capital expenditures	(118,543)	(107,713)	(69,836)
Free cash flow	$ 205,224	$ 155,787	$ 47,744

Free cash flow was $205,224 for the year ended December 31, 2021, compared to $155,787 for the year ended December 31, 2020 and $47,744 for the year ended December 31, 2019. The increase in free cash flow was primarily due to higher net cash provided by operating activities due to an increase in the source of cash for improved results from operations, partially offset by an increase in capital expenditures primarily driven by product development from acquired businesses.

Required Reported Data - Standalone Adjusted EBITDA (non-GAAP measure)

We are required to report Standalone Adjusted EBITDA, which is identical to Consolidated EBITDA and EBITDA as such terms are defined under our credit facilities, dated as of October 31, 2019, the indentures governing our secured notes due 2026 issued by Camelot Finance S.A. and guaranteed by certain of our subsidiaries, and the indentures governing the New Notes issued by the Issuer in August 2021, respectively. In addition, the credit facilities and the indentures contain certain restrictive covenants that govern debt incurrence and the making of restricted payments, among other matters. These restrictive covenants utilize Standalone Adjusted EBITDA as a primary component of the compliance metric governing our ability to undertake certain actions otherwise proscribed by such covenants. Standalone Adjusted EBITDA reflects further adjustments to Adjusted EBITDA for cost savings already implemented and excess standalone costs.

Because Standalone Adjusted EBITDA is required pursuant to the terms of the reporting covenants under the credit facilities and the indentures and because this metric is relevant to lenders and noteholders, management considers Standalone

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

Adjusted EBITDA to be relevant to the operation of its business. It is also utilized by management and the compensation committee of the Board as an input for determining incentive payments to employees.

Excess standalone costs are the difference between our actual standalone company infrastructure costs, and our estimated steady state standalone infrastructure costs. We make an adjustment for the difference because we have had to incur costs under the transition services agreement with Thomson Reuters after we had implemented the infrastructure to replace the services provided pursuant to the transition services agreement, thereby incurring dual running costs. Furthermore, there has been a ramp up period for establishing and optimizing the necessary standalone infrastructure. Since our separation from Thomson Reuters, we have had to transition quickly to replace services provided under the transition services agreement, with optimization of the relevant standalone functions typically following thereafter. Cost savings reflect the annualized "run rate" expected cost savings, net of actual cost savings realized, related to restructuring and other cost savings initiatives undertaken during the relevant period. These costs wound down at the end of December 31, 2020.

Standalone Adjusted EBITDA is calculated under the credit facilities and the indentures by using our consolidated net income (loss) for the trailing 12-month period (defined in the credit facilities and the indenture as our U.S. GAAP net income adjusted for certain items specified in the credit facilities and the indenture) adjusted for items including: taxes, interest expense, depreciation and amortization, non-cash charges, expenses related to capital markets transactions, acquisitions and dispositions, restructuring and business optimization charges and expenses, consulting and advisory fees, run-rate cost savings to be realized as a result of actions taken or to be taken in connection with an acquisition, disposition, restructuring or cost savings or similar initiatives, "run rate" expected cost savings, operating expense reductions, restructuring charges and expenses and synergies related to the transition projected by us, costs related to any management or equity stock plan, other adjustments of the type that were presented in the offering memorandum used in connection with the issuance of the secured notes due 2026 and earn-out obligations incurred in connection with an acquisition or investment.

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

The following table reconciles Standalone Adjusted EBITDA to our Net loss for the periods presented:

	Year Ended December 31,		
	2021	**2020**	**2019**
(in thousands)			
Net loss attributable to ordinary shares	$ (311,956)	$ (350,625)	$ (258,633)
Dividends on preferred shares	41,508	—	—
Net loss	(270,448)	(350,625)	(258,633)
Provision (benefit) for income taxes	12,298	(2,698)	10,201
Depreciation and amortization	537,815	303,150	200,542
Interest, net	252,490	111,914	157,689
Deferred revenues adjustment[1]	3,951	23,101	438
Transaction related costs[2]	46,216	99,286	46,214
Share-based compensation expense	139,571	70,472	51,383
Gain on sale of Techstreet	—	(28,140)	—
Restructuring and impairment[3]	129,459	56,138	15,670
Legal Settlement	—	—	(39,399)
Impairment on assets held for sale	—	—	18,431
Mark to market adjustment on financial instruments[4]	(81,320)	205,062	47,656
Other[5]	30,372	(1,060)	43,874
Adjusted EBITDA	800,404	486,600	294,066
Realized foreign exchange gain	7,244	(2,431)	(3,500)
ProQuest Adjusted EBITDA impact[6]	255,525	—	—
DRG Adjusted EBITDA impact[6]	—	(2,668)	—
CPA Adjusted EBITDA impact[6]	—	193,930	—
Bioinfogate Adjusted EBITDA impact[6]	305	—	—
IncoPat Adjusted EBITDA impact[6]	—	(459)	—
Hanlim Adjusted EBITDA impact[6]	—	479	—
Patient Connect Adjusted EBITDA impact[6]	(1,073)	—	—
Cost savings[7]	130,281	86,659	15,500
Excess standalone costs[8]			30,000
Standalone Adjusted EBITDA	$ 1,192,686	$ 762,110	$ 336,066

(1) Reflects the deferred revenues adjustment made as a result of purchase accounting prior to the adoption of FASB ASU No. 2021-08, *"Accounting for Contract Assets and Contract Liabilities from Contracts with Customers"*. In the fourth quarter of 2021, Clarivate adopted ASU No. 2021-08 which allows an acquirer to account for the related revenue contracts in accordance with Topic 606 as if it had originated the contracts. This guidance was applied retrospectively to all business combinations for which the acquisition date occurs during or subsequent to the fiscal year 2021.

(2) Includes costs incurred to complete business combination transactions, including acquisitions, dispositions and capital market activities and include advisory, legal, and other professional and consulting costs. This also includes the mark to market adjustments on the contingent stock consideration associated with the CPA Global and DRG acquisitions.

(3) Reflects costs related to restructuring and impairment associated with the acquisition of primarily DRG and CPA Global in 2020. This also includes costs incurred in connection with the initiative, following our merger with Churchill Capital Corp in 2019, to streamline our operations by simplifying our organization and focusing on two segments. During 2021, the CPA Global plan continued as well as the addition of the One Clarivate and ProQuest Programs, which were approved restructuring actions to streamline operations within targeted areas of the Company. Additionally, during the year ended December 31, 2021, 2020 and 2019, we incurred impairment charges taken on right-of-use assets of $57,305, $4,771 and $0 respectively, relating to the exit and ceased use of leased properties.

(4) Reflects mark to market adjustments on financial instruments recorded under Accounting Standards Codification 815, *Derivatives and Hedging*, ("ASC 815"). Warrant instruments that do not meet the criteria to be considered indexed to an entity's own stock shall be initially classified as a liability at their estimated fair values, regardless of the likelihood that such instruments will ever be settled in cash. In periods subsequent to issuance, changes in the estimated fair value of the liabilities are reported through earnings.

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

(5) Includes primarily the net impact of foreign exchange gains and losses related to the re-measurement of balances and other items that do not reflect our ongoing operating performance. The 2021 detail also includes an accrual of $8,000 for a legal case. The 2020 detail also includes costs related to a transition services agreement and offset by the reverse transition services agreement from the sale of MarkMonitor. In 2019, this includes payments to Thomson Reuters under the Transition Services Agreement. For both 2020 and 2019, this also includes costs incurred in connection with and after our separation from Thomson Reuters in 2016 relating to the implementation of our standalone company infrastructure and related cost-savings initiatives. These costs include mainly transition consulting, technology infrastructure, personnel and severance expenses relating to our standalone company infrastructure, which are recorded in selling, general and administrative costs in our income statement, as well as expenses related to the restructuring and transformation of our business following our separation from Thomson Reuters in 2016 mainly related to the integration of separate business units into one functional organization and enhancements in our technology. These costs were largely wound down by the end of 2020.

(6) Represents the acquisition Adjusted EBITDA for the period beginning January 1 of the year of the acquisition through the respective acquisition date of each acquired business to reflect the company's Standalone EBITDA as though material acquisitions occurred at the beginning of the presented period.

(7) Reflects the estimated annualized run-rate cost savings, net of actual cost savings realized, related to restructuring and other cost savings initiatives undertaken during the period (exclusive of any cost reductions in our estimated standalone operating costs), including synergies related to acquisitions.

(8) Reflects the difference between our actual standalone company infrastructure costs, and our estimated steady operating costs, which are summarized in the below table.

	Year Ended December 31,		
(in thousands)	**2021**	**2020**	**2019**
Actual standalone company infrastructure costs	$ —	$ —	$ 162,000
Steady state standalone cost estimate	—	—	(132,000)
Excess standalone costs	$ —	$ —	$ 30,000

The foregoing adjustments (6) , (7) and (8) are estimates and are not intended to represent pro forma adjustments presented within the guidance of Article 11 of Regulation S-X. Although we believe these estimates are reasonable, actual results may differ from these estimates, and any difference may be material. See Cautionary Statement Regarding Forward-Looking Statements.

Debt Profile

Senior Secured Notes due 2028 and Senior Notes due 2029

In June 2021, we issued $1,000,000 in aggregate principal amount of Senior Secured Notes due June 30, 2028 and $1,000,000 in aggregate principal amount of Senior Notes due June 30, 2029 bearing interest at a rate of 3.875% and 4.875% per annum, respectively. The interest is payable semi-annually to holders of record on June 30 and December 30 of each year, commencing on December 30, 2021. The Old Secured Notes and the Old Unsecured Notes were issued by Clarivate Science Holdings Corporation (the "Issuer"), an indirect wholly-owned subsidiary of Clarivate.

In August 2021, we (i) exchanged all of the outstanding, validly tendered and not withdrawn 3.875% Senior Secured Notes due 2028 for the newly-issued 3.875% Senior Secured Notes due 2028, and (ii) exchanged all of the outstanding, validly tendered and not withdrawn 4.875% Unsecured Senior Notes due 2029 for the Issuer's newly-issued 4.875% Senior Notes due 2029. The initial aggregate principal amount of New Notes is equal to the aggregate principal amount of Old Notes that were validly tendered and not validly withdrawn for exchange, and that were accepted by the Issuer. The offers to exchange are referred to herein as the "Exchange Offers." Pursuant to the Exchange Offers, the aggregate principal amounts of the Old Notes set forth as follows were validly tendered and not validly withdrawn, and were accepted by the Issuer and subsequently cancelled: (i) $921,177 aggregate principal amount of Old Secured Notes; and (ii) $921,399 aggregate principal amount of Old Unsecured Notes. Following such cancellation, (i) $78,823 aggregate principal amount of Old Secured Notes remained outstanding; and (ii) $78,601 aggregate principal amount of Old Unsecured Notes remained outstanding. The Issuer redeemed such remaining outstanding Old Secured Notes and Old Unsecured Notes at 100% of the principal amount thereof plus accrued and unpaid interest from June 24, 2021 to the redemption date in August 2021. In connection with the settlement of the Exchange Offers, the Issuer (i) issued $921,177 aggregate principal amount of its New Secured Notes; and (ii) issued $921,399 aggregate principal amount of its New Unsecured Notes. The interest is payable semi-annually to holders of record on June 30 and December 30 of each year, commencing on December 30, 2021. The exchange was treated as a debt modification in accordance with Accounting Standards Codification 470, *Debt* ("ASC 470").

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

Concurrently with the settlement of the Exchange Offers, the Issuer deposited (or caused to be deposited) an amount in cash equal to the aggregate principal amount of the New Notes of each series into segregated escrow accounts until the date that certain escrow release conditions (the "Escrow Release Conditions") including the consummation of the ProQuest acquisition, were satisfied. On December 1, 2021 the Escrow Release Conditions were satisfied, and the escrow proceeds were released from the escrow accounts and used to fund a portion of the purchase price of the ProQuest acquisition and to pay related fees and expenses.

In connection with the closing of the ProQuest acquisition on December 1, 2021, the New Notes are guaranteed on a joint and several basis by each of Clarivate's indirect subsidiaries that is an obligor or guarantor under Clarivate's existing credit facilities and senior secured notes due 2026. The New Secured Notes will be secured on a first-lien pari passu basis with borrowings under the existing credit facilities and senior secured notes, and the New Unsecured Notes will be the Issuer's and such guarantors' unsecured obligations. As of the date of this annual report, we believe we were in compliance with the indentures' covenants.

Secured Notes Due 2026

On October 31, 2019, we closed a private offering of $700,000 in aggregate principal amount of secured notes due 2026 bearing interest at 4.50% per annum. The secured notes due 2026 were issued by Camelot Finance S.A., an indirect wholly-owned subsidiary of Clarivate, are secured on a first-lien pari passu basis with borrowings under the credit facilities, and are guaranteed on a joint and several basis by certain of Clarivate's subsidiaries. We used the net proceeds from the offering of secured notes due 2026, together with proceeds from the credit facilities discussed below to, among other things, redeem in full our secured notes due 2026, refinance all amounts terminating under the tax receivable agreement and under the prior credit facilities, fund in full the $200,000 payment pursuant to the agreement, and pay fees and expenses related to the foregoing.

The indenture governing the secured notes due 2026 contains covenants which, among other things, limit the occurrence of additional indebtedness (including acquired indebtedness), issuance of certain preferred stock, the payment of dividends, making restricted payments and investments, the purchase or acquisition or retirement for value of any equity interests, the provision of loans or advances to restricted subsidiaries, the sale or lease or transfer of any properties to any restricted subsidiaries, the transfer or sale of assets, and the creation of certain liens. As of the date of this annual report, we believe we were in compliance with the indenture covenants.

Credit Facilities

On October 31, 2019, we entered into a $900,000 term loan facility, which was fully drawn at closing. On February 28, 2020, we incurred an incremental $360,000 of term loans under our term loan facility and used the net proceeds from such borrowings to fund a portion of the cash consideration for the DRG acquisition. On October 1, 2020, in connection with the CPA Global acquisition, the Company incurred an incremental $1,600,000 of borrowings under our term loan facility and used the net proceeds from such borrowings to fund the repayment of CPA Global's parent company outstanding debt. As of December 31, 2021, we had $2,818,800 outstanding on the term loan facility. The term loan facility matures on October 31, 2026.

On October 31, 2019, we entered into $250,000 revolving credit facility. In November 2021, we increased the capacity of the revolving credit facility by $100,000 to $350,000, of which $175,000 remained undrawn as of December 31, 2021. In November 2021, the Company borrowed $175,000 on the existing Revolving Credit Facility and used the net proceeds from such borrowings for general corporate purposes

Borrowings under the credit facilities bear interest at a floating rate which can be, at our option, either (i) a Eurocurrency rate plus an applicable margin or (ii) an alternate base rate (equal to the highest of (i) the rate which Bank of America, N.A. announces as its prime lending rate, (ii) the Federal Funds Effective Rate plus one-half of 1.00% and (iii) the Eurocurrency rate for an interest period of one month for loans denominated in dollars plus 1.00%) plus an applicable margin, in either case, subject to a Eurocurrency rate floor of 0.00%. Commencing March 31, 2020, the term loan facility will amortize in equal quarterly installments in an amount equal to 1.00% per annum of the original par principal amount thereof, with the remaining balance due at final maturity.

The credit facilities are secured by substantially all of our assets and the assets of all of our U.S. restricted subsidiaries and certain of our non-U.S. subsidiaries, including those that are or may be borrowers or guarantors under the Credit Facilities,

CLARIVATE PLC
Management's Discussion and Analysis of Financial Condition and Results of Operations
(In thousands, except share and per share data, option prices, ratios or as noted)

subject to customary exceptions. The credit facilities contain customary events of default and restrictive covenants that limit us from, among other things, incurring certain additional indebtedness, issuing preferred stock, making certain restricted payments and investments, certain transfers or sales of assets, entering into certain affiliate transactions or incurring certain liens. These credit facilities limitations are subject to customary baskets, including certain limitations on debt incurrence and issuance of preferred stock, subject to compliance with a consolidated coverage ratio of Consolidated EBITDA (as defined in the credit facilities), a measure identical to our Standalone Adjusted EBITDA disclosed above under - Required Reported Data - Standalone Adjusted EBITDA, to interest and other fixed charges on certain debt (as defined in the credit facilities) of 2.00 to 1.00. In addition, the credit facilities require us to comply with a springing financial covenant pursuant to which, as of the third quarter of 2019, we must not exceed a total first lien net leverage ratio (as defined under the credit facilities) of 7.25 to 1.00, to be tested on the last day of any quarter only when more than 35% of the revolving credit facility (excluding (i) non-cash collateralized, issued and undrawn letters of credit in an amount up to $20,000 and (ii) any cash collateralized letters of credit) is utilized at such date. As of December 31, 2021, our consolidated coverage ratio was 6.58 to 1.00 and our consolidated leverage ratio was 4.30 to 1.00. As of the date of this Report, we are in compliance with the covenants in the credit facilities. As of the date of this form 10-K, we are in compliance with the covenants in the credit facilities.

The credit facilities provide that, upon the occurrence of certain events of default, our obligations thereunder may be accelerated and the lending commitments terminated. Such events of default include payment defaults to the lenders, material inaccuracies of representations and warranties, covenant defaults, cross-defaults to other material indebtedness (including the secured notes due 2026), voluntary and involuntary bankruptcy proceedings, material money judgments, loss of perfection over a material portion of collateral, material ERISA/pension plan events, certain change of control events and other customary events of default, in each case subject to threshold, notice and grace period provisions.

Commitments and Contingencies

Our contingent liabilities consist primarily of letters of credit and performance bonds and other similar obligations in the ordinary course of business.

The Company maintained a contingent stock liability based on observable market data relating to the CPA Global acquisition that occurred on October 1, 2020. The amount was settled on January 21, 2021 through the issuance of ordinary shares. The contingent stock liability was $0 and $44,565 as of December 31, 2021 and December 31, 2020, recorded in Accrued expenses and other current liabilities on the Consolidated Balance Sheet. The Company recognized a gain related to the changes in the contingent stock liability of $675 and $1,920 for the years ended December 31, 2021 and 2020, respectively, recorded within Selling, general and administrative costs on the Consolidated Statement of Operations.

The Company maintained a contingent stock liability based on observable market data relating to the DRG acquisition that occurred on February 28, 2020. The amount was settled on March 5, 2021 through the issuance of ordinary shares. The contingent stock liability was $0 and $86,029 as of December 31, 2021 and December 31, 2020, recorded in Accrued expenses and other current liabilities on the Consolidated Balance Sheet. The Company recognized (income) expense related to the changes in the contingent stock liability of $(24,410) and $27,132 for the years ended December 31, 2021 and 2020, respectively, recorded within Selling, general and administrative costs on the Consolidated Statement of Operations.

Dividends on our convertible preferred shares are payable, as and if declared by our Board of Directors, at an annual rate of 5.25% of the liquidation preference of $100.00 per share. We may pay declared dividends in cash or, subject to certain limitations, in our ordinary shares, or in any combination of cash and ordinary shares, on March 1, June 1, September 1 and December 1 of each year, commencing on September 1, 2021 and ending on, and including, June 1, 2024. See Note 23 - Commitments and Contingencies in Item 8, Financial Statements and Supplementary Data, for additional information.

The Company is engaged in various legal proceedings and claims that have arisen in the ordinary course of business. We have taken what we believe to be adequate reserves related to the litigation and threatened claims. We maintain appropriate insurance policies in place, which are likely to provide some coverage for these liabilities or other losses that may arise from these litigation matters. See Note 23 - Commitments and Contingencies in Item 8, Financial Statements and Supplementary Data, for additional information.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates and interest rates, will affect our cash flows or the fair value of our holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Foreign Currency Exchange Rate Risk

We are exposed to foreign currency exchange risk related to our transactions and our subsidiaries' balances that are denominated in currencies other than the U.S. dollar, our functional currency. See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Factors Affecting the Comparability of Our Results of Operations-Effect of Currency Fluctuations for more information about our foreign currency exchange rate exposure. In accordance with our treasury policy, we seek to naturally hedge our foreign exchange transaction exposure by matching the transaction currencies for our cash inflows and outflows. For example, where commercially feasible, we seek to borrow in the same currencies in which cash flows from operations are generated.

The Company periodically enters into foreign currency contracts. The purpose of these derivative instruments is to help manage the Company's exposure to foreign exchange rate risks within the acquired CPA Global business. These contracts generally do not exceed 180 days in duration. The Company accounts for these foreign currency contracts at fair value and recognizes the associated realized and unrealized gains and losses in Other operating income, net in the Consolidated Statements of Operations, as the contracts are not designated as accounting hedges under the applicable sections of ASC Topic 815.

Revenues denominated in currencies other than U.S. dollars amounted to $640,300, or approximately 34.1%, of our total revenues for the year ended December 31, 2021. A significant majority of this amount was denominated in euros, British pounds and Japanese yen. A 5% increase or decrease in the value of the euro, British pound and Japanese yen relative to the U.S. dollar would have caused our revenues for the year ended December 31, 2021 to increase or decrease by $28,795.

Interest Rate Risk

Our interest rate risk arises primarily from our borrowings at floating interest rates. Borrowings under our credit facilities are subject to floating base interest rates, plus a margin. As of December 31, 2021, we had $2,818,800 of floating rate debt outstanding under our credit facilities, consisting of borrowings under the revolving and term loan facilities for which the base rate was one-month LIBOR (subject, with respect to the term loan facility only, to a floor of 0.00% for $1,234,800 and 1.00% for $1,584,000), which stood at 0.10% at December 31, 2021. Of this amount, we hedged $449,250 of our principal amount of our floating rate debt under hedges using interest rate derivatives. As a result, $2,369,550 of our outstanding borrowings effectively bore interest at floating rates. A $1/8^{th}$ basis point increase or decrease in the applicable base interest rate under our credit facilities would have an impact of $1,501 on our cash interest expense for the year ended December 31, 2021. For additional information on our outstanding debt and related hedging, see Item 8. Financial Statements and Supplementary Data - Notes to the Consolidated Financial Statements - Note 10 - Derivative Instruments and Note 14 - Debt.

In April 2017, the Company entered into interest rate derivative arrangements with counterparties to reduce its exposure to variability in cash flows relating to interest payments on $300,000 of its term loan, effective April 30, 2021. Additionally, in May 2019, the Company entered into additional interest rate derivative arrangements with counterparties to reduce its exposure to variability in cash flows relating to interest payments on $50,000 of its term loan, effective March 2021 and maturing in September 2023. The Company applies hedge accounting by designating the interest rate swaps as a hedge in applicable future quarterly interest payments.

Credit Risk

We are not currently exposed to market instruments, except for the effective interest rate hedges discussed above. We are, however, exposed to credit risk on our accounts receivable, and we maintain an allowance for potential credit losses. Further, given our subscription-based revenues model, where a significant portion of customer obligations are payable to us upfront, and our credit control procedures, we believe that our exposure to customer credit risk is currently limited.

Item 8. Financial Statements and Supplementary Data

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm (PCAOB ID 238)	68
Consolidated Balance Sheets as of December 31, 2021 and 2020	72
Consolidated Statements of Operations for the years ended December 31, 2021, 2020 and 2019	73
Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2021, 2020 and 2019	74
Consolidated Statements of Changes in Equity for the years ended December 31, 2021, 2020 and 2019	75
Consolidated Statements of Cash Flows for the years ended December 31, 2021, 2020 and 2019	77
Notes to the Consolidated Financial Statements	79

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Clarivate Plc

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Clarivate Plc and its subsidiaries (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of operations, of comprehensive income (loss), of changes in equity and of cash flows for each of the three years in the period ended December 31, 2021, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO because material weaknesses in internal control over financial reporting existed as of that date related to a lack of an effectively designed control (i) over the communication of modifications to pre-existing compensation agreements in an acquisition transaction between the legal function and the accounting function to ensure the accounting impact of the modifications could be evaluated, and (ii) with a sufficient level of precision to allow for an appropriate review of the tax balances associated with the opening balance sheet of acquired entities.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses referred to above are described in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. We considered these material weaknesses in determining the nature, timing, and extent of audit tests applied in our audit of the 2021 consolidated financial statements, and our opinion regarding the effectiveness of the Company's internal control over financial reporting does not affect our opinion on those consolidated financial statements.

Change in Accounting Principle

As discussed in Note 3 to the consolidated financial statements, the Company changed the manner in which it accounts for credit losses in 2020.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in management's report referred to above. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant

estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As described in Management's Report on Internal Control Over Financial Reporting, management has excluded ProQuest from its assessment of internal control over financial reporting as of December 31, 2021 because it was acquired by the Company in a purchase business combination during 2021. We have also excluded this entity from our audit of internal control over financial reporting. ProQuest is a wholly-owned subsidiary whose total assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting represent approximately 2% and 4%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2021.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Acquired Database Intangible Asset and Customer Relationships Intangible Assets – ProQuest

As described in Note 4 to the consolidated financial statements, the Company acquired 100% of ProQuest in 2021. The aggregate consideration paid in connection with the closing of the ProQuest acquisition was $4,994.3 million, net of cash acquired, which resulted in $2,773.0 million and $709.3 million of customer relationships and technology and databases intangible assets, respectively, being recorded. Technology and databases intangible assets include both acquired technology intangible assets and acquired databases intangible assets. As disclosed by management, the fair value of the customer relationships intangible assets acquired was estimated by management through a discounted cash flow model using the multi-period excess earnings method, which involved the use of significant estimates and assumptions related to projected revenue growth rates, operating margins, projected cash flows, royalty rates, tax rates, discount rates, tax amortization benefits, and customer attrition rates, among other items. The fair value of the databases intangible assets acquired was estimated by management through a discounted cash flow model using the relief from royalty method, which involved the use of significant estimates and assumptions related to projected revenue growth rates, royalty rates, tax rates, discount rates, tax amortization benefits, and obsolescence rates.

The principal considerations for our determination that performing procedures relating to an acquired database intangible asset and the acquired customer relationships intangible assets from the ProQuest acquisition is a critical audit matter are (i) a high degree of auditor judgment and subjectivity in performing procedures relating to the estimated fair value of certain database and customer relationships intangible assets due to the significant judgment by management when developing these estimates; (ii) the significant audit effort in evaluating the significant assumptions related to projected revenue growth rates,

royalty rate, tax rate, discount rate, tax amortization benefit and obsolescence rate related to the database intangible asset, as well as the significant assumptions related to projected revenue growth rates, operating margins, projected cash flows, royalty rates, tax rates, discount rates, tax amortization benefits, and customer attrition rates related to the customer relationship intangible assets; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to business combination accounting, including controls over management's valuation of the database intangible asset and the customer relationship intangible assets and controls over the development of significant assumptions related to projected revenue growth rates, royalty rate, tax rate, discount rate, tax amortization benefit and obsolescence rate related to the acquired database intangible asset, as well as significant assumptions related to projected revenue growth rates, operating margins, projected cash flows, royalty rates, tax rates, discount rates, tax amortization benefits and customer attritions rates related to the customer relationship intangible assets. These procedures also included, among others (i) reading the purchase agreement; (ii) testing management's process for estimating the fair value of the database intangible asset and the customer relationships intangible assets; (iii) evaluating the appropriateness of the discounted cash flow models; (iv) testing the completeness and accuracy of the underlying data used in the models; and (v) evaluating the reasonableness of the aforementioned significant assumptions. Evaluating management's significant assumptions involved evaluating whether the assumptions used were reasonable considering the consistency of the assumptions with external market and industry data and whether these assumptions were consistent with evidence obtained in other areas of the audit, as applicable. Evaluating projected revenue growth rates (for both the database intangible asset and the customer relationship intangible assets) and operating margins and projected cash flows (for customer relationship intangible assets) also involved evaluating whether the assumptions used were reasonable considering the current and past performance of the acquired entity. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of the discounted cash flow models and evaluating the reasonableness of management's significant assumptions related to the projected revenue growth rates, royalty rates, tax rates, discount rates, and tax amortization benefits (for both the database intangible asset and the customer relationships intangible assets), the customer attrition rates (for customer relationship intangible assets), and the obsolescence rate (for the database intangible asset).

Goodwill Impairment Assessment for the IP Management Reporting Unit

As described in Notes 3, 9 and 11 to the consolidated financial statements, the Company's consolidated goodwill balance was $7,904.9 million as of December 31, 2021, and the goodwill balance assigned to the IP Management Reporting Unit was $3,047.3 million. Management evaluates its goodwill for impairment at the reporting unit level, defined as an operating segment or one level below an operating segment, annually as of October 1 or more frequently if impairment indicators arise. As disclosed by management, a quantitative assessment was performed for its IP Management reporting unit. In determining the fair value of a reporting unit, management estimates the fair value using a discounted cash flow model under the income approach. The discounted cash flow model determines the fair value of a reporting unit based on the present value of estimated future cash flows, which include significant assumptions related to projected revenue growth rates, operating margins, tax rates, terminal values and discount rates, among others.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment for the IP Management reporting unit is a critical audit matter are (i) a high degree of auditor judgment and subjectivity in performing procedures relating to the estimated fair value of the IP Management reporting unit due to the significant judgment by management when developing this estimate; (ii) the significant audit effort in evaluating the significant assumptions related to projected revenue growth rates, operating margins, tax rate, and discount rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over the determination of the reporting units, valuation of the IP Management reporting unit, and controls over the development of significant assumptions related to projected revenue growth rates, operating margins, tax rate, and discount rate. These procedures also included, among others (i) testing management's process for estimating the fair value of the IP Management reporting unit; (ii) evaluating whether there were any impairment indicators; (iii) evaluating the appropriateness of the discounted cash flow model; (iv) testing the completeness and accuracy of underlying data used in the model; and (v) evaluating the reasonableness of management's significant assumptions related to projected revenue growth rates, operating margins, tax rate and discount rate. Evaluating

management's significant assumptions involved evaluating whether the assumptions used were reasonable considering the consistency of the assumptions with external market and industry data and whether the assumptions were consistent with evidence obtained in other areas of the audit. Evaluating the projected revenue growth rates and operating margins also involved evaluating whether the assumptions used were reasonable considering the past performance of the Company. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of the discounted cash flow model and evaluating the reasonableness of management's significant assumption related to the discount rate.

/s/ PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
March 10, 2022

We have served as the Company's auditor since 2016.

CLARIVATE PLC
Consolidated Balance Sheets
(In thousands, except share and per share data)

	As of December 31,	
	2021	**2020**
Assets		
Current assets:		
Cash and cash equivalents	$ 430,879	$ 257,730
Restricted cash	156,734	14,678
Accounts receivable, net of allowance of $6,713 and $8,745 at December 31, 2021 and December 31, 2020, respectively	906,428	737,733
Prepaid expenses	76,551	58,273
Other current assets	66,646	79,150
Total current assets	1,637,238	1,147,564
Property and equipment, net	83,849	36,267
Other intangible assets, net	10,392,354	7,370,350
Goodwill	7,904,863	6,042,964
Other non-current assets	50,710	31,334
Deferred income taxes	27,938	29,863
Operating lease right-of-use assets	86,027	132,356
Total Assets	$ 20,182,979	$ 14,790,698
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 129,218	$ 82,038
Accrued expenses and other current liabilities	679,603	569,682
Current portion of deferred revenues	1,030,399	707,318
Current portion of operating lease liability	32,177	35,455
Current portion of long-term debt	30,577	28,600
Total current liabilities	1,901,974	1,423,093
Long-term debt	5,456,280	3,457,900
Warrant liabilities	227,839	312,751
Non-current portion of deferred revenues	54,250	41,399
Other non-current liabilities	142,752	49,445
Deferred income taxes	380,060	366,996
Operating lease liabilities	93,955	104,324
Total liabilities	8,257,110	5,755,908
Commitments and contingencies		
Shareholders' equity:		
Preferred Shares, no par value; 14,375,000 shares authorized; 5.25% Mandatory Convertible Preferred Shares, Series A, 14,375,000 and 0 shares issued and outstanding at December 31, 2021 and December 31, 2020, respectively	1,392,616	—
Ordinary Shares, no par value; unlimited shares authorized at December 31, 2021 and December 31, 2020; 683,139,210 and 606,329,598 shares issued and outstanding at December 31, 2021 and December 31, 2020, respectively	11,827,915	9,989,284
Treasury shares, at cost: 547,136 shares as of December 31, 2021 and 6,325,860 Shares as of December 31, 2020	(16,956)	(196,038)
Accumulated other comprehensive income	326,755	492,382
Accumulated deficit	(1,604,461)	(1,250,838)
Total shareholders' equity	11,925,869	9,034,790
Total Liabilities and Shareholders' Equity	$ 20,182,979	$ 14,790,698

The accompanying Notes are an integral part of these Consolidated Financial Statements.

CLARIVATE PLC
Consolidated Statements of Operations
(In thousands, except share and per share data)

	Year Ended December 31,		
	2021	**2020**	**2019**
Revenues, net	$ 1,876,894	$ 1,254,047	$ 974,345
Operating expenses:			
Cost of revenues	(626,104)	(438,787)	(352,000)
Selling, general and administrative costs	(642,989)	(544,700)	(475,014)
Depreciation	(13,996)	(12,709)	(9,181)
Amortization	(523,819)	(290,441)	(191,361)
Impairment on assets held for sale	—	—	(18,431)
Restructuring and impairment	(129,459)	(56,138)	(15,670)
Other operating (expense) income, net	(27,507)	52,381	4,826
Total operating expenses	(1,963,874)	(1,290,394)	(1,056,831)
Loss from operations	(86,980)	(36,347)	(82,486)
Mark to market adjustment on financial instruments	81,320	(205,062)	(47,656)
Legal settlement	—	—	39,399
Loss before interest expense and income tax	(5,660)	(241,409)	(90,743)
Interest expense and amortization of debt discount, net	(252,490)	(111,914)	(157,689)
Loss before income tax	(258,150)	(353,323)	(248,432)
Provision for income taxes	(12,298)	2,698	(10,201)
Net loss	(270,448)	(350,625)	$ (258,633)
Dividends on preferred shares	(41,508)	—	—
Net loss attributable to ordinary shares	$ (311,956)	$ (350,625)	$ (258,633)
Per share:			
Basic	$ (0.49)	$ (0.82)	$ (0.94)
Diluted	$ (0.61)	$ (0.82)	$ (0.94)
Weighted average shares used to compute earnings per share:			
Basic	630,976,906	427,023,558	273,883,342
Diluted	640,774,100	427,023,558	273,883,342

The accompanying Notes are an integral part of these Consolidated Financial Statements.

CLARIVATE PLC
Consolidated Statements of Comprehensive Income (Loss)
(In thousands)

	Year Ended December 31,		
	2021	**2020**	**2019**
Net loss	$ (270,448)	$ (350,625)	$ (258,633)
Other comprehensive income (loss), net of tax:			
Interest rate swaps, net of tax of $1,557, $0 and $0	4,837	(978)	(6,422)
Defined benefit pension plans, net of tax (benefit) provision of $0, $(65) and $683	(555)	(659)	(1,041)
Foreign currency translation adjustment	(169,909)	498,898	(2,774)
Total other comprehensive income (loss), net of tax	(165,627)	497,261	(10,237)
Comprehensive income (loss)	$ (436,075)	$ 146,636	$ (268,870)

The accompanying Notes are an integral part of these Consolidated Financial Statements.

CLARIVATE PLC
Consolidated Statements of Changes in Equity
(In thousands, except share data)

	Ordinary Shares		Preferred Shares		Treasury Shares		Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at December 31, 2018, as originally reported	1,646,223	$ 1,677,510	—	$ —	—	$ —	$ 5,358	$ (632,261)	$ 1,050,607
Conversion of units of share capital	215,880,202	—	—	—	—	—	—	—	—
Balance at December 31, 2018, as recasted	217,526,425	1,677,510	—	—	—	—	5,358	(632,261)	1,050,607
Shares subject to redemption	—	(64,157)	—	—	—	—	—	—	(64,157)
Tax Receivable Agreement	—	(264,000)	—	—	—	—	—	—	(264,000)
Settlement of Tax Receivable Agreement	—	64,000	—	—	—	—	—	—	64,000
Issuance of ordinary shares, net	1,597,691	1,582	—	—	—	—	—	—	1,582
Merger recapitalization	87,749,999	678,054	—	—	—	—	—	—	678,054
Share-based award activity	—	51,383	—	—	—	—	—	—	51,383
Net loss	—	—	—	—	—	—	—	(258,633)	(258,633)
Other comprehensive loss	—	—	—	—	—	—	(10,237)	—	(10,237)
Balance at December 31, 2019	306,874,115	$ 2,144,372	—	$ —	—	$ —	$ (4,879)	$ (890,894)	$ 1,248,599
Balance at December 31, 2019	306,874,115	$ 2,144,372	—	$ —	—	$ —	$ (4,879)	$ (890,894)	$ 1,248,599
Adjustment to opening Accumulated deficit related to adoption of ASC Topic 326	—	—	—	—	—	—	—	(9,319)	(9,319)
Exercise of public warrants	28,880,098	277,526	—	—	—	—	—	—	277,526
Exercise of Private Placement Warrants	274,000	4,124	—	—	—	—	—	—	4,124
Exercise of stock options	12,042,862	2,122	—	—	—	—	—	—	2,122
Vesting of restricted stock units	289,641	—	—	—	—	—	—	—	—
Shares returned to the Company for net share settlements	(7,297,396)	(33,056)	—	—	—	—	—	—	(33,056)
Issuance of ordinary shares, net	265,266,278	7,558,774	—	—	—	—	—	—	7,558,774
Share-based award activity	—	35,422	—	—	—	—	—	—	35,422
Treasury shares	—	—	—	—	6,325,860	(196,038)			(196,038)
Net loss	—	—	—	—	—	—	—	(350,625)	(350,625)
Comprehensive income (loss)	—	—	—	—	—	—	497,261	—	497,261
Balance at December 31, 2020	606,329,598	$ 9,989,284	—	$ —	6,325,860	$ (196,038)	$ 492,382	$ (1,250,838)	$ 9,034,790

CLARIVATE PLC
Consolidated Statements of Changes in Equity
(In thousands, except share data)

	Ordinary Shares		Preferred Shares		Treasury Shares		Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at December 31, 2020	606,329,598	$ 9,989,284	—	$ —	6,325,860	$ (196,038)	$ 492,382	$ (1,250,838)	$ 9,034,790
Exercise of Private Placement Warrants	212,174	3,592	—	—	—	—	—	—	3,592
Exercise of stock options	3,057,008	18,562	—	—	—	—	—	—	18,562
Vesting of restricted stock units	991,759	—	—	—	—	—	—	—	—
Shares returned to the Company for net share settlements	(1,693,274)	(24,892)	—	—	—	—	—	—	(24,892)
Issuance of ordinary shares, net	257,359,494	6,980,615							6,980,615
Share-based award activity	—	56,134	—	—	—	—	—	—	56,134
Repurchases of ordinary shares	—	—	—	—	(183,782,279)	(5,211,521)	—	—	(5,211,521)
Retirement of treasury shares	(183,782,279)	(5,211,521)	—	—	183,782,279	5,211,521	—	—	—
Issuance of preferred shares, net	—	—	14,375,000	1,392,616	—	—	—	—	1,392,616
Issuance of treasury shares, net	—	—	—	—	(5,778,724)	179,082	—	(41,667)	137,415
Dividends to preferred stockholders	664,730	16,141	—	—	—	—	—	(41,508)	(25,367)
Net loss	—	—	—	—	—	—	—	(270,448)	(270,448)
Other comprehensive income	—	—	—	—	—	—	(165,627)	—	(165,627)
Balance at December 31, 2021	683,139,210	$ 11,827,915	14,375,000	$ 1,392,616	547,136	$ (16,956)	$ 326,755	$ (1,604,461)	$ 11,925,869

The accompanying Notes are an integral part of these Consolidated Financial Statements.

CLARIVATE PLC
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,		
	2021	**2020**	**2019**
Cash Flows From Operating Activities			
Net loss	$ (270,448)	$ (350,625)	$ (258,633)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	537,815	303,150	200,542
Bad debt expense	5,988	3,332	1,331
Deferred income tax benefit	(13,358)	(45,509)	357
Share-based compensation	33,329	34,158	51,383
Restructuring and impairment	48,152	5,212	—
Loss (gain) on foreign currency forward contracts	6,904	(2,903)	—
Mark to market adjustment on contingent shares	(25,085)	25,212	—
Mark to market adjustment on financial instruments	(81,320)	205,062	47,656
Loss on extinguishment of debt	—	—	50,676
Gain on disposal of business	—	(29,192)	—
Impairment on assets held for sale	—	—	18,431
Deferred finance charges	13,170	5,752	2,496
Other operating activities	541	2,611	(374)
Changes in operating assets and liabilities:			
Accounts receivable	(64,067)	29,947	(593)
Prepaid expenses	2,744	5,742	(10,224)
Other assets	27,702	45,678	(975)
Accounts payable	31,193	(2,851)	(13,838)
Accrued expenses and other current liabilities	85,924	(54,794)	1,095
Deferred revenues	207	80,683	33,480
Operating lease right of use assets	3,363	5,329	11,365
Operating lease liabilities	(25,820)	(6,064)	(11,251)
Other liabilities	6,833	3,570	(5,344)
Net cash provided by operating activities	323,767	263,500	117,580
Cash Flows From Investing Activities			
Capital expenditures	(118,543)	(107,713)	(69,836)
Acquisitions, net of cash acquired	(3,930,214)	(2,916,471)	(68,424)
Acquisition of intangible assets	—	(5,982)	(2,625)
Proceeds from sale of product line, net of restricted cash	4,297	41,398	—
Net cash used in investing activities	(4,044,460)	(2,988,768)	(140,885)
Cash Flows From Financing Activities			
Proceeds from revolving credit facility	175,000	60,000	70,000
Proceeds from issuance of debt	2,000,000	1,960,000	1,600,000
Redemption of Notes not exchanged	(157,424)	—	—
Principal payments on term loan	(28,600)	(12,600)	(641,509)
Repayments of revolving credit facility	—	(125,000)	(50,000)
Payment of debt issuance costs and discounts	(32,624)	(38,340)	(41,923)
Contingent purchase price payment	—	(7,816)	(2,371)
Proceeds from reverse recapitalization	—	—	682,087
Proceeds from issuance of preferred shares	1,392,616	—	—
Proceeds from issuance of ordinary shares	728,040	843,744	—
Proceeds from issuance of treasury shares	139,864	—	—
Extinguishment of debt	—	—	(1,342,651)

CLARIVATE PLC
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,		
	2021	**2020**	**2019**
Tax receivable agreement payout	—	—	(200,000)
Repurchases of ordinary shares	(159,356)	—	—
Cash dividends on preferred shares	(18,868)	—	—
Proceeds from warrant exercises	—	277,526	—
Proceeds from stock options exercised	18,562	2,122	1,582
Payments related to finance lease	(158)	—	—
Payments related to tax withholding for stock-based compensation	(24,892)	(33,056)	—
Net cash provided by financing activities	4,032,160	2,926,580	75,215
Effects of exchange rates	3,738	(5,043)	(971)
Net increase in cash and cash equivalents	$ 173,149	$ 181,600	$ 50,555
Net increase in restricted cash	142,056	14,669	—
Net increase in cash held for sale	—	—	384
Net increase in cash and cash equivalents, and restricted cash	315,205	196,269	50,939
Beginning of period:			
Cash and cash equivalents	$ 257,730	$ 76,130	$ 25,575
Restricted cash	14,678	9	9
Total cash and cash equivalents, and restricted cash, beginning of period	272,408	76,139	25,584
Less: Cash included in assets held for sale, end of period	—	—	(384)
Cash and cash equivalents, and restricted cash, end of period	587,613	272,408	76,139
End of period:			
Cash and cash equivalents	430,879	257,730	76,130
Restricted cash	156,734	14,678	9
Total cash and cash equivalents, and restricted cash, end of period	$ 587,613	$ 272,408	$ 76,139
Supplemental Cash Flow Information:			
Cash paid for interest	$ 182,415	$ 97,510	$ 101,164
Cash paid for income tax	$ 33,869	$ 27,621	$ 29,204
Assets received as reverse recapitalization capital	$ —	$ —	$ 1,877
Liabilities assumed as reduction of reverse recapitalization capital	$ —	$ —	$ 5,910
Capital expenditures included in accounts payable	$ 8,692	$ 7,783	$ 8,762
Non-Cash Financing Activities:			
Shares issued and returned for funding of CPA Global Equity Plan	$ —	$ (196,038)	$ —
Shares issued to Capri Acquisition Topco Limited	5,052,165	—	—
Retirement of treasury shares	(5,211,521)	—	—
Shares issued as contingent stock consideration associated with the DRG acquisition	61,619	—	—
Shares issued as contingent stock consideration associated with the CPA Global acquisition	43,890	—	—
Shares issued as dividends on our 5.25% Series A Mandatory Convertible Preferred Shares	16,141	—	—
Dividends accrued on our 5.25% Series A Mandatory Convertible Preferred Shares	6,499	—	—
Total Non-Cash Financing Activities	$ (31,207)	$ (196,038)	$ —

The accompanying Notes are an integral part of these Consolidated Financial Statements.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

Note 1: Background and Nature of Operations

Clarivate Plc ("Clarivate," "us," "we," "our," or the "Company"), is a public limited company organized under the laws of Jersey, Channel Islands. We were initially registered on January 7, 2019, and at our 2020 annual general meeting, our shareholders approved a change of our corporate name from "Clarivate Analytics Plc" to "Clarivate Plc". Pursuant to the definitive agreement entered into to effect a merger between Camelot Holdings (Jersey) Limited ("Jersey") and Churchill Capital Corp, a Delaware corporation, ("Churchill") (the "2019 Transaction"), the Company was formed for the purposes of completing the 2019 Transaction and related transitions and carrying on the business of Jersey and its subsidiaries.

The Company is a provider of proprietary and comprehensive content, analytics, professional services and workflow solutions that enable users across government and academic institutions, life science companies and research and development ("R&D") intensive corporations to discover, protect and commercialize their innovations. Clarivate has two reportable segments: Science and Intellectual Property ("IP"). Our segment structure is organized to address customer needs by product line. Our Science segment consists of our AGPL and Life Sciences Product Lines. Both provide curated, high-value, structured information that is delivered and embedded into the workflows of our customers, which include research intensive corporations, life science organizations and universities world-wide. Our IP segment consists of our Patent, Trademark, Domain, and IP Management Product Lines. These Product Lines help manage customer's end-to-end portfolios of intellectual property from patents to trademarks to corporate website domains. See Note 22 - Segment Information, for additional information on the Company's reportable segments.

In January 2019, we entered into an Agreement and Plan of Merger (as amended by Amendment No. 1 to the Agreement and Plan of Merger, dated February 26, 2019, and Amendment No. 2 to the Agreement and Plan of Merger, dated March 29, 2019, collectively, the "Merger Agreement") by and among Churchill, Jersey, CCC Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Clarivate ("Delaware Merger Sub"), Camelot Merger Sub (Jersey) Limited, a private limited company organized under the laws of Jersey, Channel Islands and wholly owned subsidiary of Clarivate ("Jersey Merger Sub"), and the Company, which, among other things, provided for (i) Jersey Merger Sub to be merged with and into Jersey with Jersey being the surviving company in the merger (the "Jersey Merger") and (ii) Delaware Merger Sub to be merged with and into Churchill with Churchill being the surviving corporation in the merger (the "Delaware Merger"), and together with the Jersey Merger, the "Mergers".

On May 13, 2019, the 2019 Transaction was consummated, and Clarivate became the sole managing member of Jersey, operating and controlling all of the business and affairs of Jersey, through Jersey and its subsidiaries. Following the consummation of the 2019 Transaction on May 13, 2019, the Company's ordinary shares and warrants began trading on the New York Stock Exchange. All of the Company's public warrants have subsequently been redeemed. See Note 16 - Shareholders' Equity for further information regarding the redemption of the Company's public warrants.

The 2019 Transaction was accounted for as a reverse recapitalization in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Under this method of accounting, Churchill was treated as the "acquired" company for financial reporting purposes. This determination was primarily based on post 2019 Transaction relative voting rights, composition of the governing board, size of the two entities pre-merger, and intent of the 2019 Transaction. Accordingly, for accounting purposes, the 2019 Transaction was treated as the equivalent of the Company issuing stock for the net assets of Churchill. The net assets of Churchill were stated at historical cost, with no goodwill or other intangible assets resulting from the 2019 Transaction. Reported amounts from operations included herein prior to the 2019 Transaction are those of Jersey.

In February 2020, the Company consummated a public offering of 27,600,000 ordinary shares at $20.25 per share. In June 2020, we completed an underwritten public offering of 50,400,000 of our ordinary shares (including 2,400,000 ordinary shares pursuant to the underwriters' option to purchase up to an additional 7,200,000 ordinary shares from certain selling shareholders) at a share price of $22.50 per share. Of the 50,400,000 ordinary shares, 14,000,000 were ordinary shares offered by Clarivate and 36,400,000 were ordinary shares offered by selling shareholders, including 20,821,765 ordinary shares from Onex, 8,097,354 ordinary shares from Baring and 7,480,881 ordinary shares from Directors, Executive Officers and other shareholders. The underwriters' option to purchase the remaining 4,800,000 ordinary shares from certain selling shareholders expired on July 3, 2020.

The Company received approximately $304,030 in net proceeds from the sale of its ordinary shares, after deducting underwriting discounts and estimated offering expenses payable. We used the net proceeds, in conjunction with the new $1,600,000 incremental term loan facility available to Clarivate on October 1, 2020, and cash on the balance sheet to fund

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

the repayment of CPA Global's parent company outstanding debt of $2,055,822. The Company did not receive any proceeds from the sale of ordinary shares by the selling shareholders. Additionally, in connection with the acquisition of CPA Global, on October 1, 2020, the Company issued 210,357,918 shares to Redtop Holdings Limited, a portfolio company of Leonard Green & Partners, L.P. representing approximately 35% ownership of Clarivate.

In June 2021, we completed an underwritten public offering of 44,230,768 of our ordinary shares at a share price of $26.00, of which 28,846,154 ordinary shares were issued and sold by Clarivate and 15,384,614 were sold by selling shareholders (which included 5,769,230 ordinary shares that the underwriters purchased pursuant to their option to purchase additional shares). The ordinary shares sold by selling shareholders included 10,562,882 ordinary shares from Onex, 4,107,787 ordinary shares from Baring and 713,945 ordinary shares from Directors, Executive Officers and other shareholders. The Company received approximately $728,080 in net proceeds from the sale of ordinary shares offered by the Company, after deducting underwriting discounts and estimated offering expenses payable. The Company did not receive any proceeds from the secondary ordinary shares sold by the selling shareholders. We used the net proceeds to finance a portion of the purchase price for the ProQuest acquisition, which was completed on December 1, 2021. The Company did not receive any proceeds from the secondary ordinary shares sold by the selling shareholders.

In June 2021, concurrently with the June 2021 Ordinary Share Offering, we completed an underwritten public offering of 14,375,000 of our 5.25% Series A Mandatory Convertible Preferred Shares ("MCPS") which included 1,875,000 of our mandatory convertible preferred shares that the underwriters purchased pursuant to their option to purchase additional shares. The Company received approximately $1,392,671 in net proceeds from the mandatory convertible preferred share offering, after deducting underwriting discounts and estimated offering expenses payable. We used the net proceeds to finance a portion of the purchase price for the ProQuest acquisition, which was completed on December 1, 2021.

In September 2021, certain selling shareholders completed an underwritten public offering of 25,000,000 of our ordinary shares at a share price of $25.25, The ordinary shares sold by selling shareholders included 18,000,000 ordinary shares from Onex and 7,000,000 ordinary shares from Baring. The Company did not receive any proceeds from the sale of ordinary shares by the selling shareholders. After giving effect to the offering, Onex and Baring owned approximately 6.7% and 2.6%, respectively, of the Company's ordinary shares.

Risks and Uncertainties

In March 2020, the World Health Organization characterized COVID-19 as a pandemic. The rapid spread of COVID-19 and issues relating to the resurgence of COVID - 19 and/or new strains of COVID - 19 along with continuously evolving responses to combat it have had an increasingly negative impact on the global economy. This has had, and may continue to have, an adverse impact to our operational and financial performance as well as the businesses of our customers and partners, including their spending priorities. It is difficult to predict the full extent of the potential effects and impact on our operations, business, and financial performance, however, we continue to conduct business with substantial modifications and precautionary measures to our daily operations. Modifications include less employee travel as well as a virtual shift related to work location, and sales and marketing events. Given the uncertainty around the severity and duration of the COVID-19 pandemic and the measures taken, or may be taken, in response to the COVID-19 pandemic, the Company cannot reasonably estimate the full impact of the COVID-19 pandemic on our business, financial condition and results of operations at this time, which may be material.

Note 2: Basis of Presentation

The accompanying Consolidated Financial Statements for the years ended December 31, 2021, 2020 and 2019 were prepared in conformity with U.S. GAAP. The Consolidated Financial Statements of the Company include the accounts of all of its subsidiaries. Subsidiaries are entities over which the Company has control, where control is defined as the power to govern financial and operating policies. Generally, the Company has a shareholding of more than 50% of the voting rights in its subsidiaries. The effect of potential voting rights that are currently exercisable is considered when assessing whether control exists. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date control ceases. Intercompany accounts and transactions have been eliminated in consolidation. The Employee Benefit Trust ("EBT") associated with the CPA Global Equity Plan was consolidated on October 1, 2020. The EBT held Clarivate shares that were recorded as treasury shares as they were legally issued but not outstanding. The EBT also holds cash that is classified as restricted cash on the Consolidated Balance Sheet. Additionally, certain reclassifications and revisions of prior period data have been made to conform to the current year's presentation.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

During the fourth quarter of 2020, the Company realigned its reporting structure and changed the manner in which performance is assessed. The two operating segments created include the Science Group and the Intellectual Property Group.

Note 3: Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying Consolidated Financial Statements include the accounts and operations of the Company, and its subsidiaries. Intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the Consolidated Financial Statements and accompanying notes. Actual results could differ from those estimates. The most important of these relate to share-based compensation expenses, revenue recognition, the allowance for doubtful accounts, internally developed computer software, valuation of goodwill and other identifiable intangible assets, determination of the projected benefit obligations of the defined benefit plans, income taxes, fair value of stock options, derivatives and financial instruments, contingent earn-out, and the tax related valuation allowances. On an ongoing basis, management evaluates these estimates, assumptions and judgments, in reference to historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Cash and Cash Equivalents

Cash and cash equivalents is comprised of cash on hand and short-term deposits with an original maturity at the date of purchase of three months or less.

Restricted Cash

The Company held $156,734 and $14,678 of restricted cash as of December 31, 2021 and 2020, respectively. Restricted cash as of December 31, 2021 primarily included the cash received from the sale of treasury shares from the Employee Benefit Trust established for the CPA Equity Plan in December 2021. The cash received from the Employee Benefit Trust established for the CPA Equity Plan in December 2021 was subsequently paid in the first quarter of 2022.

Accounts Receivable

Through the adoption of ASU 2016-13 and the related standards, the Company revised its policy regarding the recognition of expected credit losses and for its accounts receivable portfolio.

Accounts receivable are recorded at the amount invoiced to customers and do not bear interest. The Company estimates credit losses for trade receivables by aggregating similar customer types, because they tend to share similar credit risk characteristics, taking into consideration the number of days the receivable is past due. Provision rates for the allowance for doubtful accounts are based upon the historical loss method by evaluating factors such as the length of time receivables are past due and historical collection experience. Additionally, provision rates are based upon current and future economic and competitive environment factors that could impact the collectability of the receivable. Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include past due status greater than 360 days or bankruptcy of the debtor.

Concentration of Credit Risk

Accounts receivable are the primary financial instrument that potentially subjects the Company to significant concentrations of credit risk. Accounts receivable represents arrangements in which services were transferred to a customer before the customer pays consideration or before payment is due. Contracts with payment in arrears are recognized as receivables after the Company considers whether a significant financing component exists. The Company does not require collateral or other securities to support customer receivables. Management performs ongoing credit evaluations of its customers' financial condition and limits the amount of credit extended when deemed appropriate. Credit losses have been immaterial and

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

reasonable within management's expectations. Our ten largest customers represented only 9% of revenues for the year ended December 31, 2021.

The Company maintains its cash and cash equivalent balances with high-quality financial institutions and consequently, the Company believes that such funds are subject to minimal credit risk.

Property and Equipment, net

Generally, property and equipment are recorded at cost and are depreciated over the respective estimated useful lives. Depreciation is computed using the straight-line method. Repair and maintenance costs are expensed as incurred. The cost and related accumulated depreciation of sold or retired assets are removed from the accounts and any gain or loss is included within Loss from operations in the Consolidated Statements of Operations.

The estimated useful lives are as follows:

Computer hardware	3 years
Furniture, fixtures and equipment	5-7 years
Leasehold improvements	Lesser of lease term or estimated useful life

Internally Developed Software and Content

Internally Developed Software — Development costs related to internally generated software are capitalized once a project has progressed beyond a conceptual, preliminary stage to that of the application development stage. Costs of significant improvements or enhancements on existing software for internal use, both internally developed and purchased, are also capitalized. Costs related to the preliminary project stage, data conversion and post-implementation/operation stage of an internal use software development project are expensed as incurred. Capitalized costs are amortized over five years, which is the estimated useful life of the related software. Purchased software is amortized over three years, which is the estimated useful life of the related software.

Content — Costs related to the acquisition of source materials, content selection, document processing, editing, abstracting, and indexing are capitalized. The Company also capitalizes internal and external costs associated with the development of product-related software that adds functionality and improves the customer's ability to search the Company's content. The Company does not capitalize any costs associated with research and development or marketing. These capitalized costs are amortized over a two to five year useful life.

Both internally developed software and content are evaluated for impairment whenever circumstances indicate the carrying amount may not be recoverable. The test for impairment compares the carrying amounts with the sum of undiscounted cash flows related to the asset. If the carrying value is greater than the undiscounted cash flows of the asset, the asset is written down to its estimated fair value.

Business Combinations

We include the results of operations of the businesses that we acquire as of the acquisition date. We allocate the purchase price of the acquisitions to the assets acquired and liabilities assumed based on their estimated fair values. The excess of the purchase price over the fair values of identifiable assets and liabilities is recorded as goodwill. Acquisition-related expenses, other than those associated with the issuance of debt or equity securities, are recognized separately from the business combination and are expensed as incurred.

Identifiable Intangible Assets, net

Upon acquisition, identifiable intangible assets are recorded at fair value and are carried at cost less accumulated amortization or accumulated impairment for indefinite-lived intangible assets. Useful lives are reviewed at the end of each reporting period and adjusted if appropriate. Fully amortized assets are retained at cost and accumulated amortization accounts until such assets are derecognized.

Customer Relationships — Customer relationships primarily consist of customer contracts and customer relationships arising from such contracts.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

Databases and Content — Databases and content primarily consists of repositories of the Company's specific financial and customer information and intellectual content.

Developed Technology — Developed technology primarily consists of proprietary technology used for healthcare data, analytics, and insights products and services.

Backlog — Backlog primarily consists of orders and contracts received for which performance has not occurred prior to being acquired by the Company.

Non-compete agreements — Non-compete agreements primarily consist of agreements with employees of acquired entities to ensure that if they cease employment with the Company, they will not involve themselves with competition of the business for a given duration.

Trade Names — Trade names consist of purchased brand names that the Company continues to use.

Where applicable, intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Customer relationships	2 – 23 years
Databases and content	2 – 20 years
Developed technology	3 – 14 years
Computer software	5 years
Finite-lived trade names	2 - 18 years
Non-compete agreements	5 years
Backlog	4 years
Indefinite-lived trade names	Indefinite

Impairment of Long-Lived Assets

Residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. The Company evaluates its long-lived assets, including computer hardware and other property, computer software, and finite-lived intangible assets for impairment whenever circumstances indicate that their carrying amounts may not be recoverable. Recoverability of these assets is measured by comparison of the carrying amount of each asset to the future undiscounted cash flows the asset is expected to generate over its remaining life. An asset is assessed for impairment at the lowest level that the asset generates cash inflows that are largely independent of cash inflows from other assets. If the asset is considered to be impaired, the amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset.

Management identified an impairment loss in connection with the divestiture of certain assets and liabilities of its MarkMonitor Product Line within its IP segment in the year ended December 31, 2019. As a result of restructuring initiatives, the Company recorded non-cash impairment for leases in the years ended December 31, 2020, and December 31, 2021. See Note 25 - Restructuring and Impairment for further information.

Goodwill and Indefinite-Lived Intangible Assets

The carrying amount of goodwill is tested for impairment annually during the fourth quarter each year, or more frequently if events or changes in circumstances indicate that the asset might be impaired. Goodwill is tested for impairment on a reporting unit level, which is defined as the operating segment or one level below the operating segment. As of October 1, 2021, our most recent annual goodwill impairment testing date, the Company identified five reporting units. We use both qualitative and quantitative analysis to determine whether we believe it is more likely than not that goodwill has been impaired. For our most recent annual goodwill impairment test, we applied the qualitative assessment to three of the reporting units identified and the quantitative assessment to two of the reporting units identified. For our prior year goodwill impairment test, as of October 1, 2020, all reporting units identified were subject to the quantitative assessment. For the year ended December 31, 2021, the fair values of our reporting units exceeded each individual reporting unit's carrying value, and goodwill was not impaired. There was no impairment of goodwill as a result of the Company's annual impairment testing conducted for the years ended December 31, 2021, 2020, and 2019.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

The Company has indefinite-lived intangible assets related to trade names. As of October 1, 2021, our most recent annual indefinite-live intangible assets impairment testing date, the fair value of our indefinite-lived trade names exceeded the assets carrying value, and the assets were not impaired. There was no impairment of indefinite-lived intangible assets as a result of the Company's annual impairment testing conducted for the years ended December 31, 2021, 2020, and 2019.

Leases

We determine if an arrangement is a lease at inception. Operating leases are included in Operating lease right-of-use ("ROU") assets, Current portion of operating lease liability, and Operating lease liabilities on our Consolidated Balance Sheets.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

We have lease agreements with lease and non-lease components, which are accounted as a single lease component. Additionally, for certain equipment leases, we apply a portfolio approach to effectively account for the operating lease ROU assets and liabilities.

Debt

Debt is recognized initially at par value, net of any applicable discounts or financing costs. Debt is subsequently stated at amortized cost with any difference between the proceeds (net of transactions costs) and the redemption value recognized in the Consolidated Statements of Operations over the term of the debt using the effective interest method. Interest on indebtedness is expensed as incurred.

Debt is classified as a current liability when due within 12 months after the end of the reporting period.

Warrant Liabilities

We used a third-party specialist to fair value the awards using the Monte Carlo simulation approach. The assumptions included in the model include, but are not limited to, risk-free interest rate, expected volatility of stock prices for the Company's and its peer group, and dividend yield. A discount for the lack of marketability ("DLOM") is applied to shares that are subject to remaining post vesting lock up restrictions.

Derivative Financial Instruments

Foreign Exchange Forward Contracts

The Company periodically enters into foreign currency contracts that are not designated as hedges as defined under ASC 815. The purpose of these derivative instruments is to help manage the Company's exposure to foreign exchange rate risks. These contracts are initially recognized at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. These contracts generally do not exceed 180 days in duration, and these instruments are carried as assets when the fair value is positive (Other current assets on the Consolidated Balance Sheets), and as liabilities when the fair value is negative (Other current liabilities on the Consolidated Balance Sheets). The resulting gain or loss is recognized in profit or loss (other operating income (expense), net) immediately.

Interest Rate Swaps

The Company has interest rate swaps with counterparties to reduce its exposure to variability in cash flows relating to interest payments on a portion of its outstanding first lien senior secured term loan facility in an aggregate principal amount of $2,818,800 ("Term Loan Facility"). The Company applies hedge accounting and has designated these instruments as cash flow hedges of the risk associated with floating interest rates on designated future quarterly interest payments. Management assumes the hedge is highly effective and therefore changes in the value of the hedging instrument are recorded in

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

Accumulated other comprehensive income (loss) in the Consolidated Balance Sheets. Any ineffectiveness is recorded in earnings. Amounts in Accumulated other comprehensive income (loss) are reclassified into earnings in the same period during which the hedged transactions affect earnings, or upon termination of the hedging relationship.

Fair Value of Financial Instruments

In determining fair value, the use of various valuation methodologies, including market, income and cost approaches is permissible. The Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability. The accounting guidance for fair value measurements establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value based on the reliability of inputs. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Company's interest rate swap derivative instruments are classified as Level 2. Earn-out liabilities and defined benefit plan assets are classified as Level 3.

The Company assesses the fair value of the foreign exchange forward contracts, considering current and anticipated movements in future interest rates and the relevant currency spot and future rates available in the market. The Company also receives and reviews third party valuation reports to corroborate our determination of fair value. Accordingly, these instruments are classified as Level 2 inputs.

Contingent Considerations

The Company records liabilities for the estimated cost of such contingencies when expenditures are probable and reasonably estimable. A significant amount of judgment is required to estimate and quantify the potential liability in these matters. We engage outside experts as deemed necessary or appropriate to assist in the calculation of the liability, however management is responsible for evaluating the estimate. As information becomes available regarding changes in circumstances for ongoing contingent considerations, our potential liability is reassessed and adjusted as necessary. See Note 23 - Commitments and Contingencies for further information on contingencies.

Treasury Shares

Shares repurchased by the company from the open market or shares held in the EBT as previously discussed are classified within equity as Treasury shares and are recorded at the fair value on the date of acquisition. When Clarivate reissues treasury shares at an amount greater (less) than it paid to repurchase the shares, it realizes a gain (loss) on the reissuance of the shares. This gain or loss is recognized within shareholders' equity. Management has elected to utilize the FIFO method for determining the gains and losses from sales of Treasury shares.

Taxation

The Company recognizes income taxes under the asset and liability method. Our income tax expense, deferred tax assets and liabilities, and reserves for unrecognized tax benefits reflect our best assessment of estimated current and future taxes to be paid. Significant judgments and estimates are required in determining the consolidated Income tax expense for financial statement purposes. Deferred income taxes arise from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, which will result in taxable or deductible amounts in the future. In assessing the realizability of deferred tax assets, we consider future taxable income by tax jurisdiction and tax planning strategies. The Company records a valuation allowance to reduce our deferred tax assets to equal an amount that is more likely than not to be realized.

Changes in tax laws and tax rates could also affect recorded deferred tax assets and liabilities in the future. The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations in a multitude of jurisdictions across our global operations. ASC Topic 740, *Income Taxes*, states that a benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, on the basis of the technical merits. The Company first records unrecognized tax benefits as liabilities in accordance with ASC 740 and then adjusts these liabilities when our judgment changes as a result of the evaluation of new information not previously available at the time of establishing the liability. Because of the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

different from our current estimate of the unrecognized tax benefit liabilities. These differences will be reflected as increases or decreases to income tax expense in the period in which new information is available.

Interest accrued related to unrecognized tax benefits and income tax related penalties are included in the Benefit (provision) for income taxes.

Deferred tax is provided on taxable temporary differences arising on investments in foreign subsidiaries, except where we intend, and are able, to reinvest such amounts on a permanent basis.

Revenue Recognition

The Company derives revenue by selling information on a subscription and single transaction basis as well as from performing professional services. The Company recognizes revenue when control of these services are transferred to the customer for an amount, referred to as the transaction price, that reflects the consideration to which the Company is expected to be entitled in exchange for those goods or services. The Company determines revenue recognition utilizing the following five steps: (1) identification of the contract with a customer, (2) identification of the performance obligations in the contract (promised goods or services that are distinct), (3) determination of the transaction price, (4) allocation of the transaction price to the performance obligations, and (5) recognition of revenue when, or as, the Company transfers control of the product or service for each performance obligation. Revenue is recognized net of discounts and rebates, 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 recognize revenue over time, whereas our re-occurring revenues recognize revenue at a point in time. Our transactional revenues recognize revenue at a point in time and other revenues relating to professional services recognize revenue over time. The Company believes subscription, re-occurring and transactional and other revenues is reflective of how the Company manages the business. The revenue recognition policies for the Company's revenue streams are discussed below.

Subscription Revenues

Subscription-based revenues are recurring revenues that are earned under annual, evergreen or multi-year contracts pursuant to which we license the right to use our products to our customers or provide maintenance services over a contractual term. Revenues from the sale of subscription data, maintenance services, and analytics solutions are recognized ratably over the contractual period as revenues are earned. Subscription revenues are typically generated either on (i) an enterprise basis, meaning that the organization has a license for the particular product or service offering and then anyone within the organization can use it at no additional cost, (ii) a seat basis, meaning each individual that uses the particular product or service offering has to have his or her own license, or (iii) a unit basis, meaning that incremental revenues are generated on an existing subscription each time the product is used (e.g., a trademark or brand is searched or assessed).

Re-occurring Revenues

Re-occurring revenues are earned under contracts for specific deliverables that are typically quoted on a product, data set or project basis and often derived from repeat customers. These contracts include either evergreen clauses, in which at least six month advance notice is required prior to cancellation, or the contract is for multiple years. Re-occurring revenues are usually delivered to the customer instantly or in a short period of time, at which time revenues are recognized. The most significant components of our re-occurring revenues is our 'renewal' business within CPA Global.

Transactional and Other Revenues

Transactional revenues are revenues that are earned under contracts for specific deliverables that are typically quoted on a product, data set or project basis and often derived from repeat customers, including customers that also generate subscription-based revenues. Transactional content sales are usually delivered to the customer instantly or in a short period of time, at which time revenues are recognized. Transactional revenues are typically generated on a unit basis, although for certain product and service offerings transactional revenues are generated on a seat basis. Transactional revenues may involve sales to the same customer on multiple occasions but with different products or services comprising the order.

Other revenues relate to professional services including implementation for software and software as a service ("SaaS") subscriptions. These contracts vary in length from several months to years for multi-year projects. Revenue is recognized

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

over time utilizing a reasonable measure of progress depicting the satisfaction of the related performance obligation. Other revenues also includes one-time perpetual archive license ("PAL") revenues.

Performance Obligations

Content Subscription: Content subscription performance obligations are most prevalent in the Web of Science, Derwent, CPA Global, ProQuest and Life Sciences Product Lines. Content subscriptions are subscriptions that can only be accessed through the Company's online platform for a specified period of time through downloads or access codes. On-premise the software is purchased by the customer and installed directly onto the customer's own operating systems. In addition to the primary content subscription, these types of performance obligations can often include other performance obligations, such as training subscriptions, access to historical content, software licenses, professional services, maintenance and other optional content. Revenue for these performance obligations are primarily recognized over the length of the contract (i.e. subscription revenue). In case of software sold as a subscription, the cloud based hosted services and post-sales support and maintenance are considered as one performance obligation distinct from other services in the contract. Within the Life Sciences Product Line and resulting from the DRG acquisition, the Company provides analytics and syndicated research and syndicated databases through subscription and membership contracts and through the sale of single reports from the syndicated series. Subscription based revenues are recognized ratably over the period that the service is being provided, generally one year.

There are instances where Content Subscription revenue could be recognized upon delivery (i.e. transactional revenue). Historical content and some optional content can be purchased via a perpetual license, which would be recognized upon delivery. Fees are typically paid annually at the beginning of each term. Additionally, within the Life Sciences Product Line and resulting from the DRG acquisition, the Company sells certain studies and reports on a single requisition basis to customers. Revenue from the sale of single reports is recognized at a point in time of delivery if all other revenue recognition criteria are met. Packages of select single reports are recognized pro rata as the individual reports are delivered if all other revenue recognition criteria are met based on estimated selling price.

SaaS Subscription: Software-as-a-Service ("SaaS") software is hosted centrally on a cloud-based system and usage is licensed on an annual subscription fee basis. The company earns revenue from selling SaaS subscriptions where customers purchase on demand access to hosted software products. Revenue from software subscription agreements, a portion of which are for multiple year terms, is recognized ratably over the term of the subscriptions, including any free trial periods before or after the paid subscription term. Revenue from professional services related to SaaS implementation are recognized by the percentage of completion method, determined by the ratio between the actual hours incurred and the total anticipated hours.

Perpetual Archive Licenses ("PAL"): This performance obligation relates to the ProQuest Product Line. Customers purchase perpetual archive licenses to collections, periodicals, eBooks, and other resources contained in the Company's databases. The Company will grant access to the platform or service at the time of contract inception and the PAL product is for the customer to own forever. However, the online access to the PAL product is limited by time and if customer wishes to extend the online access, the customer must pay a continuing service fee and if the customer chooses not to pay, the Company will send a hard copy (CD or DVD) of the PAL material. The Company records revenue on the date when the customer is granted access to the license/service and revenue is recognized at a point in time.

Domain Registration Services: This performance obligation relates to the MarkMonitor Product Line. This is a service to register domain names with the applicable registries, with the Company being responsible for monitoring the domain name expiration and paying the registry before expiration. In addition, the Company has an ongoing responsibility to ensure the domain name is maintained at the registry. Customers typically sign a one to two years contract, identifying specific domain names to be registered and tracked. Revenue is recognized over the term of the contract and fees are typically invoiced annually at the beginning of each contract term.

Search Services: This performance obligation relates to the CompuMark Product Line. It is a comprehensive search report across multiple databases for a proposed trademark. The report is compiled by Clarivate's analysts and sent to customers. Revenue is recognized upon delivery of the report. Fees are typically paid upon delivery.

Trademark Watch: This performance obligation relates to the CompuMark Product Line. Trademark watch service is an annual subscription that allows customers to protect their trademarks from infringement by providing timely notification of newly filed or published trademarks. Revenue is recognized over the term of the contract, with fees paid annually at the beginning of each contract term.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

IP Services: This performance obligation relates to the CPA Global Product Line. This includes services related to (i) on-premise software installation, (ii) post-sales software support services,(iii) keeping software updated for any changes in laws (i.e., law update service), (iv) docketing, and (v) search and examination services provided to various PTOs. Revenue from IP services is recognized over the period of the contract as and when the service is provided.

Validation Services: This performance obligation relates to the CPA Global Product Line. This involves services related to:(i) registration of a patent granted in Europe, to various individual countries where it will ultimately be enforceable; (ii) translation of documents to be submitted to a patent and trademark office ("PTO") in local language; (iii) registration of address with PTO, for all future notifications to be received on behalf of the IP holder; and (iv) management of notifications on behalf of IP holder over the lifetime of the patent. The Company has determined each of the above services performed represent separate performance obligations. Revenue is recognized once the provision of the service is complete and this point is reached when a purchase invoice is received from the agent for (i) and (ii) above and when registration with the PTO gets completed for (iii) above. With respect to management of notifications, revenue is recognized over the lifetime of the patent on a straight-line basis. Revenue from Validation Services is recognized net of official fees collected from customers for remittance to the PTO and any taxes collected from customers, which are subsequently remitted to governmental authorities.

IP Transaction Processing: This performance obligation related to the IPM Product Line that was disposed of in October of 2018 and reacquired as part of the acquisition of the CPA Global business and Product Line in October of 2020. These services consist of gathering all necessary data and information, preparing the renewal applications, and submitting payment to the PTO in the relevant country on behalf of the IP holders and the Company could have potential liability for the successful completion of the renewal application process, for which we carry insurance. The Company has determined there is one performance obligation relating to the provision of the service, which includes compiling the necessary data and submitting the renewal application, as well as facilitating the payment from the customer to the PTO. Revenue is recognized once the provision of the service is complete and this point is reached when the PTO receives the payment and documentation to renew the patent or trademark. The PTO fees and any taxes collected from customers are deemed fees collected on behalf of third parties, and therefore revenue from renewals services is recognized net of these fees. Revenue is recognized upon transfer of control of the promised service to customers (i.e., at the time the renewal paperwork and payment are submitted to the PTO) because at that point the Company has a right to payment and the risks and rewards associated with the Renewal Preparation service are transferred to the customer, coupled with the fact customer acceptance is deemed a formality that does not impact the timing of transfer of control.

Principal Versus Agent

For revenue generated from contracts with customers involving another party, the Company considers if we maintain control of the specified goods or services before they are transferred to the customer, as well as other indicators such as the party primarily responsible for fulfillment, collection risk, and discretion in establishing price. The assessment of whether we are considered the Principal or the Agent in a transaction could impact our revenues and cost of revenues recognized on the consolidated statements of operations.

The Company evaluated whether contracts with customers involving another party related to the Content Subscription performance obligation have been provided in the capacity as principal or agent and concluded that the Company acts as a Principal based on our responsibility for fulfilling the contract and latitude in establishing the price. Therefore, the Company reports the revenues from these transactions on a gross basis and records the related third-party commission fees as cost of revenues.

The Company evaluated whether the IP Transaction Processing performance obligation and services, as well as the Validation Services performance obligation, have been provided in the capacity as principal or agent, and on the basis of the following factors concluded the Company is acting as a Principal:

(a) The Company is responsible for compiling the necessary data and submitting the renewal application, as well as facilitating the payment from the customer to the PTO. In doing this, the Company's performance obligation does not include legally renewing the IP, but instead facilitating that process, but the ultimate responsibility for legally renewing the IP rests with PTO;

(b) The Company has latitude in establishing pricing for its services.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

Therefore, the Company reports the revenues from these transactions on a gross basis and records the related third-party commission fees as cost of revenues.

As it relates to the Content Subscription, PALs and SaaS Subscription performance obligations have an additional party is involved in a transaction and can be categorized as either agreements with Third Party Distributors or Reseller Agreements. Third Party Distributor agreements provide the distributor with the right to market and resell ProQuest products to end customers and based on the indicators of control, revenues from these Third Party Distributor transactions are generally recognized gross. Reseller Agreements involve contracting to resell third party products where the Company is the Reseller and revenues from these transactions are generally recognized net.

Variable Consideration

In some cases, contracts provide for variable consideration that is contingent upon the occurrence of uncertain future events, such as retroactive discounts provided to the customers, indexed or volume-based discounts, time and materials based implementation services, and revenue between contract expiration and renewal. Variable consideration is estimated at the expected value or at the most likely amount depending on the type of consideration. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimate of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of its anticipated performance and all information (historical, current, and forecasted) that is reasonably available to the Company.

Significant Judgments

Significant judgments and estimates are necessary for the allocation of the proceeds received from an arrangement to the multiple performance obligations and the appropriate timing of revenue recognition. Our contracts with customers often include promises to transfer multiple products and services to a customer. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. Determining a standalone selling price that may not be directly observable amongst all the products and performance obligations requires judgment. Specifically, many Web of Science, DRG, CPA Global, and ProQuest Product Line contracts include multiple product offerings, which may have both subscription and transactional revenues. Judgment is also required to determine whether the software license is considered distinct and accounted for separately, or not distinct and accounted for together with the subscription service and recognized over time for other products. The Company allocates value to primary content subscriptions or licenses including PALs and accompanying performance obligations, such as training subscriptions, continuing service fees, access to historical content, maintenance and other optional content. When multiple performance obligations exist in a single contract, the transaction price is allocated to each performance obligation based on the standalone selling price of each performance obligation. The Company utilizes its standard price lists to determine the standalone selling price based on the product and country.

The transaction price in the contract is allocated at contract inception to the distinct good or service underlying each performance obligation in proportion to the standalone selling price. The standalone selling prices are based on the Company's normal pricing practices when sold separately with consideration of market conditions and other factors, including customer demographics and geographic location. Discounts applied to the contract will be allocated based on the same proportion of standalone selling prices.

For certain of our businesses, the discount is allocated entirely to one or more, but not all, performance obligations in the contract when certain criteria are met.

Cost to Obtain a Contract

Commission costs represent costs to obtain a contract and are considered contract assets. The Company pays commissions to the sales managers and support teams for earning new customers and renewing contracts with existing customers. These commission costs are capitalized within Prepaid expenses and Other non-current assets on the Consolidated Balance Sheets. The costs are amortized to Selling, general and administrative expenses within the Consolidated Statements of Operations. The amortization period is between one and seven years based on the estimated length of the customer relationship.

Deferred Revenues

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

The timing of revenue recognition may differ from the timing of invoicing to customers. We record deferred revenues when revenue is recognized subsequent to invoicing. For multi-year agreements, we generally invoice customers annually at the beginning of each annual coverage period and recognize revenue over the term of the coverage period.

Cost of Revenues

Cost of revenues consists of costs related to the production and servicing of the Company's offerings. These costs primarily relate to information technology, production and maintenance of content and personnel costs relating to professional services and customer service.

Selling, General and Administrative

Selling, general and administrative includes compensation for support and administrative functions in addition to rent, office expenses, professional fees and other miscellaneous expenses. In addition, it includes selling and marketing costs associated with acquiring new customers or selling new products or product renewals to existing customers. Such costs primarily relate to wages and commissions for sales and marketing personnel.

Depreciation

Depreciation expense relates to the Company's fixed assets including furniture & fixtures, hardware, and leasehold improvements. These assets are depreciated over their expected useful lives, and in the case of leasehold improvements over the shorter of their useful life or the term of the related lease.

Impairment on Assets Held for Sale

Impairment on assets held for sale represents an impairment charge recorded for certain assets classified as assets held for sale.

Share-based Compensation

Share-based compensation consists of restricted share units ("RSUs"), performance share units ("PSUs") and 2019 Transaction related shares granted to certain key members of management which are recognized in the Consolidated Statements of Operations based on their grant date fair values with forfeitures recognized as they occur. The share-based compensation cost of time-based RSU and PSU grants is calculated by multiplying the grant date fair value by the number of shares granted. We recognize compensation expense over the vesting period of the award. The value of PSUs is weighted between a total shareholder return ("TSR") component and a performance metric component. PSUs with performance metric components are assessed for probability of achieving the targets at each quarterly period end.

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 Company recognizes compensation expense over the vesting period of the award on a graded-scale basis.

Equity compensation plans of the acquired CPA Global business are accounted for as a liability as they will be paid in cash. Changes in the fair value of these awards are recorded at the end of each reporting period.

Restructuring

Restructuring expense includes costs associated with involuntary termination benefits provided to employees, including the acceleration of equity based awards for severed individuals under the CPA Global Equity Plan, certain contract termination costs, and other costs associated with an exit or disposal activity. The involuntary termination benefits included within restructuring charges are recognized in accordance with ASC 420, Exit or Disposal Cost Obligations or ASC 712, Compensation – Nonretirement Postemployment Benefits, as applicable. Liabilities are recognized in accordance with ASC 420 when the programs were approved, the employees to be terminated were identified, the terms of the arrangement were established, it was determined changes to the plan were unlikely to occur and the arrangements were communicated to employees. Liabilities for nonretirement postemployment benefits that fall under ASC 712 are recognized when the severance liability was determined to be probable of being paid and reasonably estimable. The liabilities are recorded within Accrued expenses and other current liabilities in the Consolidated Balance Sheets. The corresponding expenses are recorded

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

within Restructuring and impairment in the Consolidated Statements of Operations. See Note 25 - Restructuring and Impairment for further details.

Other Operating Income (Expense), Net

Other operating income (expense) consists of gains or losses related to the disposal of our assets, asset impairments or write-downs and the consolidated impact of re-measurement of the assets and liabilities of our company and our subsidiaries that are denominated in currencies other than each relevant entity's functional currency. The gain and loss of certain divested non-core assets and liabilities of the IP segment are included in the year ended December 31, 2020. See Note 5 - Assets Held for Sale and Divested Operations for further details.

Interest Expense, Net

Interest expense, net consists of interest expense related to our borrowings under the Term Loan Facility and the Notes as well as the amortization of debt issuance costs and interest related to certain derivative instruments.

Foreign Currency Translation

The operations of each of the Company's entities are measured using the currency of the primary economic environment in which the subsidiary operates ("functional currency"). Nonfunctional currency monetary balances are re-measured into the functional currency of the operation with any related gain or loss recorded in Selling, general and administrative costs, excluding depreciation and amortization in the accompanying Consolidated Statements of Operations. Assets and liabilities of operations outside the U.S., for which the functional currency is the local currency, are translated into U.S. dollars using period-end exchange rates. Revenues and expenses are translated at the average exchange rate in effect during each fiscal month during the year. The effects of foreign currency translation adjustments are included as a component of Accumulated other comprehensive income (loss) in the accompanying Consolidated Balance Sheets.

Legal Costs

Legal costs are expensed and accrued for expected legal costs to be incurred for legal matters.

Earnings Per Share

The calculation of earnings per share is based on the weighted average number of ordinary shares or ordinary stock equivalents outstanding during the applicable period. The dilutive effect of ordinary stock equivalents is excluded from basic earnings per share and is included in the calculation of diluted earnings per share. Employee equity share options and similar equity instruments granted by the Company are treated as potential ordinary shares outstanding in computing diluted earnings per share. Diluted shares outstanding are calculated based on the average share price for each fiscal period using the treasury stock method. Under the treasury stock method, the amount the employee must pay for exercising stock options, the amount of compensation cost for future service that the Company has not yet recognized, and the amount of benefits that would be recorded in Ordinary shares when the award becomes deductible for tax purposes are assumed to be used to repurchase shares.

Newly Adopted Accounting Standards

In June 2016, the Financial Accounting Standards Board ("FASB") issued new guidance, ASU 2016-13, related to measurement of credit losses on financial instruments which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. This new guidance replaces the existing incurred loss impairment model with an expected loss methodology, which will result in more timely recognition of credit losses. The Company has determined that the impact of this new accounting guidance primarily affects our accounts receivable. The Company prospectively adopted the standard on January 1, 2020. The adoption of this standard had an impact of $10,097 on the beginning Accumulated deficit balance in the Consolidated Balance Sheets as of January 1, 2020. In April 2019 and November 2019, the FASB issued ASU 2019-05 and ASU 2019-11, respectively, effective for the same period as ASU 2016-03. These updates offered options to entities intended to bring transition relief and offered clarification on the previously issued standard, respectively. The Company's accounting for credit losses did not change as a result of these two updates.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

In August 2018, the FASB issued guidance, ASU 2018-14, which modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. The guidance is effective for all entities for fiscal years beginning after December 15, 2020. The Company's January 1, 2021 adoption of this standard did not have a material impact on the Company's Consolidated Financial Statements.

In August 2018, the FASB issued guidance, ASU 2018-15, which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal use software license). The accounting for the service element of a hosting arrangement that is a service contract is not affected by the amendments in this update. The Company prospectively adopted the standard on January 1, 2020. The adoption of this standard did not have a material impact on the Company's Consolidated Financial Statements. All future capitalized implementation costs incurred related to these hosting arrangements will be recorded as a prepaid asset and as a charge to operating expenses over the expected life of the contract.

In April 2019, the FASB issued ASU 2019-04, Codification Improvements to Topic 326, which provides targeted improvements or clarification and correction to the ASU 2016-01 Financial Instruments Overall, ASU 2016-13 Financial Instruments Credit Losses, and ASU 2017-12 Derivatives and Hedging, accounting standards updates that were previously issued. The guidance is effective upon adoption of the related standards. The Company prospectively adopted the standard on January 1, 2020. This standard did not have a material impact on the Company's Consolidated Financial Statements.

In November 2019, the FASB issued ASU 2019-10, Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842), which provides improvements or clarification and correction to the ASU 2016-02 Leases, ASU 2016-13 Financial Instruments Credit Losses, and ASU 2017-12 Derivatives and Hedging, accounting standards updates. The guidance is effective upon adoption of the three ASUs, all of which the Company had already adopted. This standard did not have a material impact on the Company's Consolidated Financial Statements.

In December 2019, the FASB issued ASU 2019-12, which enhances and simplifies various aspects of the income tax accounting guidance, including requirements such as tax basis step-up in goodwill obtained in a transaction that is not a business combination, ownership changes in investments, and interim-period accounting for enacted changes in tax law. The guidance is effective for all entities for fiscal years beginning after December 15, 2020. The Company's January 1, 2021 adoption of this standard did not have a material impact on the Company's Consolidated Financial Statements.

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform, which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The guidance is effective for all entities from the period March 12, 2020 through December 31, 2022. Beginning with the quarter ended September 30, 2020, the Company adopted this standard and elected the optional expedients for its interest rate swap agreements and debt agreements with reference to LIBOR. Upon meeting the specified criteria in the guidance, the Company will continue to account for its interest rate swaps in accordance with hedge accounting and will not apply modification accounting to its debt agreements. In January 2021, the FASB issued ASU 2021-01, which made clarifications relating to the previously issued Reference Rate Reform guidance effective for the same period as ASU 2020-04. This clarification did not have an effect on how the Company accounts for its interest rate swaps and debt agreements.

In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805) - Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, to improve the accounting for acquired revenue contracts with customers in a business combination by addressing diversity in practice and inconsistency related to the recognition of acquired contract liability and payment terms and their effect on subsequent revenue recognized by the acquirer. The amendments require that the acquirer recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. The Company has elected to early adopt the ASU and has applied the amendments retrospectively to all business combinations for which the acquisition date occurs on or after the beginning of the 2021 fiscal year. As a result of the adoption, we have accounted for contract assets and liabilities for our 2021 acquisitions in accordance with this updated guidance.

Recently Issued Accounting Standards

In June 2020, the FASB issued ASU 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity as a result of complexity associated with GAAP for certain financial instruments with characteristics of liabilities and

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

equity. This guidance is effective for all entities for fiscal years beginning after December 15, 2021, including interim periods. The Company will adopt ASU 2020-06 effective January 1, 2022, and it is expected that the adoption will not have a material impact to the Company's Consolidated Financial Statements.

In April 2021, the FASB issued ASU 2021-04, Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options, which provides guidance regarding the accounting for modifications or exchanges of freestanding equity-classified written call options that remain equity classified after modification or exchange. This guidance is effective for all entities for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Company will adopt ASU 2021-04 effective January 1, 2022, and it is expected that the adoption will not have a material impact to the Company's Consolidated Financial Statements.

In July 2021, the FASB issued ASU 2021-05, Leases (Topic 842) Lessors – Certain Leases with Variable Lease Payments, in order to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities as well as disclosing key information about leasing transactions. This guidance is effective for all entities for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years for public business entities. The Company will adopt ASU 2021-05 effective January 1, 2022, and is still evaluating the impact to the Company's Consolidated Financial Statements.

There were no other new accounting standards or updates issued or effective as of December 31, 2021, that have, or are expected to have, a material impact on the Company's Consolidated Financial Statements.

Note 4: Business Combinations

On May 13, 2019, the Company completed the 2019 Transaction. Jersey began operations in 2016 as a provider of proprietary and comprehensive content, analytics, professional services and workflow solutions that enables users across government and academic institutions, life science companies and R&D intensive corporations to discover, protect and commercialize their innovations. Churchill was a special purpose acquisition company whose business was to effect a merger, capital stock exchange, asset acquisition, stock purchase reorganization or similar business combination. The shares and earnings per share available to holders of the Company's ordinary shares, prior to the 2019 Transaction, have been recasted as shares reflecting the exchange ratio established in the 2019 Transaction (1.0 Jersey share to 132.13667 Clarivate shares).

Pursuant to the Merger Agreement, the aggregate stock consideration issued by the Company in the 2019 Transaction was $3,052,500, consisting of 305,250,000 newly issued ordinary shares of the Company valued at $10.00 per share, subject to certain adjustments described below. Of the $3,052,500, the shareholders of Jersey prior to the closing of the 2019 Transaction (the "Company Owners") received $2,175,000 in the form of 217,500,000 newly issued ordinary shares of the Company. In addition, of the $3,052,500, Churchill public shareholders received $690,000 in the form of 68,999,999 newly issued ordinary shares of the Company. In addition, Churchill Sponsor LLC (the "sponsor") received $187,500 in the form of 17,250,000 ordinary shares of the Company issued to the sponsor, and 1,500,000 additional ordinary shares of the Company were issued to certain investors. See Note 16 - Shareholders' Equity for further information.

Upon consummation of the 2019 Transaction, each outstanding share of ordinary stock of Churchill was converted into one ordinary share of the Company. At the closing of the 2019 Transaction, the Company Owners held approximately 74% of the issued and outstanding ordinary shares of the Company and stockholders of Churchill held approximately 26% of the issued and outstanding shares of the Company excluding the impact of (i) 52,800,000 warrants, (ii) approximately 24,806,793 compensatory options issued to the Company's management (based on number of options to purchase Jersey ordinary shares outstanding immediately prior to the 2019 Transaction, after giving effect to the exchange ratio described above) and (iii) 10,600,000 ordinary shares of Clarivate owned of record by the sponsor and available for distribution to certain individuals following the applicable lock-up and vesting restrictions.

Certain restrictions were removed following the Secondary Offering on August 14, 2019. See Note 17 - Employment and Compensation Arrangements for further information. After giving effect to the satisfaction of the vesting restrictions the Company Owners held approximately 60% of the issued and outstanding shares of the Company at the close of the 2019 Transaction. See Note 16 - Shareholders' Equity for further information on equity instruments.

Acquisition of ProQuest

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

On December 1, 2021, we acquired 100% of ProQuest, a leading global software, data and analytics provider to academic, research and national institutions, and its subsidiaries from Cambridge Information Group ("CIG"), Atairos and certain other equityholders (collectively, the "Seller Group"). The aggregate consideration in connection with the closing of the ProQuest acquisition was $4,994,334, net of $52,514 cash acquired. The aggregate consideration was composed of (i) $1,094,901 from the issuance of up to 46,910,923 ordinary shares to the Seller Group and (ii) approximately $3,951,947 in cash, including approximately $917,491 to fund the repayment of ProQuest debt. The purchase price is subject to the Seller's final approval of the Final Closing Statement.

Issuance of 46,910,923 shares[1]	$	1,094,901
Cash consideration[2]		3,951,947
Total purchase price		5,046,848
Cash acquired[3]		(52,514)
Total purchase price, net of cash acquired	$	4,994,334

[1] Based on the Company's closing share price of $23.34 on November 30, 2021.
[2] Based on the Closing Statement, total cash consideration of $3,951,947 includes a base cash consideration of $3,988,000, less working capital adjustments of $31,661, less closing indebtedness adjustments of $36,618, plus closing cash consideration of $32,225 as defined in the Transaction Agreement.
[3] Cash acquired includes $52,514 of total cash acquired, less $1,957 of restricted cash acquired as defined in the Transaction Agreement.

The excess of the purchase price over the net tangible and intangible assets is recorded to Goodwill and primarily reflects the assembled workforce and expected synergies. The majority of goodwill is deductible for tax purposes. During the year-ended December 31, 2021, total transaction costs incurred in connection with the acquisition of ProQuest were $62,950. The ProQuest acquisition is reported as part of the Science Segment, see Note 22 - Segment Information for further details.

The amount of Revenues, net and Net loss resulting from the acquisition that are attributable to the Company's stockholders and included in the Consolidated Statements of Operations and Comprehensive Loss were as follows:

		Year Ended December 31, 2021
Revenues, net	$	80,418
Net income attributable to the Company's shareholders	$	3,000

The purchase price allocation for the ProQuest acquisition as of the close date of December 1, 2021 is preliminary and may change upon completion of the determination of the fair value of assets acquired and liabilities assumed. For example, the attrition assumptions used in valuing the customer relationship intangible assets acquired are provisional. A 0.5% change in the attrition assumption used would represent a material change in the purchase price allocation. The following table summarizes the preliminary purchase price allocation for this acquisition:

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

	Total
Accounts receivable	113,492
Prepaid expenses	22,254
Other current assets	23,704
Property and equipment, net	62,307
Other intangible assets[2]	3,534,742
Other non-current assets	17,955
Deferred income taxes	3,512
Operating lease right-of-use assets	28,429
Total assets	$ 3,806,395
Accounts payable	17,100
Accrued expenses and other current liabilities	136,811
Current portion of long-term debt	1,072
Current portion of deferred revenue	335,234
Current portion of operating lease liabilities	7,960
Long-term debt	33,362
Deferred income taxes	58,605
Non-current portion of deferred revenue	6,799
Other non-current liabilities	89,217
Operating lease liabilities	23,085
Total liabilities	709,245
Fair value of acquired identifiable assets and liabilities	$ 3,097,150
Purchase price, net of cash[1]	$ 4,994,334
Less: Fair value of acquired identifiable assets and liabilities	3,097,150
Goodwill	$ 1,897,184

(1) The Company acquired cash of $52,514, including $1,957 of restricted cash to fund bank guarantees (contract performance guarantees, rental guarantees, and bid bonds) assumed in the ProQuest acquisition.

(2) Of the $3,534,742, $3,528,000 relates to the valued intangible assets as per the purchase price allocation and $6,742 relates to acquired assets under construction.

The identifiable intangible assets acquired are amortized on a straight-line basis over their estimated useful lives. The following table summarizes the estimated fair value of ProQuest's identifiable intangible assets acquired and their remaining amortization period (in years):

	Fair Value as of December 1, 2021	Remaining Range of Years
Customer relationships	$ 2,773,000	17-23
Technology & databases[1]	709,300	5-17
Trade names	45,700	2-10
Total identifiable intangible assets	$ 3,528,000	

(1) Technology and databases intangible assets include both acquired technology intangible assets and acquired databases intangible assets.

Unaudited pro forma information for the Company for the periods presented as if the acquisition had occurred January 1, 2020 is as follows:

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

	Year ended December 31,	
	2021	**2020**
Pro forma revenues, net	$ 2,702,984	$ 2,116,947
Pro forma net loss attributable to the Company's shareholders	$ (175,418)	$ (545,512)

The unaudited pro forma financial information has been presented for illustrative purposes only and is not necessarily indicative of results of operations that would have been achieved had the acquisition taken place on the date indicated, or the future consolidated results of operations of the Company. The pro forma financial information presented above has been derived from the historical consolidated financial statements of the Company and from the historical accounting records of ProQuest.

The unaudited pro forma results include certain pro forma adjustments to net loss that were directly attributable to the acquisition, assuming the acquisition had occurred on January 1, 2020, including the following: (i) additional amortization expense that would have been recognized relating to the acquired intangible assets, (ii) adjustments to interest expense to reflect the removal of ProQuest debt and the additional Company borrowings in conjunction with the acquisition, (iii) acquisition-related transaction costs which reduced expenses by $62,950 for the year ended December 31, 2021, and (iv) other one-time non-recurring costs related to undrawn bridge commitment fees which reduced expenses by $55,000 for the year ended December 31, 2021.

Acquisition of CPA Global

On October 1, 2020, we acquired 100% of the assets, liabilities and equity interests of CPA Global, a global leader in intellectual property software and tech-enabled services from Redtop Holdings Limited ("Redtop"). The acquisition helps Clarivate create a true end-to-end platform supporting the full IP lifecycle from idea generation to commercialization and protection.

Clarivate acquired all of the outstanding shares of CPA Global in a cash and stock transaction. The aggregate consideration in connection with the closing of the CPA Global acquisition was $8,540,886, net of $102,675 cash acquired and including an equity holdback consideration of $46,485. The aggregate consideration was composed of (i) $6,565,477 from the issuance of up to 218,183,778 ordinary shares to Redtop Holdings Limited, a portfolio company of Leonard Green & Partners, L.P., representing approximately 35% *pro forma* fully diluted ownership of Clarivate and (ii) approximately $2,078,084 in cash to fund the repayment of CPA Global's parent company outstanding debt of $2,055,822 and related interest swap termination fee of $22,262. Of the 218,306,663 ordinary shares issuable in the acquisition, Clarivate issued 210,357,918 ordinary shares as of October 1, 2020. There were 6,325,860 shares that were issued to Leonard Green & Partners, L.P. that were returned to Clarivate to fund an Employee Benefit Trust established for the CPA Global Phantom Equity Plan. Accordingly, these shares were excluded from purchase price consideration. During January 2021, the Company issued the remaining 1,500,000 ordinary shares to Redtop Holdings Limited pursuant to a hold-back clause within the purchase agreement.

Issuance of 210,357,918 shares	$	6,565,477
Cash paid for repayment of CPA Global's parent company debt and related interest rate swap termination charge		2,078,084
Total purchase price		8,643,561
Cash acquired		(102,675)
Total purchase price, net of cash acquired	$	8,540,886

The excess of the purchase price over the net tangible and intangible assets is recorded to Goodwill and primarily reflects the assembled workforce and expected synergies. The majority of goodwill is deductible for tax purposes. During the year ended December 31, 2021, total transaction costs incurred in connection with the acquisition of CPA Global were $23. Total transaction costs during the year ended December 31, 2020 were $37,164.

The amount of Revenues, net and Net loss resulting from the acquisition that are attributable to the Company's stockholders and included in the Consolidated Statements of Operations and Comprehensive Loss were as follows:

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

	Year ended December 31,	
	2021	**2020**
Revenues, net [1]	$ 631,365	$ 157,504
Net loss attributable to the Company's stockholders	$ (54,032)	$ (39,985)

[1] Includes $3,863 and $15,297 of a deferred revenue adjustment recognized during the year ended December 31, 2021 and 2020, respectively.

The purchase price allocation for the CPA Global acquisition as of the close date of October 1, 2020 is final. The following table summarizes the final purchase price allocation for this acquisition:

	Total
Accounts receivable	$ 380,259
Prepaid expenses	27,437
Other current assets	38,784
Property and equipment, net	13,290
Other intangible assets	4,920,317
Deferred income taxes	19,310
Other non-current assets	8,403
Operating lease right-of-use assets	30,649
Total assets	$ 5,438,449
Accounts payable	53,791
Accrued expenses and other current liabilities	284,353
Current portion of deferred revenue	181,365
Current portion of operating lease liabilities	7,738
Non-current portion of deferred revenue	16,771
Deferred income taxes	291,869
Other non-current liabilities	24,307
Operating lease liabilities	23,615
Total liabilities	883,809
Fair value of acquired identifiable assets and liabilities	$ 4,554,640
Purchase price, net of cash[1]	$ 8,540,886
Less: Fair value of acquired identifiable assets and liabilities	4,554,640
Goodwill[2]	$ 3,986,246

[1] The Company acquired cash of $102,675 including $3,400 of restricted cash to fund fixed cash awards and certain taxes related to the phantom equity compensation plan as part of CPA Global acquisition accounting.
[2] Includes $942,201 of buyer-specific synergy goodwill that was allocated to the Clarivate legacy reporting units expected to benefit from the acquisition.

During the year ended December 31, 2021, the Company recorded measurement period adjustments to the purchase price allocation recorded as of the close date of October 1, 2020. The following table summarizes the measurement period adjustments recorded through the measurement period date ending September 30, 2021:

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

	Total
Accounts receivable[1]	$ 7,135
Prepaid expenses	(158)
Other current assets	370
Property and equipment, net	1,002
Other non-current assets	1,123
Total assets	$ 9,472
Accounts payable	290
Accrued expenses and other current liabilities[2]	49,164
Current portion of deferred revenue	989
Non-current portion of deferred revenue	(15)
Deferred income taxes[3]	(13,405)
Total liabilities	$ 37,023
Fair value of acquired identifiable assets and liabilities	$ (27,551)
Purchase price, net of cash	$ (665)
Less: Fair value of acquired identifiable assets and liabilities	(27,551)
Goodwill	$ 26,886

[1] The $7,135 account receivable measurement period adjustment is due to a change in the fair value of CPA Global's accounts receivable, with there being a $9,306 increase in the valuation increase offset by a $2,171 decrease.

[2] The Company recorded measurement period adjustments of $49,164 increasing accrued expenses and other current liabilities, of which, $61,000 relates to adjustments to CPA Global's accrual for claims existing prior to the date of acquisition, offset by a $11,836 reduction to CPA Global's other accruals. See Note 23 - Commitments and Contingencies for further information.

[3] The $13,405 deferred income tax measurement period adjustment is due to the tax impact of CPA Global's other measurement period adjustments detailed in the chart above.

The identifiable intangible assets acquired are amortized on a straight-line basis over their estimated useful lives. The following table summarizes the estimated fair value of CPA Global's identifiable intangible assets acquired and their remaining amortization period (in years):

	Fair Value as of October 1, 2020	Remaining Range of Years
Customer relationships	$ 4,643,306	17-23
Technology	266,224	6-14
Trade names	10,787	2-17
Total identifiable intangible assets	$ 4,920,317	

Unaudited pro forma information for the Company for the periods presented as if the acquisition had occurred January 1, 2019 is as follows:

	Year ended December 31,	
	2020	2019
Pro forma revenues, net	$ 1,708,486	$ 1,498,485
Pro forma net loss attributable to the Company's stockholders	$ (374,440)	$ (403,653)

The unaudited pro forma financial information has been presented for illustrative purposes only and is not necessarily indicative of results of operations that would have been achieved had the acquisition taken place on the date indicated, or the

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

future consolidated results of operations of the Company. The pro forma financial information presented above has been derived from the historical consolidated financial statements of the Company and from the historical accounting records of CPA Global.

The unaudited pro forma results include certain pro forma adjustments to revenue and net loss that were directly attributable to the acquisition, assuming the acquisition had occurred on January 1, 2019, including the following: (i) additional amortization expense that would have been recognized relating to the acquired intangible assets, (ii) adjustments to interest expense to reflect the removal of CPA Global debt and the additional Company borrowings in conjunction with the acquisition, (iii) acquisition-related transaction costs which reduced expenses by $71,103 for the year ended December 31, 2020.

Acquisition of Decision Resources Group

On February 28, 2020, we acquired 100% of the assets, liabilities and equity interests of Decision Resources Group ("DRG"), a premier provider of high-value data, analytics and insights products and services to the healthcare industry, from Piramal Enterprises Limited ("PEL"), which is a part of global business conglomerate Piramal Group. The acquisition helps us expand our core businesses and provides us with the potential to grow in the Life Sciences Product Line.

The aggregate consideration paid in connection with the closing of the DRG acquisition was $964,997, comprised of $900,000 of base cash plus $6,100 of adjusted closing cash paid on the closing date and 2,895,638 of the Company's ordinary shares issued to PEL on March 5, 2021. The contingent stock consideration was valued at $58,897 on the closing date and was revalued at each period end until the issuance date. For the year ended December 31, 2020, the fair value of the contingent stock consideration increased by $27,132, which was recorded to selling, general and administrative costs in the Consolidated Statements of Operations. The corresponding liability was $86,029 as of December 31, 2020 and recorded to Accrued expenses and other current liabilities in the Consolidated Balance Sheets. As the liability settled on March 5, 2021 with the Company issuing 2,895,638 ordinary shares valued at $61,619, there was no liability captured within the December 31, 2021 Consolidated Balance Sheet. See Note 23 - Commitments and Contingencies for more information. The DRG acquisition was accounted for using the acquisition method of accounting. The excess of the purchase price over the net tangible and intangible assets was recorded to Goodwill and primarily reflected the assembled workforce and expected synergies. Goodwill was not deductible for tax purposes. Due to the decrease to the fair value of the contingent stock consideration between December 31, 2020 and March 5, 2021, during the year ended December 31, 2021, total transaction costs in connection with the acquisition of DRG resulted in a net gain of $24,194. Total transaction costs during the year ended December 31, 2020 were $47,068.

The amount of Revenues, net and Net loss resulting from the acquisition that are attributable to the Company's stockholders and included in the Consolidated Statements of Operations and Comprehensive Loss were as follows:

	Year ended December 31,	
	2021	**2020**
Revenues, net [1]	$ 105,265	$ 186,428
Net income attributable to the Company's stockholders	$ 28,431	$ 4,999

[1] Includes $0 and $7,157 of a deferred revenue adjustment recognized during the year ended December 31, 2021 and 2020, respectively.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

The following table summarizes the final purchase price allocation for this acquisition:

	Total
Accounts receivable	$ 52,193
Prepaid expenses	4,295
Other current assets	68,001
Property and equipment, net	4,136
Other intangible assets[1]	491,366
Other non-current assets	2,960
Operating lease right-of-use assets	25,099
Total assets	$ 648,050
Accounts payable	3,474
Accrued expenses and other current liabilities	88,561
Current portion of deferred revenue	35,126
Current portion of operating lease liabilities	5,188
Deferred income taxes	49,403
Non-current portion of deferred revenue	936
Operating lease liabilities	20,341
Total liabilities	203,029
Fair value of acquired identifiable assets and liabilities	$ 445,021
Purchase price, net of cash[2]	944,220
Less: Fair value of acquired identifiable assets and liabilities	445,021
Goodwill	$ 499,199

(1) Includes $3,966 of internally developed software in progress acquired.
(2) The Company acquired cash of $20,777.

The identifiable intangible assets acquired are amortized on a straight-line basis over their estimated useful lives. The following table summarizes the estimated fair value of DRG's identifiable intangible assets acquired and their remaining amortization period (in years):

	Fair Value as of February 28, 2020	Remaining Range of Years
Customer relationships	$ 381,000	10-21
Database and content	50,200	2-7
Trade names	5,200	4-7
Purchased software	23,000	3-8
Backlog	28,000	4
Total identifiable intangible assets	$ 487,400	

During the year ended December 31, 2020, there were additional purchase accounting adjustments of $314 related to fixed assets, deferred revenue and legal accrual with a corresponding increase to goodwill and $1,804 related to the aforementioned items and a reduction in the valuation of assumed lease liabilities and a corresponding reduction in goodwill, respectively.

Unaudited pro forma information for the Company for the periods presented as if the acquisition had occurred January 1, 2019 is as follows:

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

	Year ended December 31,	
	2020	**2019**
Pro forma revenues, net	$ 1,284,419	$ 1,174,295
Pro forma net loss attributable to the Company's stockholders	$ (335,749)	$ (304,846)

The unaudited pro forma financial information has been presented for illustrative purposes only and is not necessarily indicative of results of operations that would have been achieved had the acquisition taken place on the date indicated, or the future consolidated results of operations of the Company. The pro forma financial information presented above has been derived from the historical Consolidated Financial Statements of the Company and from the historical accounting records of DRG.

The unaudited pro forma results include certain pro forma adjustments to revenue and net loss that were directly attributable to the acquisition, assuming the acquisition had occurred on January 1, 2019, including the following: (i) additional amortization expense that would have been recognized relating to the acquired intangible assets, (ii) adjustments to interest expense to reflect the removal of DRG debt and the additional Company borrowings in conjunction with the acquisition, (iii) acquisition-related transaction costs and other one-time non-recurring costs which reduced expenses by $26,348 for the year ended December 31, 2020.

Note 5: Assets Held for Sale and Divested Operations

On November 6, 2020, the Company completed the sale of certain assets and liabilities of the Techstreet business to The International Society of Interdisciplinary Engineers LLC for a total purchase price of $42,832, of which $4,300 was held in escrow and paid to the Company in November 2021. As a result of the sale, the Company recorded a net gain on sale of $28,140, inclusive of incurred transaction costs of $115 in connection with the divestiture during the fourth quarter of 2020. The gain on sale is included in Other operating (expense) income, net within the Consolidated Statements of Operations during the year ended December 31, 2020. As a result of the sale, the Company wrote off balances associated with Techstreet including intangible assets of $10,179 and Goodwill in the amount of $9,129. The Company used the proceeds for general business purposes.

On November 3, 2019, the Company entered into an agreement with OpSec Security for the sale of certain assets and liabilities of its MarkMonitor Product Line within its IP Group. The divestiture closed on January 1, 2020 for a total purchase price of $3,751. An impairment charge of $18,431 was recognized in the Consolidated Statements of Operations during the year ended December 31, 2019, to write down the Assets and Liabilities of the disposal group to fair value. Of the total impairment charge, $17,967 related to the write down of intangible assets and $468 to the write down of goodwill. There was an immaterial loss on the divestiture recorded to Other operating income (expense), net during the year ended December 31, 2020. The Company used the proceeds for general business purposes.

The divestitures of Techstreet and certain assets and liabilities of MarkMonitor did not represent a strategic shift and are not expected to have a major effect on the Company's operations or financial results, as defined by ASC 205-20, *Discontinued Operations*; as a result, the divestitures do not meet the criteria to be classified as discontinued operations.

Note 6: Accounts Receivable

Our accounts receivable balance consists of the following as of December 31, 2021 and 2020:

	December 31,	
	2021	**2020**
Accounts receivable	$ 913,141	$ 746,478
Less: Accounts receivable allowance	(6,713)	(8,745)
Accounts receivable, net	$ 906,428	$ 737,733

The Company estimates credit losses for trade receivables by aggregating similar customer types together, because they tend to share similar credit risk characteristics, taking into consideration the number of days the receivable is past due. Provision

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

rates for the allowance for doubtful accounts are based upon the historical loss method by evaluating factors such as the length of time receivables that are past due and historical collection experience. Additionally, provision rates are based upon current and future economic and competitive environment factors that could impact the collectability of the receivable. Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include past due status greater than 360 days or bankruptcy of the debtor. The activity in our accounts receivable allowance consists of the following for the years ended December 31, 2021, 2020 and 2019, respectively:

	Year Ended December 31,		
	2021	2020	2019
Balance at beginning of year	$ 8,745	$ 16,511	$ 14,076
Additional provisions	6,096	4,339	4,662
Write-offs	(7,951)	(22,205)	(2,321)
Opening balance sheet adjustment related to ASU 2016 -13 adoption	—	10,097	—
Exchange differences	(177)	3	94
Balance at the end of year	$ 6,713	$ 8,745	$ 16,511

The potential for credit losses is mitigated because customer creditworthiness is evaluated before credit is extended.

The Company recorded write-offs against the reserve of $7,951, $22,205 and $2,321 for the years ended December 31, 2021, 2020 and 2019, respectively.

We continue to monitor any impacts from the COVID-19 pandemic on our customers and various counterparties. During the year ended December 31, 2021 and 2020, the Company's allowance for doubtful accounts and credit losses considered additional risk related to the pandemic. However, this risk to-date was not considered material.

Note 7: Leases

As the lessee, we currently lease real estate space, automobiles, and certain equipment under non-cancelable operating lease agreements, as well as one financing lease assumed in the ProQuest acquisition. Some of the leases include options to extend the leases for up to an additional 10 years. We do not include any of our renewal options in our lease terms for calculating our lease liability as the renewal options allow us to maintain operational flexibility, and we are not reasonably certain we will exercise these renewal options at this time.

We determine if an arrangement is a lease at inception. Operating leases are included in Operating lease ROU assets, Current portion of operating lease liabilities, and Operating lease liabilities on our Consolidated Balance Sheet. The Company assesses its ROU asset and other lease-related assets for impairment consistent with other long-lived assets. Financing lease assets are included within the Property and Equipment financial statement line item and the related lease liability is treated as an item of indebtedness (see Note 14 - Debt) as a financing lease obligation within the Consolidated Balance Sheet. As of December 31, 2021, we did not record an impairment related to these assets beyond the impairments recorded due to restructuring activity further described within Note 25 - Restructuring and Impairment.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. As such, the Company used judgment to determine an appropriate incremental borrowing rate. The operating lease ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. Our variable lease payments consist of non-lease services related to the lease and lease payments that are based on annual changes to an index. Variable lease payments are excluded from the ROU assets and lease liabilities and are recognized in the period in which the obligation for those payments is incurred. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. The initial valuation of financing lease assets and liabilities is identical to the operating leases, as described above, however they are presented separately from Operating lease ROU assets and Operating lease liabilities in the Consolidated Balance Sheet.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

We have lease agreements with lease and non-lease components, which are accounted as a single lease component. Additionally, for certain equipment leases, we apply a portfolio approach to effectively account for the operating lease ROU assets and liabilities.

Supplemental balance sheet information related to leases is summarized as follows:

		December 31,	
		2021	2020
Assets	**Classification**		
Operating lease assets, net	Operating lease right-of-use assets[1]	$ 86,027	$ 132,356
Finance lease assets, net	Property and equipment, net[2]	30,560	—
Total lease assets		$ 116,587	$ 132,356
Liabilities			
Current			
Operating lease liabilities	Current portion of operating lease liability	$ 32,177	$ 35,455
Finance lease liabilities	Current portion of long-term debt	1,977	—
Non-current			
Operating lease liabilities	Operating lease liabilities	93,955	104,324
Finance lease liabilities	Long-term debt	28,858	—
Total lease liabilities		$ 156,967	$ 139,779

[1] Operating lease assets are recorded net of accumulated amortization of $26,354 and $23,189 as of December 31, 2021 and 2020, respectively.
[2] Finance lease assets are recorded net of accumulated amortization of $978 and $0 as of December 31, 2021 and 2020, respectively.

The following illustrates the lease costs for the years ended December 31, 2021 and 2020:

	Year Ended December 31,	
	2021	2020
Finance lease cost		
Amortization of right-of-use assets	$ 1,291	$ —
Interest on lease liabilities	98	—
Operating lease cost	28,817	24,438
Short-term lease cost	805	701
Variable lease cost	1,344	1,317
Total lease cost	$ 32,355	$ 26,456

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

	Year Ended December 31,	
	2021	**2020**
Other information		
Cash Paid for amounts included in measurement of lease liabilities		
Operating cash flows from operating leases	$63,777	$31,841
Operating cash flows for finance leases	98	—
Financing cash flows for finance leases	158	—
Right-of-use assets obtained in exchange for lease obligations		
Operating leases	$13,387	$8,542
Finance leases	29,878	—
Weighted-average remaining lease term		
Operating leases	4	6
Finance leases	2	—
Weighted-average discount rate		
Operating leases	4.4 %	5.2 %
Finance leases	3.8 %	—

The future aggregate minimum lease payments as of December 31, 2021 under all non-cancelable leases for the years noted are as follows:

	Operating Leases	Finance Leases
Year ending December 31,		
2022	$ 35,801	$ 3,114
2023	27,730	29,411
2024	23,876	—
2025	16,913	—
2026	11,969	—
2027 & Thereafter	28,308	—
Total lease commitments	144,597	32,525
Less imputed interest	(18,465)	(1,690)
Total	$ 126,132	$ 30,835

In connection with certain leases, the Company guarantees the restoration of the leased property to a specified condition after completion of the lease period. As of December 31, 2021 and 2020, the liability of $1,392 and $4,396, respectively, associated with these restorations is recorded within Other non-current liabilities.

There were no material future minimum sublease payments to be received under non-cancelable subleases at December 31, 2021. The Company recognized $3,115 and $2,023 of sublease income for the years ended December 31, 2021 and 2020, respectively, and there was no material sublease income for the year ended December 31, 2019.

Total rental expense under operating leases amounted to $28,817 and $24,438 the years ended December 31, 2021 and 2020, respectively.

Note 8: Property and Equipment, Net

Property and equipment, net consisted of the following:

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

	December 31,	
	2021	**2020**
Computer hardware	$ 45,510	$ 38,253
Leasehold improvements	11,578	21,614
Furniture, fixtures and equipment	34,709	13,201
Capital office leases - finance lease asset[1]	30,560	—
Other	2,334	—
Total property and equipment, gross	124,691	73,068
Accumulated depreciation	(40,842)	(36,801)
Total property and equipment, net	$ 83,849	$ 36,267

[1] See Note 7 - Leases for additional information.

Depreciation amounted to $13,996, $12,709 and $9,181 for the years ended December 31, 2021, 2020 and 2019, respectively, and there were $5,491 of impairment charges related to leasehold improvements during the year ended December 31, 2021.

Note 9: Other Intangible Assets, net and Goodwill

Other Intangible Assets, net

The following tables summarize the gross carrying amounts and accumulated amortization of the Company's identifiable intangible assets by major class:

	December 31, 2021			December 31, 2020		
	Gross	**Accumulated Amortization**	**Net**	**Gross**	**Accumulated Amortization**	**Net**
Finite-lived intangible assets						
Customer relationships	$ 8,279,079	$ (514,828)	$ 7,764,251	$ 5,598,175	$ (261,350)	$ 5,336,825
Databases and content	2,577,131	(590,998)	1,986,133	1,848,041	(464,683)	1,383,358
Computer software	733,106	(320,096)	413,010	658,976	(209,611)	449,365
Trade names	62,093	(10,503)	51,590	18,606	(2,360)	16,246
Backlog	29,104	(13,051)	16,053	29,216	(5,905)	23,311
Finite-lived intangible assets	11,680,513	(1,449,476)	10,231,037	8,153,014	(943,909)	7,209,105
Indefinite-lived intangible assets						
Trade names	161,317	—	161,317	161,245	—	161,245
Total intangible assets	$ 11,841,830	$ (1,449,476)	$ 10,392,354	$ 8,314,259	$ (943,909)	$ 7,370,350

The Company performed the indefinite-lived impairment test as of October 1, 2021 and 2020. Additionally, the Company reviewed goodwill for indicators of impairment at December 31, 2021 and 2020. As part of this analysis, the Company determined that its trade name, with a carrying value of $161,317 and $161,245 as of December 31, 2021 and 2020, respectively, was not impaired and will continue to be reported as indefinite-lived intangible assets.

On November 6, 2020, the Company completed the sale of certain assets and liabilities of the Techstreet business to The International Society of Interdisciplinary Engineers LLC for a total purchase price of $42,832, of which $4,300 was held in escrow and paid to the Company in November 2021. As a result of the sale, the Company recorded a net gain on sale of $28,140, inclusive of incurred transaction costs of $115 in connection with the divestiture during the fourth quarter of 2020. As a result of the sale, the Company wrote off balances associated with Techstreet including intangible assets of $10,179. See Note 5 - Assets Held for Sale and Divested Operations for further details.

On January 1, 2020, all assets, liabilities, and equity interest of the Brand Protection, AntiPiracy, and AntiFraud solutions of the MarkMonitor Product Line were sold to OpSec Security for a purchase price of $3,751, which was determined to be the

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

approximation of the fair value. In addition, the Company compared the book value of the assets and liabilities to the purchase price and recorded a total impairment charge during the year ended December 31, 2019 of $18,431, which included the write down of $17,967 intangible assets classified as Assets held for sale at that time. See Note 5 - Assets Held for Sale and Divested Operations for further details.

In June 2020, the Company acquired the assets of CustomersFirst Now for a purchase price of $6,446, which was accounted for as an asset acquisition. As a result, the Company's identifiable intangible assets increased by $6,446, which consisted of $5,446 of databases and content and $1,000 of computer software. At the time of acquisition, the databases and process methodology and the computer software had a remaining weighted average amortization period of 5.0 years and 3.0 years, respectively, resulting in a total remaining weighted average amortization period of 4.7 years.

The weighted-average amortization period for each class of finite-lived intangible assets and for total finite-lived intangible assets, which range between 4 and 23 years, is as follows:

	Remaining Weighted - Average Amortization Period (in years)
Customer relationships	22.12
Databases and content	14.18
Computer software	11.04
Trade names	9.59
Backlog	4.00
Total	20.10

Amortization amounted to $523,819, $290,441 and $191,361 for the years ended December 31, 2021, 2020 and 2019, respectively.

Estimated amortization for each of the five succeeding years as of December 31, 2021 is as follows:

2022	$ 656,866
2023	621,902
2024	592,265
2025	575,082
2026	565,370
Thereafter	7,153,309
Subtotal finite-lived intangible assets	10,164,794
Internally developed software projects in process	66,243
Total finite-lived intangible assets	10,231,037
Intangibles with indefinite lives	161,317
Total intangible assets	$ 10,392,354

Goodwill

The change in the carrying amount of goodwill is shown below:

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

	Science Segment	Intellectual Property Segment	Consolidated Total
Balance as of December 31, 2019	$ 909,937	$ 418,108	$ 1,328,045
Acquisition	499,199	4,002,695	4,501,894
Divestiture	—	(9,129)	(9,129)
Impact of foreign currency fluctuations and other	607	221,547	222,154
Balance as of December 31, 2020	$ 1,409,743	$ 4,633,221	$ 6,042,964
Acquisition	1,918,764	27,022	1,945,786
Impact of foreign currency fluctuations and other	(1,613)	(82,274)	(83,887)
Balance as of December 31, 2021	$ 3,326,894	$ 4,577,969	$ 7,904,863

The Company performed the goodwill impairment test as of October 1, 2021 and 2020. As of December 31, 2021, 2020 and 2019, the accumulated goodwill impairment was $0.

Goodwill represents the purchase price in excess of the fair value of the net assets acquired in a business combination. If the carrying value of a reporting unit exceeds the implied fair value of that reporting unit, an impairment charge to goodwill is recognized for the excess. The Company performs goodwill impairment testing at the reporting unit level which is defined as the operating segment or one level below the operating segment. As of October 1, 2021, our most recent annual goodwill impairment testing date, the Company identified five reporting units. See Note 3 - Summary of Significant Accounting Policies for further details.

The Company estimates the fair value of its reporting units using the income approach. Under the income approach, the fair value of a reporting unit is calculated based on the present value of estimated cash flows. No indicators of impairment existed as a result of the Company's assessments, except for the sale of the Brand Protection, AntiPiracy, and AntiFraud solutions of the MarkMonitor Product Line.

On December 22, 2021, the Company acquired Patient Connect, which included $8,502 of goodwill. This goodwill balance is allocated to the Science segment.

On December 1, 2021, the Company acquired ProQuest, which included $1,897,184 of goodwill. This goodwill balance is allocated to the Science segment. See Note 4 - Business Combinations for further details.

On August 3, 2021, the Company acquired Bioinfogate, which included $13,078 of goodwill. This goodwill balance is allocated to the Science segment.

On January 1, 2020, all assets, liabilities, and equity interest of the Brand Protection, AntiPiracy, and AntiFraud solutions of the MarkMonitor Product Line were sold to OpSec Security for a purchase price of $3,751, which was determined to be the approximation of the fair value. In addition, the Company compared the book value of the assets and liabilities to the purchase price and recorded a total impairment charge during the year ended December 31, 2019 of $18,431, which included the write down of the $468 goodwill classified as Assets held for sale at that time. See Note 5 - Assets Held for Sale and Divested Operations for further details.

On November 23, 2020, the Company acquired Hanlim IPS. Co., Ltd. (Hanlim), which included $2,861 of goodwill. This goodwill balance is allocated to the Intellectual Property segment.

On November 6, 2020, the Company completed the sale of certain assets and liabilities of the Techstreet business to The International Society of Interdisciplinary Engineers LLC for a total purchase price of $42,832, of which $4,300 was held in escrow and paid to the Company in November 2021. As a result of the sale, the Company recorded a net gain on sale of $28,140, inclusive of incurred transaction costs of $115 in connection with the divestiture during the fourth quarter of 2020. As a result of the sale, the Company wrote off goodwill in the amount of $9,129. See Note 5 - Assets Held for Sale and Divested Operations for further details.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

On October 26, 2020, the Company acquired Beijing IncoPat Technology Co. Ltd., which included $40,610 of goodwill, inclusive of $136 in purchase accounting adjustments recorded in 2021. This goodwill balance is allocated to the Intellectual Property segment.

On October 1, 2020, the Company acquired CPA Global, which included $3,986,246 of goodwill, inclusive of $26,886 in purchase accounting adjustments recorded in 2021. This goodwill balance is allocated to the Intellectual Property segment. See Note 4 - Business Combinations for further details.

On February 28, 2020, the Company acquired DRG, which included $499,199 of goodwill. This goodwill balance is allocated to the Science segment. See Note 4 - Business Combinations for further details.

Note 10: Derivative Instruments

Effective March 31, 2017, the Company entered into interest rate swap arrangements with counterparties to reduce its exposure to variability in cash flows relating to interest payments on $300,000 of its outstanding Term Loan arrangements. Additionally, effective February 28, 2018, the Company entered into another interest rate swap relating to interest payments on $50,000 of its outstanding Term Loan arrangements. These hedging instruments matured on March 31, 2021. The Company applies hedge accounting by designating the interest rate swaps as a hedge on applicable future quarterly interest payments.

In April 2019, the Company entered into interest rate swap arrangements with counterparties to reduce its exposure to variability in cash flows relating to interest payments on $50,000 of its term loans, effective April 30, 2021. Additionally, in May 2019, the Company entered into additional interest rate swap arrangements with counterparties to reduce its exposure to variability in cash flows relating to interest payments on $100,000 of its term loan, effective March 2021. Both of these derivatives have notional amounts that amortize downward, and both have a maturity of September 2023. The Company will apply hedge accounting by designating the interest rate swaps as a hedge in applicable future quarterly interest payments.

Changes in the fair value are recorded in Accumulated other comprehensive income(loss) ("AOCI") and the amounts reclassified out of AOCI are recorded to Interest expense, net. The fair value of the interest rate swaps is recorded in Other current assets or Accrued expenses and other current liabilities and Other non-current assets or liabilities, according to the duration of related cash flows. The fair value of the interest rate swaps was an asset of $1,957 as of December 31, 2021 and a liability of $5,159 as of December 31, 2020.

In March 2020, the Company amended all of its interest rate derivatives to reduce the 1% LIBOR floor to a 0% LIBOR floor. For the current derivatives, all other terms and conditions remain unchanged. The Company collected $1,737 in the year ended December 31, 2020, for the amendments of these derivatives. For the two forward starting swaps, an adjustment was made to reduce the weighted average fixed rate from 2.183% at December 31, 2019 to 1.695% at the amendment date.

The Company had a period of ineffectiveness related to the cash flow hedges in the three months ended March 31, 2020. The ineffectiveness was due to a drop in LIBOR rates below the LIBOR floor defined per the credit facilities, which were amended on March 31, 2020, resulting in a highly effective hedge. As a result of the ineffectiveness, the Company recognized a loss of $0 and $978 for the year ended December 31, 2021 and 2020, respectively, which was recorded to Interest expense, net on the Consolidated Statements of Operations. As of December 31, 2021, there was no hedge ineffectiveness associated with the Company's interest rate swaps.

In March 2021, the Company entered into interest rate swap arrangements with counterparties to reduce its exposure to variability in cash flows relating to interest payments on $350,000 of its term loans and replaced the interest rate swaps that matured during March 2021. These interest rate swap arrangements are effective March 31, 2021 and have a maturity date of March 31, 2024.

The following table summarizes the changes in AOCI (net of tax) related to cash flow hedges for the year ended December 31, 2021, 2020 and 2019:

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

AOCI Balance at December 31, 2018	$	3,644
Derivative losses recognized in Other comprehensive loss		(7,107)
Amount reclassified out of Other comprehensive loss to Net loss		685
AOCI Balance at December 31, 2019	$	(2,778)
Derivative losses recognized in Other comprehensive loss		(4,432)
Amount reclassified out of Other comprehensive loss to Net loss		3,454
AOCI Balance at December 31, 2020	$	(3,756)
Derivative gains recognized in Other comprehensive loss		3,360
Amount reclassified out of Other comprehensive loss to Net loss		3,033
AOCI Balance at December 31, 2021	$	2,637

Foreign Currency Forward Contracts

The Company periodically enters into foreign currency contracts. The purpose of these derivative instruments is to help manage the Company's exposure to foreign exchange rate risks within the acquired CPA Global business. These contracts generally do not exceed 180 days in duration. The Company recognized (loss) gains from the mark to market adjustment of $(6,904), $20,805, and $0 for the year ended December 31, 2021, 2020, and 2019, respectively, in Other operating income, net on the Consolidated Statements of Operations. The nominal amount of outstanding foreign currency contracts was $216,748 and $354,751 as of December 31, 2021, and December 31, 2020, respectively.

The Company accounts for these forward contracts at fair value and recognizes the associated realized and unrealized gains and losses in Other operating (expense) income, net in the Consolidated Statements of Operations, as the contracts are not designated as accounting hedges under the applicable sections of ASC Topic 815. The total fair value of the forward contracts represented an asset balance of $2,205 and $8,574 and a liability balance of $641 and $106 as of December 31, 2021, and December 31, 2020, respectively, which was classified within Other current assets and Accrued expenses and other current liabilities, respectively, on the Consolidated Balance Sheets. The Company recognized (loss) gains from the mark to market adjustment of $(6,904), $20,805 and $0 for the year ended December 31, 2021, 2020 and 2019, respectively, in Other operating (expense) income, net on the Consolidated Statements of Operations.

See Note 11 - Fair Value Measurements for additional information on derivative instruments.

Note 11: Fair Value Measurements

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The Company records certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. A three-level fair value hierarchy that prioritizes the inputs used to measure fair value is described below. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Unobservable inputs that are supported by little or no market activity. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Below is a summary of the valuation techniques used in determining fair value:

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

Derivatives - Derivatives consist of foreign exchange contracts and interest rate swaps. The fair value of foreign exchange contracts is based on observable market inputs of spot and forward rates or using other observable rates. The fair value of the interest rate swaps is the estimated amount that the Company would receive or pay to terminate such agreements, taking into account market interest rates and the remaining time to maturities or using market inputs with mid-market pricing as a practical expedient for bid-ask spread. See Note 10 - Derivative Instruments for additional information.

Contingent Consideration - The Company values contingent cash consideration related to business combinations using a weighted probability calculation of potential payment scenarios discounted at rates reflective of the risks associated with the expected future cash flows. Key assumptions used to estimate the fair value of contingent consideration include revenue, net new business and operating forecasts and the probability of achieving the specific targets. The Company values contingent stock consideration related to business combinations using observable market data, adjusted for indemnity losses and claims for indemnity losses valued using other indirect market inputs observable in the marketplace.

Cash and Cash Equivalents, Restricted Cash, Accounts Receivable, Accounts Payable, and Other Accruals - The carrying value of cash and cash equivalents, restricted cash, accounts receivable, accounts payable, and other accruals readily convertible into cash approximate fair value because of the short-term nature of the instruments.

Debt - The carrying value of the Company's variable interest rate debt, excluding unamortized debt issuance costs and original issue discount, approximates fair value due to the short-term nature of the interest rate benchmark rates. The fair value of the fixed rate debt is estimated based on market observable data for debt with similar prepayment features. The fair value of the Company's debt was $5,595,522 and $3,574,282 at December 31, 2021 and 2020, respectively. The fair value is considered Level 2 under the fair value hierarchy.

Private Placement Warrants - The Company has determined that the Private Placement Warrants for shares of the Company's ordinary stock that are not indexed to its own stock are subject to accounting treatment as a liability and should be reported at fair value on the balance sheet. The Company has determined that the fair value of each Private Placement Warrant issued using a Monte Carlo simulation approach for valuations performed through the August 14, 2019 modification described in Note 17 - Employment and Compensation Arrangements, and a Black-Scholes option valuation model thereafter. Accordingly, the warrants issued are classified as Level 3 financial instruments and are subject to remeasurement at each balance sheet date. Any change in fair value is recognized as a component of mark to market adjustment on financial instruments in the Consolidated Statements of Operations. The assumptions in the models include, but are not limited to, risk-free interest rate, expected volatility of stock prices for the Company and its peer group, dividend yield, and a DLOM was applied to shares that are subject to remaining post vesting lock up restrictions. The Company will continue to adjust the liability for changes in fair value until the earlier of the exercise or expiration of the ordinary stock warrants. At that time, the portion of the warrant liabilities related to the ordinary stock warrants will be reclassified to additional paid-in capital. The amount of income (expense) recorded within the Consolidated Statement of Operations for each period as a result of the changes in fair value was $81,320 and $(205,062) for the fiscal year end December 31, 2021 and 2020, respectively.

Forward Contracts and Interest Rate Swaps - The Company has determined that its forward contracts, included in other current assets, along with its interest rate swaps, included in Accrued expenses and other current liabilities and Other non-current liabilities according to the duration of related cash flows, reside within Level 2 of the fair value hierarchy.

The Company enters into foreign currency contracts that are not designated as hedges as defined under ASC 815. The purpose of these derivative instruments is to help manage the Company's exposure to foreign exchange rate risks. These contracts are initially recognized at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. These contracts generally do not exceed 180 days in duration, and these instruments are carried as assets when the fair value is positive (Other current assets on the Consolidated Balance Sheets), and as liabilities when the fair value is negative (Other current liabilities on the Consolidated Balance Sheets) The resulting gain or loss is recognized in profit or loss (other operating income (expense), net) immediately.

The Company assesses the fair value of these instruments, considering current and anticipated movements in future interest rates and the relevant currency spot and future rates available in the market. The Company receives third party valuation reports to corroborate our determination of fair value. Accordingly, these instruments are classified as Level 2 inputs.

Earn-Outs - In accordance with ASC 805, we estimated the fair value of the earn-outs using a Monte Carlo simulation. The amount of the earn-outs approximates fair value due to the short term nature of their remaining payments as of December

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

31, 2021 and December 31, 2020. This fair value measurement is based on significant inputs not observable in the market and thus represents a Level 3 measurement as defined in ASC 820. As of December 31, 2020, the Company paid the remaining earn-out liabilities related to Publons and TrademarkVision. These acquisitions occurred in 2017 and 2018, respectively. The amounts payable were contingent upon the achievement of certain company specific milestones and performance metrics including number of cumulative users, cumulative reviews and annual revenue over a 1-year and 3-year period. Changes in the earn-out are recorded to Selling, general and administrative costs in the Consolidated Statements of Operations.

As part of the DRG acquisition, the Company maintained a contingent stock liability based on observable market data relating to the DRG acquisition that occurred on February 28, 2020. Changes in the contingent stock liability were recorded to Selling, general and administrative costs in the Consolidated Statements of Operations. The contingent stock liability was recorded in Accrued expenses and other current liabilities and is classified as Level 2 in the fair value hierarchy. The liability was settled by the issuance of ordinary shares on March 5, 2021. This fair value measurement is based on observable market data and other indirect observable market inputs and thus represents a Level 2 measurement as defined in ASC 820.

As part of the CPA Global acquisition, the Company maintained a contingent stock liability based on observable market data relating to the CPA Global acquisition that occurred on October 1, 2020. Changes in the contingent stock liability were recorded to Selling, general and administrative costs in the Consolidated Statements of Operations. The contingent stock liability was recorded in Accrued expenses and other current liabilities and is classified as Level 2 in the fair value hierarchy. The liability was settled by the issuance of ordinary shares on January 21, 2021. This fair value measurement is based on observable market data and other indirect observable market inputs and thus represents a Level 2 measurement as defined in ASC 820.

Employee Phantom Share Plan - As of December 31, 2021 and December 31, 2020, the Company maintains a liability associated with the CPA Global Phantom Equity Plan, a portion of which was recorded in connection with the acquisition opening balance sheet. Changes in the liability are recorded to Selling, general and administrative costs and Cost of revenues in the Consolidated Statements of Operations, which is primarily driven by the change in fair value pertaining to Clarivate's share price that is marked to market at the end of each reporting period. To the extent vesting of awards were accelerated for colleagues, the Company accounted for these as a modification and acceleration of share-based compensation charges within the Restructuring and impairment line item of the Consolidated Statement of Operations. The current and non-current portions of the liability are recorded in Accrued expenses and other current liabilities and Other non-current liabilities, respectively. The balances are classified as Level 2 in the fair value hierarchy. This fair value measurement is based on observable market data and other indirect observable market input such as, the expected volatility of the Company's stock price, the DLOM, and the discount for potential forfeiture or modification.

Private Placement Warrants - The following table summarizes the changes in Private Placement Warrant liability for the year ended December 31, 2021 and 2020:

Balance at December 31, 2019	$	111,813
Mark to market adjustment on financial instruments		205,062
Exercise of Private Placement Warrants		(4,124)
Balance at December 31, 2020	$	312,751
Mark to market adjustment on financial instruments		(81,320)
Exercise of Private Placement Warrants		(3,592)
Balance at December 31, 2021	$	227,839

There were no transfers of assets or liabilities between levels during the year ended December 31, 2021 and 2020.

The following table presents the changes in the earn-out for the year ended December 31, 2021 and 2020:

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

Balance at December 31, 2019	$	11,100
Payment of earn-out liability [1]		(11,701)
Revaluations included in earnings		601
Balance at December 31, 2020	$	—
Payment of earn-out liability		—
Revaluations included in earnings		—
Balance at December 31, 2021	$	—

[1] See Note 23 - Commitments and Contingencies for further details.

The following table provides a summary of the Company's assets and liabilities that were recognized at fair value on a recurring basis as at December 31, 2021 and 2020:

	December 31, 2021			
	Level 1	**Level 2**	**Level 3**	**Total Fair Value**
Assets				
Forward contracts asset	$ —	$ 2,205	$ —	$ 2,205
Interest rate swap asset	—	1,957	—	1,957
	—	4,162	—	4,162
Liabilities				
Warrant liability	—	—	227,839	227,839
Employee phantom share liability - current	—	152,422	—	152,422
Forward contracts liability	—	641	—	641
Total	$ —	$ 153,063	$ 227,839	$ 380,902

	December 31, 2020			
	Level 1	**Level 2**	**Level 3**	**Total Fair Value**
Assets				
Forward contracts asset	$ —	$ 8,574	$ —	$ 8,574
	—	8,574	—	8,574
Liabilities				
Warrant liability	—	—	312,751	312,751
Employee phantom share liability - current	—	57,752	—	57,752
Employee phantom share liability - non-current	—	393	—	393
Forward contracts liability	—	106	—	106
Interest rate swap liability	—	5,159	—	5,159
Contingent stock liability	—	130,594	—	130,594
Total	$ —	$ 194,004	$ 312,751	$ 506,755

Non-Financial Assets Valued on a Non-Recurring Basis

The Company's long-lived assets, including goodwill, indefinite-lived intangible and finite-lived intangible assets subject to amortization, are measured at fair value on a non-recurring basis. These assets are measured at cost but are written-down to fair value, if necessary, as a result of impairment.

Finite-lived Intangible Assets — If a triggering event occurs, the Company determines the estimated fair value of finite-lived intangible assets by determining the present value of the expected cash flows.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

Indefinite-lived Intangible Asset — If a qualitative analysis indicates that it is more likely than not that the estimated fair value is less than the carrying value of an indefinite-lived intangible asset, the Company determines the estimated fair value of the indefinite-lived intangible asset (trade name) by determining the present value of the estimated royalty payments on an after-tax basis that it would be required to pay the owner for the right to use such trade name. If the carrying amount exceeds the estimated fair value, an impairment loss is recognized in an amount equal to the excess.

Goodwill — Goodwill represents the difference between the purchase price and the fair value of the identifiable tangible and intangible net assets resulting from business combinations. The Company evaluates its goodwill for impairment at the reporting unit level, defined as an operating segment or one level below an operating segment, annually as of October 1 or more frequently if impairment indicators arise in accordance with ASC Topic 350. The Company performs qualitative analysis of macroeconomic conditions, industry and market considerations, internal cost factors, financial performance, fair value history and other company specific events. If this qualitative analysis indicates that it is more likely than not that the estimated fair value is less than the book value for the respective reporting unit, the Company applies a one-step impairment test in which the Company determines whether the estimated fair value of the reporting unit is in excess of its carrying value. If the carrying value of the net assets assigned to the reporting unit exceeds the estimated fair value of the reporting unit, the Company performs the second step of the impairment test to determine the implied estimated fair value of the reporting unit's goodwill. The Company determines the implied estimated fair value of goodwill by determining the present value of the estimated future cash flows for each reporting unit and comparing the reporting unit's risk profile and growth prospects to selected, reasonably similar publicly traded companies.

Effective January 1, 2020, all assets, liabilities, and equity interest of the Brand Protection, AntiPiracy, and AntiFraud solutions of the MarkMonitor Product Line were sold to OpSec Security for a purchase price of $3,751, which approximates fair value of the assets as of December 31, 2019. To measure the amount of impairment related to the divestiture, the Company compared the fair values of assets and liabilities at the evaluation date to the carrying amounts as of December 31, 2019. The loss on impairment was $18,431 as of December 31, 2019. The sale of the Brand Protection, AntiPiracy, and AntiFraud solutions of the MarkMonitor Product Line assets and liabilities are categorized as Level 2 within the fair value hierarchy. The key assumption included the negotiated sales price of the assets and the assumptions of the liabilities. See Note 5 - Assets Held for Sale and Divested Operations for additional information.

Right of Use Asset — The guidance in ASC 360-10 requires three steps to identify, recognize and measure the impairment of a long-lived asset (asset group) to be held and used. The Company evaluates whether there are indicators of impairment present (i.e., whether there are any events or changes in circumstances that indicate that the carrying amount of the long-lived asset (group) might not be recoverable, including the ceased use of the leased property). The Company performs tests for recoverability and if indicators of impairment are present, the Company perform a recoverability test by comparing the sum of the estimated undiscounted future cash flows attributable to the long-lived asset (asset group) in question to the carrying amount of the long-lived asset (asset group). If the undiscounted cash flows used in the test for recoverability are less than the carrying amount of the long-lived asset (asset group), the Company determines the fair value of the long-lived asset (asset group) and recognizes an impairment loss if the carrying amount of the long-lived asset (asset group) exceeds its fair value. For the year ended December 31, 2021, an impairment charge was recorded where the carrying value of the operating lease right of use asset was reduced by $57,305, which are non-cash charges. Additionally, the Company incurred $3,325 and $2,384 in lease termination fees during the year ended December 31, 2021 and 2020, respectively. Fair value assumptions including sublease probabilities and the present value factor were used in the impairment calculation.

Note 12: Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities, consisted of the following as of December 31, 2021 and December 31, 2020:

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

	December 31, 2021	December 31, 2020
Employee phantom share plan liability[1]	$ 152,422	$ 57,752
Contingent stock liability[2]	—	130,594
Employee related accruals[3]	150,634	98,481
Accrued professional fees[4]	39,440	57,151
Accrued legal liability[5]	79,013	11,965
Tax related accruals[6]	28,538	45,127
Accrued royalty costs[7]	71,281	5,376
Other accrued expenses and other current liabilities[8]	158,275	163,236
Total accrued expenses and other current liabilities	$ 679,603	$ 569,682

(1) See Note 4 - Business Combinations, Note 11 - Fair Value Measurements, Note 17 - Employment and Compensation Arrangements and Note 25 - Restructuring and Impairment, for further information with respect to the employee phantom share plan liabilities.

(2) Represents contingent stock consideration associated with the CPA Global and DRG acquisitions. See Note 4 - Business Combinations and Note 23 - Commitments and Contingencies for further information.

(3) Employee related accruals include accrued payroll, bonus and employee commissions.

(4) Professional and outside service-related fees include accrued legal fees, audit fees, outside services, technology, and contractor fees.

(5) Of the balance as of December 31, 2021, our best estimate of the Company's potential liability for the larger legal claims is $60,500, which includes estimated legal costs and accrued interest. See Note 23 - Commitments and Contingencies for further information with respect to the probable claim reserves.

(6) Tax related accruals include value-added tax payable and other current taxes payable.

(7) Represents accrued royalty costs associated with licensee agreements.

(8) Includes current liabilities due to customers, interest payable, and a collection of miscellaneous other current liabilities.

Note 13: Pension and Other Post-Retirement Benefits

Retirement Benefits

The Company may be required to sponsor pension benefit plans, for certain international markets, which are unfunded and are not material for the Company. The net periodic pension expense is actuarially determined on an annual basis by independent actuaries using the projected unit credit method. The determination of benefit expense requires assumptions such as the discount rate, which is used to measure service cost, benefit plan obligations and the interest expense on the plan obligations. Other significant assumptions include expected mortality, the expected rate of increase with respect to future compensation and pension. Because the determination of the cost and obligations associated with employee future benefits requires the use of various assumptions, there is measurement uncertainty inherent in the actuarial valuation process. Actual results will differ from results which are estimated based on assumptions.

The liability recognized in the Consolidated Balance Sheets is the present value of the defined benefit obligation at the end of the reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. The defined benefit obligation is included in Other non-current liabilities in the Consolidated Balance Sheets. All actuarial gains and losses that arise in calculating the present value of the defined benefit obligation are recognized immediately in Accumulated deficit and included in the Consolidated Statements of Comprehensive Income (Loss).

Employer contributions to defined contribution plans are expensed as incurred, which is as the related employee service is rendered.

Defined contribution plans

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

Employees participate in various defined contribution savings plans that provide for Company-matching contributions. Costs for future employee benefits are accrued over the periods in which employees earn the benefits. Total expense related to defined contribution plans was $18,083, $13,262 and $12,143 for the years ended December 31, 2021, 2020 and 2019, respectively, which approximates the cash outlays related to the plans.

Defined benefit plans

A limited number of employees participate in noncontributory defined benefit pension plans that are maintained in certain international markets. The plans are managed and funded to provide pension benefits to covered employees in accordance with local regulations and practices. The Company's obligations related to the defined benefit pension plans is in Accrued expenses and other current liabilities and Other non-current liabilities.

The following table presents the changes in projected benefit obligations, the plan assets, and the funded status of the defined benefit pension plans:

	December 31,	
	2021	**2020**
Obligation and funded status:		
Change in benefit obligation		
Projected benefit obligation at beginning of year	$ 21,615	$ 16,563
Service costs	1,441	1,136
Interest cost	323	292
Plan participant contributions	134	124
Actuarial (gains) losses	(503)	695
Acquisition/Business Combination/Divestiture	918	2,393
Benefit payments	(872)	(357)
Expenses paid from assets	(43)	(40)
Settlements	(257)	—
Curtailment	—	(510)
Effect of foreign currency translation	(1,283)	1,319
Projected benefit obligation at end of year	$ 21,473	$ 21,615
Change in plan assets		
Fair value of plan assets at beginning of year	$ 6,665	$ 5,487
Actual return on plan assets	262	213
Settlements	(257)	—
Plan participant contributions	134	124
Acquisition/Business Combination/Divestiture	—	99
Employer contributions	1,366	583
Benefit payments	(872)	(357)
Expenses paid from assets	(43)	(40)
Effect of foreign currency translation	(538)	556
Fair value of plan assets at end of year	6,717	6,665
Unfunded status	$ (14,756)	$ (14,950)

The following table summarizes the amounts recognized in the Consolidated Balance Sheets related to the defined benefit pension plans:

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

	December 31,	
	2021	**2020**
Current liabilities	$ (1,068)	$ (902)
Non-current liabilities	$ (13,688)	$ (14,048)
AOCI	$ 748	$ 1,195

The following table provides information for those pension plans with an accumulated benefit obligation in excess of plan assets and projected benefit obligations in excess of plan assets:

	December 31,	
	2021	**2020**
Plans with accumulated benefit obligation in excess of plan assets:		
Accumulated benefit obligation	$ 18,637	$ 18,991
Fair value of plan assets	$ 6,717	$ 6,665
Plans with projected benefit obligation in excess of plan assets:		
Projected benefit obligation	$ 21,473	$ 21,615
Fair value of plan assets	$ 6,717	$ 6,665

The components of net periodic benefit cost changes in plan assets and benefit obligations recognized as follows:

	Year Ended December 31,		
	2021	**2020**	**2019**
Service cost	$ 1,441	$ 1,136	$ 870
Interest cost	323	292	311
Expected return on plan assets	(199)	(178)	(157)
Amortization of actuarial gains	(19)	(46)	(76)
Settlement/(Curtailment)	(91)	(499)	7
Net periodic benefit cost	$ 1,455	$ 705	$ 955

The following table presents the weighted-average assumptions used to determine the net periodic benefit cost as of:

	December 31,	
	2021	**2020**
Discount rate	1.66 %	1.60 %
Expected return on plan assets	3.04 %	3.00 %
Rate of compensation increase	5.18 %	3.78 %
Social Security increase rate	2.50 %	2.50 %
Pension increase rate	1.80 %	1.80 %

The following table presents the weighted-average assumptions used to determine the benefit obligations as of:

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

	December 31,	
	2021	**2020**
Discount rate	2.38 %	1.66 %
Rate of compensation increase	5.79 %	5.18 %
Social Security increase rate	2.50 %	2.50 %
Pension increase rate	1.90 %	1.80 %

The Company determines the assumptions used to measure plan liabilities as of the December 31 measurement date.

The discount rate represents the interest rate used to determine the present value of the future cash flows currently expected to be required to settle the Company's defined benefit pension plan obligations. The discount rates are derived using weighted average yield curves on corporate bonds. The cash flows from the Company's expected benefit obligation payments are then matched to the yield curve to derive the discount rates. At December 31, 2021, the discount rates ranged from 0.55% to 5.90% for the Company's pension plan and postretirement benefit plan. At December 31, 2020, the discount rates ranged from 0.35% to 5.20% for the Company's pension plan and postretirement benefit plan.

Plan Assets

The general investment objective for our plan assets is to obtain a rate of investment return consistent with the level of risk being taken and to earn performance rates of return as required by local regulations for our defined benefit plans. For such plans, the strategy is to invest primarily 100% in insurance contracts. Plan assets held in insurance contracts do not have target asset allocation ranges. The expected long-term return on plan assets is estimated based off of historical and expected returns. As of December 31, 2021, the expected weighted-average long-term rate of return on plan assets was 3%.

The fair value of our plan assets and the respective level in the far value hierarchy by asset category is as follows:

	December 31, 2021				December 31, 2020			
Fair value measurement of pension plan assets:	**Level 1**	**Level 2**	**Level 3**	**Total Assets**	**Level 1**	**Level 2**	**Level 3**	**Total Assets**
Insurance contract	$ —	—	6,717	$ 6,717	$ —	—	6,665	$ 6,665

The fair value of the insurance contracts is an estimate of the amount that would be received in an orderly sale to a market participant at the measurement date. The amount the plan would receive from the contract holder if the contracts were terminated is the primary input and is unobservable. The insurance contracts are therefore classified as Level 3 investments.

The following table provides the estimated pension benefit payments that are payable from the plans to participants as of December 31, 2021 for the following years:

2022	$ 1,216
2023	1,310
2024	1,461
2025	1,633
2026	1,643
2027 to 2031	7,748
Total	$ 15,011

Based on the current status of our defined benefit obligations, we expect to make payments in the amount of $1,130 to fund these plans in 2022. However, this estimate may change based on future regulatory changes.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

Note 14: Debt

The following is a summary of the Company's debt:

		December 31, 2021		December 31, 2020	
Type	Maturity	Effective Interest Rate	Carrying Value	Effective Interest Rate	Carrying Value
Senior Notes (2029)	2029	4.875 %	$ 921,399	— %	$ —
Senior Secured Notes (2028)	2028	3.875 %	921,177	— %	—
Senior Secured Notes (2026)	2026	4.500 %	700,000	4.500 %	700,000
Term Loan Facility (2026)	2026	3.860 %	2,818,800	3.626 %	2,847,400
Revolving Credit Facility	2024	3.359 %	175,000	— %	—
Finance Lease[1]	2023	3.800 %	30,835	— %	—
Total debt outstanding			5,567,211		3,547,400
Debt issuance costs			(47,189)		(51,309)
Term Loan Facility (2026), Senior Notes (2029), Senior Secured Notes (2028), discounts			(33,165)		(9,591)
Short-term debt, including current portion of long-term debt			(30,577)		(28,600)
Long-term debt, net of current portion and debt issuance costs			$ 5,456,280		$ 3,457,900

[1] See Note 7 - Leases for additional information.

The loans were priced at market terms and collectively have a weighted average interest rate of 4.096% and 3.799% for the year ended December 31, 2021 and 2020, respectively.

Financing Transactions

Senior Secured Notes due 2026

On October 31, 2019, we closed a private placement offering of $700,000 in aggregate principal amount of Senior Secured Notes ("Notes") due 2026 bearing interest at 4.50% per annum, payable semi-annually to holders of record in May and November. The first interest payment was paid in May 2020. The Notes due 2026 were issued by Camelot Finance S.A., an indirect wholly-owned subsidiary of Clarivate, and are secured on a first-lien pari passu basis with borrowings under the Credit Facilities. These Notes are guaranteed on a joint and several basis by certain Clarivate subsidiaries. The Notes will be general senior secured obligations of the Issuer and will be secured on a first-priority basis by the collateral now owned or hereafter acquired by the Issuer and each of the Guarantors that secures the Issuer's and such Guarantor's obligations under the New Senior Credit Facility (subject to permitted liens and other exceptions).

The Notes are subject to redemption as a result of certain changes in tax laws or treaties of (or their interpretation by) a relevant taxing jurisdiction at 100% of the principal amount, plus accrued and unpaid interest to the date of redemption, and upon certain changes in control at 101% of the principal amount, plus accrued and unpaid interest to the date of purchase. Additionally, at the Company's election the Notes may be redeemed (i) prior to November 1, 2022 at a redemption price equal to 100% of the aggregate principal amount of Notes being redeemed plus a "make-whole" premium, plus accrued and unpaid interest to the date of redemption or (ii) prior to November 1, 2022, the Company may use funds in an aggregate amount not exceeding the net cash proceeds of one or more specified equity offerings to redeem up to 40% of the aggregate principal amount of the Notes at a redemption price equal to 104.5% of the aggregate principal amount of the Notes being redeemed, plus accrued and unpaid interest and additional amounts to the date of redemption provided that at least 50% of the original aggregate principal amount of the Notes issued on the Closing Date remains outstanding after the redemption (or all Notes are redeemed substantially concurrently) and the redemption occurs within 120 days of the date of the closing of such equity offering or (iii) on November 1, 2022 of each of the years referenced below based on the call premiums listed below, plus accrued and unpaid interest to the date of redemption.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

Period	Redemption Price (as a percentage of principal)
2022	102.250 %
2023	101.125 %
2024 and thereafter	100.000 %

The Indenture governing the senior secured notes due 2026 contains covenants which, among other things, limit the incurrence of additional indebtedness (including acquired indebtedness), issuance of certain preferred stock, the payment of dividends, making restricted payments and investments, the purchase or acquisition or retirement for value of any equity interests, the provision of loans or advances to restricted subsidiaries, the sale or lease or transfer of any properties to any restricted subsidiaries, the transfer or sale of assets, and the creation of certain liens. As of December 31, 2021, we were in compliance with the indenture covenants.

We used the net proceeds from the offering of the Notes due 2026, together with proceeds from the $900,000 Term Loan Facility and a $250,000 Revolving Credit Facility with a $40,000 letter of credit sub-limit, collectively the "Credit Facilities" discussed below to, among other things, redeem the 7.875% senior notes due 2024 issued by Camelot Finance S.A. ("Prior Notes") in full, refinance all amounts outstanding under the $175,000 revolving credit facility which was governed by the credit agreement dated as of October 3, 2016 ("Prior Revolving Credit Facility") and the $1,550,000 term loan facility ("Prior Term Loan Facility"), collectively the "Prior Credit Facilities", fund in full the TRA Termination Payment pursuant to the TRA Buyout Agreement and pay fees and expenses related to the foregoing. We redeemed the Prior Notes at a fixed price of 103.938%, plus accrued and unpaid interest to the date of the purchase. The total loss on the extinguishment of debt, including the transactions noted below, was $3,179.

The Credit Facilities

On October 31, 2019, we entered into the Credit Facilities. The Credit Facilities consist of a $900,000 Term Loan Facility, due 2026, and a $250,000 Revolving Credit Facility with a $40,000 letter of credit sublimit, due 2024. In November 2021, we increased the capacity of the revolving credit facility by $100,000 to $350,000.

Borrowings under the Credit Facility bear interest at a floating rate which can be, at our option, either (i) a Eurocurrency rate plus an applicable margin or (ii) an alternate base rate (equal to the highest of (i) the rate which Bank of America, N.A. announces as its prime lending rate, (ii) the Federal Funds Effective Rate plus one-half of 1.00% and (iii) the Eurocurrency rate for an interest period of one month for loans denominated in dollars plus 1.00% plus an applicable margin, in either case, subject to a Eurocurrency rate floor of 0.00%. Commencing with the last day of the first full quarter ending after the closing date of the Credit Facilities, the Term Loan Facility will amortize in equal quarterly installments in an amount equal to 1.00% per annum of the original par principal amount thereof, with the remaining balance due at final maturity.

The Credit Facilities are secured by substantially all of our assets and the assets of all of our U.S. restricted subsidiaries and certain of our non-U.S. subsidiaries, including those that are or may be borrowers or guarantors under the Credit Facilities, subject to customary exceptions. The Credit Agreement governing the Credit Facilities contains customary events of default and restrictive covenants that limit us from, among other things, incurring certain additional indebtedness, issuing preferred stock, making certain restricted payments and investments, certain transfers or sales of assets, entering into certain affiliate transactions or incurring certain liens.

The Credit Facilities provide that, upon the occurrence of certain events of default, our obligations thereunder may be accelerated and the lending commitments terminated. Such events of default include payment defaults to the lenders, material inaccuracies of representations and warranties, covenant defaults, cross-defaults to other material indebtedness (including the senior secured notes due 2026), voluntary and involuntary bankruptcy proceedings, material money judgments, loss of perfection over a material portion of collateral, material ERISA/pension plan events, certain change of control events and other customary events of default, in each case subject to threshold, notice and grace period provisions.

With respect to the credit facilities, the Company may be subject to certain negative covenants, including either a fixed charge coverage ratio, total first lien net leverage ratio, or total net leverage ratio if certain conditions are met. As of December 31, 2021, the company was in compliance with the covenants for the credit facilities.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

The obligations of the borrowers under the Credit Agreement are guaranteed by UK Holdco and certain of its restricted subsidiaries and are collateralized by substantially all of UK Holdco's and certain of its restricted subsidiaries' assets (with customary exceptions described in the Credit Agreement). UK Holdco and its restricted subsidiaries are subject to certain covenants including restrictions on UK Holdco's ability to pay dividends, incur indebtedness, grant a lien over its assets, merge or consolidate, make investments, or make payments to affiliates.

Term Loan Facility (2026)

On October 31, 2019, when we entered into the Credit Facilities, the Credit Facilities consisted of a $900,000 Term Loan Facility, which was fully drawn at closing.

On February 28, 2020, in connection with the DRG acquisition, the Company incurred an incremental $360,000 of borrowings under our term loan facility and used the net proceeds from such borrowings to fund a portion of the DRG acquisition and to pay related fees and expenses.

In addition, the Company secured the backstop of a $950,000 fully committed bridge facility in connection with the DRG acquisition. However, the Company obtained all required financing with proceeds from the additional term loan borrowings and through a primary equity offering in February 2020. As such, the bridge facility remained undrawn through its expiration on closing of the acquisition.

On October 1, 2020, in connection with the CPA Global acquisition, the Company incurred an incremental $1,600,000 of borrowings under our term loan facility and used the net proceeds from such borrowings to fund the repayment of CPA Global's parent company outstanding debt of $2,055,822. Previously, the Company had secured the backstop of a $1,500,000 fully committed bridge facility. However, the Company obtained all required financing with proceeds from the additional term loan borrowings and the bridge facility remained undrawn through its expiration on closing of the acquisition.

The Term Loan Facility matures on October 31, 2026. Principal repayments under the Term Loan Facility are due quarterly in an amount equal to 0.25% of the aggregate outstanding principal amount borrowed under the Term Loan Facility on October 31, 2019 and on the maturity date, in an amount equal to the aggregate outstanding principal amount on such date, together in each case, with accrued and unpaid interest. The Prior Credit facility and Prior Notes were replaced by the Credit Facility and Notes. As part of the new Credit Facility, $41,980 of old unamortized discount and fees were written off as part of the restructuring, and of the new costs incurred under the Credit Facility and the Notes, $17 was expensed and $25,818 was deferred during the year-ended December 31, 2019.

Revolving Credit Facility

On October 31, 2019, we entered into the Credit Facilities, the Credit Facilities consist of a $250,000 Revolving Credit Facility with a $40,000 letter of credit sublimit, which was undrawn at closing.

In November 2021, we increased the capacity of the revolving credit facility by $100,000 to $350,000, of which $175,000 remained undrawn as of December 31, 2021. The Revolving Credit Facility carries an interest rate at LIBOR plus 3.25% per annum or Prime plus a margin of 2.25% per annum, as applicable depending on the borrowing, and matures on October 31, 2024. The Revolving Credit Facility interest rate margins will decrease upon the achievement of certain first lien net leverage ratios (as the term is used in the Credit Agreement).

In November 2021, the Company borrowed $175,000 on the existing Revolving Credit Facility and used the net proceeds from such borrowings for general corporate purposes. The revolving credit facility is subject to a commitment fee of 0.375% per annum.

On October 1, 2020, the Company borrowed $60,000 on the existing Revolving Credit Facility and used the net proceeds from such borrowings to fund the debt extinguishment costs in connection with funding of the repayment of CPA Global's parent company outstanding debt. The amount was repaid in the fourth quarter of 2020 and the revolving credit facility has remained undrawn in the period subsequent to the pay down.

The Revolving Credit Facility provides for revolving loans, same-day borrowings and letters of credit pursuant to commitments in an aggregate principal amount of $350,000 with a letter of credit sublimit of $40,000. Proceeds of loans

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

made under the Revolving Credit Facility may be borrowed, repaid and reborrowed prior to the maturity of the Revolving Credit Facility. Our ability to draw under the Revolving Credit Facility or issue letters of credit thereunder will be conditioned upon, among other things, delivery of required notices, accuracy of the representations and warranties contained in the Credit Agreement and the absence of any default or event of default under the Credit Agreement.

As of December 31, 2021, letters of credit totaling $6,080 were collateralized by the Revolving Credit Facility. Notwithstanding the Revolving Credit Facility, as of December 31, 2021 the Company had an unsecured corporate guarantee outstanding for $10,488 and cash collateralized letters of credit totaling $550, all of which were not collateralized by the Revolving Credit Facility. The Company borrowed $175,000 and $0 against the Revolving Credit Facility as of December 31, 2021 and December 31, 2020, to support current operations.

Senior Unsecured Notes (2029) and Senior Secured Notes (2028)

In June 2021, we issued $1,000,000 in aggregate principal amount of Senior Secured Notes due June 30, 2028 and $1,000,000 in aggregate principal amount of Senior Notes due June 30, 2029 bearing interest at a rate of 3.875% and 4.875% per annum, respectively. The interest is payable semi-annually to holders of record on June 30 and December 30 of each year, commencing on December 30, 2021. The Notes were issued by Clarivate Science Holdings Corporation (the "Issuer"), an indirect wholly-owned subsidiary of Clarivate.

In August 2021, we (i) exchanged all of the outstanding, validly tendered and not withdrawn Old Secured Notes for the newly-issued 3.875% Senior Secured Notes due 2028 (the "New Secured Notes"), and (ii) exchanged all of the outstanding, validly tendered and not withdrawn Old Unsecured Notes for the newly-issued 4.875% Senior Unsecured Notes due 2029 (the "New Unsecured Notes" and, together with the New Secured Notes, the "New Notes"). The initial aggregate principal amount of the New Notes is equal to the aggregate principal amount of Old Notes that were validly tendered and not validly withdrawn for exchange, and that were accepted by the Issuer. The offers to exchange are referred to herein as the "Exchange Offers." Pursuant to the Exchange Offers, the aggregate principal amounts of the Old Notes set forth as follows were validly tendered and not validly withdrawn, and were accepted by the Issuer and subsequently cancelled: (i) $921,177 aggregate principal amount of Old Secured Notes; and (ii) $921,399 aggregate principal amount of Old Unsecured Notes. Following such cancellation, (i) $78,823 aggregate principal amount of Old Secured Notes remained outstanding; and (ii) $78,601 aggregate principal amount of Old Unsecured Notes remained outstanding. The Issuer redeemed such remaining outstanding Old Secured Notes and Old Unsecured Notes at 100% of the principal amount thereof plus accrued and unpaid interest from June 24, 2021 to the redemption date in August 2021. In connection with the settlement of the Exchange Offers, the Issuer (i) issued $921,177 aggregate principal amount of its New Secured Notes; and (ii) issued $921,399 aggregate principal amount of its New Unsecured Notes. The interest is payable semi-annually to holders of record on June 30 and December 30 of each year, commencing on December 30, 2021. The exchange was treated as a debt modification in accordance with Accounting Standards Codification 470, *Debt* ("ASC 470").

Concurrently with the settlement of the Exchange Offers, the Issuer deposited (or caused to be deposited) an amount in cash equal to the aggregate principal amount of the New Notes of each series into segregated escrow accounts until the date that certain escrow release conditions (the "Escrow Release Conditions") including the consummation of the ProQuest acquisition, were satisfied. On December 1, 2021 the Escrow Release Conditions were satisfied, and the escrow proceeds were released from the escrow accounts and used to fund a portion of the purchase price of the ProQuest acquisition and to pay related fees and expenses.

In connection with the closing of the ProQuest acquisition on December 1, 2021, the New Notes are guaranteed on a joint and several basis by each of Clarivate's indirect subsidiaries that is an obligor or guarantor under Clarivate's existing credit facilities and senior secured notes due 2026. The New Secured Notes are secured on a first-lien pari passu basis with borrowings under the existing credit facilities and senior secured notes, and the New Unsecured Notes are the Issuer's and such guarantors' unsecured obligations.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

The New Notes are subject to redemption as a result of certain changes in control at 101% of the principal amount, plus accrued and unpaid interest to the date of purchase. At the Company's election the New Notes may be redeemed (i) prior to June 30, 2024 at a redemption price equal to 100% of the aggregate principal amount of the New Notes being redeemed plus a "make-whole" premium, plus accrued and unpaid interest to the date of redemption or (ii) prior to June 30, 2024, the Company may use funds in an aggregate amount not exceeding the net cash proceeds of one or more specified equity offerings to redeem up to 40% of the aggregate principal amount of the New Notes at a redemption price equal to 103.875% and 104.875% of the aggregate principal amount of the New Secured Notes and New Unsecured Notes respectively being redeemed, plus accrued and unpaid interest and additional amounts to the date of redemption provided that at least 50% of the original aggregate principal amount of the New Notes issued on the Closing Date remains outstanding after the redemption (or all Notes are redeemed substantially concurrently) and the redemption occurs within 120 days of the date of the closing of such equity offering or (iii) on or after June 30, 2024, during the 12 month period commencing on June 30 of each of the years referenced below based on the call premiums listed below, plus accrued and unpaid interest to the date of redemption.

	Redemption Price (as a percentage of principal)	
Period	**New Secured Notes**	**New Unsecured Notes**
2024	101.938 %	102.438 %
2025	100.969 %	101.219 %
2026 and thereafter	100.000 %	100.000 %

The Indenture governing the New Secured notes due 2028 contains covenants which, among other things, limit the incurrence of additional indebtedness (including acquired indebtedness), issuance of certain preferred stock, the payment of dividends, making restricted payments and investments, the purchase or acquisition or retirement for value of any equity interests, the provision of loans or advances to restricted subsidiaries, the sale or lease or transfer of any properties to any restricted subsidiaries, the transfer or sale of assets, and the creation of certain liens. As of December 31, 2021, we were in compliance with the indenture covenants.

The carrying value of the Company's variable interest rate debt, excluding unamortized debt issuance costs, approximates fair value due to the short-term nature of the interest rate benchmark rates. The fair value of the fixed rate debt is estimated based on market observable data for debt with similar prepayment features. The fair value of the Company's debt was $5,595,522 and $3,574,282 at December 31, 2021 and December 31, 2020, respectively. The debt is considered a Level 2 liability under the fair value hierarchy.

Amounts due under all of the outstanding borrowings as of December 31, 2021 for the next five years are as follows:

2022	$ 30,577
2023	57,458
2024	203,600
2025	28,600
2026	3,404,400
Thereafter	1,842,576
Total maturities	5,567,211
Less: capitalized debt issuance costs and original issue discount	(80,354)
Total debt outstanding as of December 31, 2021	$ 5,486,857

Note 15: Revenue

Disaggregated Revenues

The tables below show the Company's disaggregated revenue for the periods presented:

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

	Year Ended December 31,		
	2021	**2020**	**2019**
Subscription revenues	$ 1,034,356	$ 877,659	$ 805,518
Re-occurring revenues	453,242	111,929	—
Transactional and other revenues	393,247	287,560	169,265
Total revenues, gross	1,880,845	1,277,148	974,783
Deferred revenues adjustment[1]	(3,951)	(23,101)	(438)
Total revenues, net	$ 1,876,894	$ 1,254,047	$ 974,345

[1] Reflects the deferred revenues adjustment made as a result of purchase accounting prior to the adoption of FASB ASU No. 2021-08, "Accounting for Contract Assets and Contract Liabilities from Contracts with Customers". In the fourth quarter of 2021, Clarivate adopted ASU No. 2021-08 which allows an acquirer to account for the related revenue contracts in accordance with Topic 606 as if it had originated the contracts. This guidance was applied retrospectively to all business combinations for which the acquisition date occurs during or subsequent to the fiscal year 2021.

Cost to Obtain a Contract

The Company has prepaid sales commissions included in both Prepaid expenses and Other non-current assets on the balance sheets. The amount of prepaid sales commissions included in Prepaid expenses was $27,226 and $13,970 as of December 31, 2021 and 2020, respectively. The amount of prepaid sales commissions included in Other non-current assets was $17,106 and $14,102 as of December 31, 2021 and 2020, respectively. The Company has not recorded any impairments against these prepaid sales commissions.

Contract Balances

	Accounts receivable, net	**Current portion of deferred revenues**	**Non-current portion of deferred revenues**
Opening (1/1/2021)	$ 737,733	$ 707,318	$ 41,399
Closing (12/31/2021)	906,428	1,030,399	54,250
(Increase)/decrease	$ (168,695)	$ (323,081)	$ (12,851)
Opening (1/1/2020)	$ 333,858	$ 407,325	$ 19,723
Closing (12/31/2020)	737,733	707,318	41,399
(Increase)/decrease	$ (403,875)	$ (299,993)	$ (21,676)
Opening (1/1/2019)	$ 331,295	$ 391,102	$ 17,112
Closing (12/31/2019)	333,858	407,325	19,723
(Increase)/decrease	$ (2,563)	$ (16,223)	$ (2,611)

The amount of revenue recognized in the period that was included in the opening deferred revenues balances was $563,062, $400,656 and $391,102 for the years ended December 31, 2021, 2020 and 2019, respectively. This revenue consists primarily of subscription revenues.

Transaction Price Allocated to the Remaining Performance Obligation

As of December 31, 2021, approximately $92,887 of revenue is expected to be recognized in the future from remaining performance obligations, excluding contracts with duration of one year or less. The Company expects to recognize revenue on approximately 47.6% of these performance obligations over the next 12 months. Of the remaining 52.4%, 26.8% is expected to be recognized within the following year, 15.8% is expected to be recognized within three to five years, with the final 9.8% expected to be recognized within six to ten years.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

Note 16: Shareholders' Equity

Pre-2019 Transaction

In March 2017, the Company formed the Management Incentive Plan under which certain employees of the Company may be eligible to purchase shares of the Company. In exchange for each share purchase subscription, the purchaser is entitled to a fully vested right to an ordinary share. Additionally, along with a subscription, employees receive a corresponding number of options to acquire additional ordinary shares subject to five years vesting. See Note 17 - Employment and Compensation Arrangements for additional detail related to the options. There were no share subscriptions received prior to or following the close of the 2019 Transaction for the year ended December 31, 2021.

Post-2019 Transaction

Immediately prior to the closing of the 2019 Transaction, there were 87,749,999 shares of Churchill ordinary stock issued and outstanding, consisting of (i) 68,999,999 public shares (Class A) and (ii) 18,750,000 founder shares (Class B). On May 13, 2019, in connection with the 2019 Transaction, all of the Class B ordinary stock converted into Class A ordinary stock of the post-combination company on a one-for-one basis, and effected the reclassification and conversion of all of the Class A ordinary stock and Class B ordinary stock into a single class of ordinary stock of Clarivate Plc. One stockholder elected to have one share redeemed in connection with the 2019 Transaction.

In June 2019, the Company formed the 2019 Incentive Award Plan under which employees of the Company may be eligible to purchase shares of the Company. See Note 17 - Employment and Compensation Arrangements for additional detail related to the 2019 Incentive Award Plan. In exchange for each share subscription purchased, the purchaser is entitled to a fully vested right to an ordinary share. At December 31, 2021 there were unlimited shares of ordinary stock authorized, and 683,139,210 shares issued and outstanding, with a par value of $0.00. The Company held 547,136 and 6,325,860 shares as treasury shares as of December 31, 2021 and December 31, 2020, respectively. The Company's ordinary stockholders are entitled to one vote per share.

Public Warrants

Upon consummation of the 2019 Transaction, the Company had warrants outstanding to purchase an aggregate of 52,800,000 ordinary shares. Each outstanding whole warrant of Churchill represented the right to purchase one ordinary share of the Company in lieu of one share of Churchill ordinary stock upon closing of the 2019 Transaction. During the period January 1, 2020 through February 21, 2020, 24,132,666 of the Company's outstanding public warrants were exercised for one ordinary share per whole public warrant at a price of $11.50 per share. On February 20, 2020, we announced the redemption of all of our outstanding public warrants to purchase our ordinary shares that were issued as part of the units sold in the Churchill Capital Corp initial public offering. As of December 31, 2020, no public warrants were outstanding.

Merger Shares

Upon consummation of the 2019 Transaction, there were 7,000,000 ordinary shares of Clarivate that are issuable to persons designated by Messrs. Stead and Klein, including themselves, if the last sale price of Clarivate's ordinary shares is at least $20.00 for 40 days over a 60 consecutive trading day period on or before the sixth anniversary of the closing of the 2019 Transaction. On January 31, 2020, our Board agreed to waive all performance vesting conditions associated with the Merger Shares (as defined below). The Merger Shares were issued as ordinary shares to persons designated by Jerre Stead and Michael Klein on June 1, 2020 as part of the June 2020 underwritten public offering. These shares were issued during the year ended December 31, 2020. See Note 17 - Employment and Compensation Arrangements for additional detail related to the Merger Shares.

DRG Acquisition Shares

In connection with the DRG acquisition, 2,895,638 ordinary shares of the Company were issued to PEL in March 2021. See Note 4 - Business Combinations for additional details.

MCPS Offering

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

In June 2021, concurrently with the June 2021 Ordinary Share Offering (see Note 1 - Background and Nature of Operations), we completed an underwritten public offering of 14,375,000 of our 5.25% Series A MCPS (which included 1,875,000 of our MCPS that the underwriters purchased pursuant to their option to purchase additional shares). Based upon the agreement provisions and accounting guidance in ASC 480 - *Distinguishing Liabilities from Equity* and ASC 815-40 - *Derivatives and Hedging*, the Company concluded that the preferred stock should be classified as permanent equity within the Consolidated Balance Sheet.

Dividends on our convertible preferred shares are payable, as and if declared by our Board of Directors, at an annual rate of 5.25% of the liquidation preference of $100.00 per share. We may pay declared dividends on March 1, June 1, September 1 and December 1 of each year, commencing on September 1, 2021 and ending on, and including, June 1, 2024. Each of our convertible preferred shares has a liquidation preference of $100.00. See Note 23 - Commitments and Contingencies for further details.

In July 2021, the Company's Board of Directors declared a quarterly dividend of approximately $1.12 per share on its 5.25% Series A Mandatory Convertible Preferred Shares, payable on September 1, 2021 to shareholders of record at the close of business on August 15, 2021. As permitted by the Statement of Rights governing its 5.25% Series A Mandatory Convertible Preferred Shares, such dividend was paid by delivery of ordinary shares (other than $1 paid in cash in lieu of any fractional ordinary share). The number of ordinary shares deliverable in respect of such dividend was 664,730, which was determined based on the average volume-weighted average price per ordinary shares over the five consecutive trading day period ending on, and including, the trading day prior to September 1, 2021, which had a value of $16,141. In October 2021, the Company's Board of Directors declared a quarterly dividend of approximately $1.3125 per share on its 5.25% Series A Mandatory Convertible Preferred Shares, payable in cash on December 1, 2021 to shareholders of record at the close of business on November 15, 2021. As of December 31, 2021, we recognized $6,499 of accrued preferred share dividends within accrued expenses and other current liabilities. While the dividends on the MCPS are cumulative, they will not be paid until declared by the Company's Board of Directors. If no dividends are declared and paid, they will continue to accumulate as the agreement contains a backstop to it being paid even if never declared by the board.

Each of our MCPS will automatically convert on the second business day immediately following the last trading day of the "Settlement Period" (the 30 consecutive Trading Day period commencing on, and including, the 31st Scheduled Trading Day immediately preceding June 1, 2024) into between 3.2052 and 3.8462 of our ordinary shares (respectively, the "Minimum Conversion Rate" and "Maximum Conversion Rate"), each subject to anti-dilution adjustments. The number of our ordinary shares issuable on conversion of the convertible preferred shares will be determined based on an Average VWAP per ordinary share over the Settlement Period. At any time prior to June 1, 2024, holders may elect to convert each convertible preferred share into ordinary shares at the Minimum Conversion Rate.

Holders of the Preferred Stock have the right to convert all or any portion of their shares at any time until the close of business on the mandatory conversion date. Early conversions that are not in connection with a "Make-Whole Fundamental Change" will be settled at the minimum conversion rate. If a Make-Whole Fundamental Change occurs, holders of the Preferred Stock will, in certain circumstances, be entitled to convert their shares at an increased conversion rate for a specified period of time and receive an amount to compensate them for certain unpaid accumulated dividends and any remaining future scheduled dividend payments.

The Preferred Stock will not be redeemable at our election before the mandatory conversion date. The holders of the Preferred Stock will not have any voting rights, with limited exceptions. In the event that Preferred Stock dividends have not been declared and paid in an aggregate amount corresponding to six or more dividend periods, whether or not consecutive, the holders of the Preferred Stock will have the right to elect two new directors until all accumulated and unpaid Preferred Stock dividends have been paid in full, at which time that right will terminate.

Treasury Shares

CPA Global Acquisition Shares - In connection with the CPA Global acquisition, on October 1, 2020, the Company issued as part of the purchase consideration, 210,357,918 ordinary shares of the Company. In addition, there were 6,325,860 shares that were issued to Leonard Green & Partners, L.P. that were returned to Clarivate to fund an Employee Benefit Trust ("EBT") established for the CPA Global Phantom Equity Plan. Accordingly, these shares were excluded from purchase price consideration. As noted in Note 2 - Basis of Presentation, the EBT associated with the CPA Global Equity Plan was consolidated on October 1, 2020. The EBT held Clarivate shares that were recorded as treasury shares as they were legally issued but not outstanding. See Note 4 - Business Combinations for additional details.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

During January 2021, the Company issued 1,500,000 ordinary shares to Redtop Holdings Limited pursuant to a hold-back clause within the purchase agreement for a total of $43,890 which was satisfied. See Note 4 - Business Combinations and Note 23 - Commitments and Contingencies for additional details.

During the fourth quarter of 2021, 5,778,724 shares held in the EBT were sold at an average net price per share of $23.78 to fund the payment to the respective employees via payroll in the first quarter of 2022 as it relates to the first lock-up period and vesting date which occurred on October 1, 2021. Given the original share value of $30.99 as of the date of the acquisition, an associated loss was recognized within the Consolidated Statement of Changes in Equity in the amount of $41,667.

Share Repurchase Program and Share Retirements - In August 2021, the Company's Board of Directors authorized a share repurchase program allowing the Company to purchase up to $250,000 of its outstanding ordinary shares, subject to market conditions. During the year ended December 31, 2021, the Company purchased 6,575,500 shares with a total carrying value of $159,356. The repurchased shares were retired and restored as authorized but unissued ordinary shares. Upon formal retirement and in accordance with Financial Accounting Standards Board's Accounting Standards Codification ("ASC") Topic 505, *Equity*, the Company reduced our ordinary shares account by the carrying amount of the treasury shares. As of December 31, 2021, the Company had approximately $90,644 of availability remaining under this program. See Note 27 - Subsequent Events for additional information related to the Share Repurchase Program.

Note 17: Employment and Compensation Arrangements

Employee Incentive Plans

Prior to the 2019 Transaction, the Company operated under its 2016 Equity Incentive Plan, which provided for certain employees of the Company to be eligible to participate in equity ownership in the Company. On May 8, 2019, in anticipation of the 2019 Transaction, the Board adopted the 2019 Incentive Award Plan, which was an amendment, restatement and continuation of the 2016 Equity Incentive Plan. Upon closing of the 2019 Transaction, awards under the 2016 Equity Incentive Plan were converted using the exchange ratio established during the 2019 Transaction and assumed into the 2019 Incentive Award Plan (See Note 4 - Business Combinations). The 2019 Incentive Award Plan permits the granting of awards in the form of incentive stock options, non-qualified stock options, share appreciation rights, restricted shares, restricted share units and other stock-based or cash-based awards. Equity awards may be issued in the form of restricted shares or restricted share units with dividend rights or dividend equivalent rights subject to vesting terms and conditions specified in individual award agreements. The Company's Management Incentive Plan provides for employees of the Company to be eligible to purchase shares of the Company. See Note 16 - Shareholders' Equity for additional information.

A maximum aggregate amount of 60,000,000 ordinary shares are reserved for issuance under the 2019 Incentive Award Plan. Equity awards under the 2019 Incentive Award Plan may be issued in the form of options to purchase shares of the Company which are exercisable upon the occurrence of conditions specified within individual award agreements. As of December 31, 2021 and 2020, 40,200,324 and 42,785,926, respectively, awards have not been granted.

Total share-based compensation expense, inclusive of cash and non-cash expense, included in the Consolidated Statements of Operations amounted to $139,571, $70,472 and $51,383 for the years ended December 31, 2021, 2020 and 2019, respectively. The total associated tax benefits recognized amounted to $8,480, $30,620 and $751 for the years ended December 31, 2021, 2020 and 2019, respectively.

The Company's Management Incentive Plan provides for certain employees of the Company to be eligible to purchase shares of the Company. See Note 16 - Shareholders' Equity for additional information. Along with each subscription, employees may receive a corresponding number of options to acquire additional ordinary shares subject to five years vesting.

As of December 31, 2021 and 2020, there was no unrecognized compensation cost related to outstanding stock options.

Stock Options

The Company's stock option activity is summarized below:

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

	Number of Options	Weighted Average Exercise Price per Share	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value
Balance at December 31, 2020	7,860,618	$ 12.95	6.2	$ 131,956
Granted	—	—	0	—
Expired	(2,008)	29.33	0	—
Forfeited	—	—	0	—
Exercised	(3,057,008)	12.19	0	(43,425)
Outstanding as of December 31, 2021	4,801,602	$ 13.43	4.75	$ 49,655
Vested and exercisable at December 31, 2021	4,801,602	$ 13.43	4.75	$ 49,655

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. 3,057,008 and 12,042,862 stock options were exercised as of December 31, 2021 and 2020, respectively. The total intrinsic value of stock options exercised was approximately $43,425 and $150,381 during the years ended December 31, 2021 and 2020, respectively.

The Company accounts for awards issued under the 2019 Incentive Award 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. Share-based compensation expense related to stock options is recognized over the vesting period of the award which is generally five years, on a graded-scale basis. The weighted-average fair value of options granted per share was $0 and $0 as of December 31, 2021 and 2020, respectively.

In connection with the sale and divestiture of non-core assets and liabilities within the IP segment on November 6, 2020, the Company accelerated 43,605 unvested stock options, which resulted in recognition of $791 of compensation expense during the year ended December 31, 2020.

On November 30, 2020, the Company accelerated the vesting of approximately 3,530,000 remaining unvested stock options of the original 28,400,000 issued pursuant to the private company equity plan adopted in 2016 at the time of the formation of Clarivate as a standalone business after its divestiture from Thomson Reuters, including the previously disclosed unvested options held by key officers of the Company. The Company viewed this as an appropriate step to take at that time to streamline the Company's equity compensation program by easing the administration of the plan and by allowing the Company to better manage the logistics and vesting of these options. The accelerated vesting resulted in the recognition of approximately $2,007 of compensation expense during the year ended December 31, 2020.

The Company uses the Black-Scholes option pricing model to estimate the fair value of options granted. The Black-Scholes model considers 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. Prior to becoming a public company, the fair value of the Company's ordinary shares were determined utilizing an external third-party pricing specialist.

The contractual term of the option ranges from one to ten years. Expected volatility is the average volatility over the expected terms of comparable public entities from the same industry. The risk-free interest rate is based on a treasury rate with a remaining term similar to the contractual term of the option. The Company is recently formed and at this time does not expect to distribute any dividends to the holders of the Company's ordinary shares. The Company recognizes forfeitures as they occur.

The assumptions used to value the Company's options granted during the period presented and their expected lives were as follows:

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

	December 31,		
	2021	**2020**	**2019**
Weighted-average expected dividend yield	—	—	—
Expected volatility	25.32% - 35.34%	34.05% - 39.43%	19.52% - 20.26%
Weighted-average expected volatility	31.15 %	34.79 %	19.87 %
Weighted-average risk-free interest rate	0.37 %	0.14 %	2.43 %
Expected life (in years)	1.95	1	7.3

Restricted Stock Units ("RSUs")

RSUs typically vest from six months 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 our ordinary shares on the date of grant. We amortize the value of these awards to expense over the vesting period on a graded-scale basis. The Company recognizes forfeitures as they occur.

	Number of Shares	**Weighted Average Grant Date Fair Value per Share**
Outstanding as of December 31, 2019	293,182	$ 16.75
Granted	1,918,288	22.12
Vested	(289,641)	17.17
Forfeited	(111,283)	21.19
Outstanding as of December 31, 2020	1,810,546	19.30
Granted	4,310,054	23.91
Vested	(986,132)	23.18
Forfeited	(602,337)	23.39
Outstanding as of December 31, 2021	4,532,131	$ 23.42

The Company granted 4,310,054 and 1,918,288 RSUs at a weighted average grant date fair value per share of $23.91 and $22.12, correspondingly recognized $47,606 and $15,142 in compensation expense during the year ended December 31, 2021 and 2020.

The total fair value of RSUs that vested during the year ended December 31, 2021 and 2020 was $22,859 and $4,972, respectively.

Performance Stock Units ("PSUs")

The Company began granting PSUs (the "Original PSUs") to certain members of management on April 1, 2020 under the 2019 Incentive Award Plan. The Original PSUs typically vest over three years and are subject to performance conditions with a modifier of relative 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 December 31, 2021. Accordingly, no compensation expense was recognized for the year ended December 31, 2021.

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 with those of Clarivate's shareholders and to compensate our named executive officers for the significant value created for shareholders in 2020. In addition, the HRCC considered the effects of the Covid-19 pandemic on the value of the Original PSUs granted to our named executive officers 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.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

The Company made a one-time grant of additional PSUs to certain key employees, including its named executive officers on December 17, 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 January 1, 2020 to December 31, 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 recognized 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. Accordingly, the Company recognized $4,473 and $178 of compensation expense for the year ended December 31, 2021 and 2020, respectively. In the event that the Original PSUs vest, the TSR PSUs will be forfeited.

On March 1, 2021, May 15, 2021 and August 15, 2021, the Company granted 499,141, 28,577 and 38,178 PSUs, respectively, to key employees under the 2019 Incentive Award Plan. These PSUs are eligible to vest based on Clarivate's three-year total shareholder return ("TSR") as compared to the TSR of the S&P 500 for the same period as well as the Company's performance against forecasted results. These PSUs cover from January 1, 2021 through December 31, 2023 and have a payout range of 0% to 200%. These PSUs vest over three years and are subject to market conditions. The probability of achieving the market conditions are incorporated into the fair value of the award, and related expense is recognized 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. Accordingly, the Company recognized $805 of compensation expense for the year ended December 31, 2021.

On November 29, 2021 the Company granted 109,505, to a key employee under the 2019 Incentive Award Plan. This award has no TSR based vesting conditions. These PSUs will vest over one year and are subject to performance conditions. No expense has been booked against these awards in 2021, since the performance period will start from January 1, 2022.

	Number of Shares [1]	Weighted Average Grant Date Fair Value per Share
Outstanding as of December 31, 2020	873,325	$ 25.16
Granted	675,401	23.56
Vested	(5,633)	32.50
Forfeited	(182,838)	24.52
Outstanding as of December 31, 2021	1,360,255	$ 24.86

[1] The PSUs number of shares are at grant amount and are not reflective of the maximum shares that may ultimately be issued, if any.

Warrants

In connection with the acquisition of Churchill Capital Corp consummated on May 13, 2019, the Company had warrants outstanding for certain individuals to purchase an aggregate of 52,800,000 ordinary shares with an exercise price of $11.50 per share, consisting of 34,500,000 public warrants and 18,300,000 Private Placement Warrants. As of December 31, 2020, no public warrants were outstanding. On November 23, 2020, one individual exercised warrants for 274,000 ordinary shares through a cashless redemption in which 110,484 shares were withheld to cover the exercise price. The net impact of the redemption was an issuance of 163,516 shares. Additionally, on January 21, 2021, one warrant holder exercised warrants for 212,174 ordinary shares through a cashless redemption in which 80,610 shares were withheld to cover the exercise price. The net impact of the redemption was an issuance of 131,564 shares. As of December 31, 2021, there were 17,813,826 ordinary shares outstanding for Private Placement Warrants.

The following table summarizes the changes in Private Placement Warrant shares outstanding as of December 31, 2021 and December 31, 2020.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

	Number of Shares	Weighted Average Fair Value per Share
Outstanding at December 31, 2019	18,300,000	$ 6.11
Exercise of Private Placement Warrants	(274,000)	15.05
Outstanding at December 31, 2020	18,026,000	$ 17.35
Outstanding at December 31, 2020	18,026,000	$ 17.35
Exercise of Private Placement Warrants	(212,174)	16.93
Outstanding at December 31, 2021	17,813,826	$ 12.79

2019 Transaction Related Awards

Upon consummation of the 2019 Transaction, there were 7,000,000 ordinary shares of Clarivate (the "Merger Shares") issuable if the last sale price of Clarivate's ordinary shares is at least $20.00 for 40 days over a 60 consecutive trading day period on or before the sixth anniversary of the closing of the 2019 Transaction. We engaged a third party specialist to fair value the awards at the modification date using the Monte Carlo simulation approach. The assumptions in the model included, but were not limited to, risk-free interest rate, 1.33%; expected volatility of the Company's and its peer group's stock prices, 20.00%; and dividend yield, 0.00%. The Company recognized $13,720 of expense during the year ended December 31, 2020, in Share-based compensation expense as a result of the waived performance vesting conditions. The Sponsor Agreement provided that certain ordinary shares of Clarivate were subject to certain time and performance-based vesting provisions described below.

The vesting conditions added to certain ordinary shares include the following:

5,309,713 ordinary shares of Clarivate held by persons designated in the Sponsor Agreement, will vest in three equal annual installments on the first, second and third anniversaries of the closing of the 2019 Transaction, respectively, and are not contingent on continuing or future service of the respective holders to the Company.

2,654,856 ordinary shares of Clarivate held by such persons will vest at such time as the last sale price of Clarivate's ordinary shares is at least $15.25 on or before the date that is 42 months after the closing of the 2019 Transaction; provided that none of such Clarivate ordinary shares will vest prior to the first anniversary of the closing of the 2019 Transaction, not more than 1/3 of such Clarivate warrants will vest prior to the second anniversary of the closing of the 2019 Transaction, and not more than 2/3 of such Clarivate warrants will vest prior to the third anniversary of the closing of the 2019 Transaction. Further, such vesting is not contingent on continuing or future service of the respective holders to the Company.

2,654,856 ordinary shares of Clarivate held by such persons will vest at such time as the last sale price of Clarivate's ordinary shares is at least $17.50 on or before the fifth anniversary of the closing of the 2019 Transaction; provided that none of such Clarivate ordinary shares will vest prior to the first anniversary of the closing of the 2019 Transaction, not more than 1/3 of such Clarivate warrants will vest prior to the second anniversary of the closing of the 2019 Transaction, and not more than 2/3 of such Clarivate warrants will vest prior to the third anniversary of the closing of the 2019 Transaction. Further, such vesting is not contingent on continuing or future service of the respective holders to the Company.

The vesting conditions added to certain warrants include the following:

17,265,826 of certain warrants held by persons designated in the Sponsor Agreement, will vest at such time as the last sale price of Clarivate's ordinary shares is at least $17.50 on or before the fifth anniversary of the closing of the 2019 Transaction; provided that none of such Clarivate warrants will vest prior to the first anniversary of the closing of the 2019 Transaction, not more than 1/3 of such Clarivate warrants will vest prior to the second anniversary of the closing of the 2019 Transaction, and not more than 2/3 of such Clarivate warrants will vest prior to the third anniversary of the closing of the 2019 Transaction. Further, such vesting is not contingent on continuing or future service of the respective holders to the Company.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

In considering the terms of the transaction related awards, the Company notes that the time-based vesting restrictions were not conditioned on any continuing or future service of the holders to the Company, and reflect "lock-up" periods of the issuable shares. Further, the above mentioned performance-based restrictions were considered market conditions pursuant to ASC 718, and are contemplated in the value of the awards. As such vesting restrictions were contemplated in conjunction with the granting of the merger shares (See Note 16 - Shareholders' Equity), the Company considered such terms of the total basket of transaction awards in determination of the fair value of the awards. As no continued or future service was required by the holders of such awards, the Company recognized compensation expense in the second quarter of 2019 based on the fair value of such awards upon closing of the 2019 Transaction. The Company recognized $25,013 expense, net in Share-based compensation expense as of the date of the 2019 Transaction in accordance with the issuance of the merger shares offset by the addition of vesting terms to certain ordinary shares and warrants, as described above. The expense included the increases in value of $48,102 for the granting of merger shares, the increase in value of $1,193 for ordinary shares with only time vesting conditions, and the increase in value of shares purchased by the Founders immediately prior to the transaction of $4,411, all offset by the reduction in value of $9,396 for ordinary shares with performance vesting condition of $15.25, the reduction in value of $13,101 for ordinary shares with performance vesting condition of $17.50 and the reduction in value of $6,297 related to warrants. Pursuant to the Sponsor Agreement, certain founders of Churchill Capital Corp purchased an aggregate of 1,500,000 shares of Class B ordinary stock of Churchill immediately prior to the closing of the 2019 Transaction for an aggregate purchase price of $15,000.

We used a third-party specialist to fair value the awards at the 2019 Transaction close date of May 13, 2019 using the Monte Carlo simulation approach. The assumptions included in the model include, but are not limited to, risk-free interest rate, 2.20%; expected volatility of the Company's and the peer group's stock prices, 20.00%; and dividend yield, 0.00%. A discount for lack of marketability ("DLOM") was applied to shares that are subject to remaining post vesting lock up restrictions. The DLOM was between 3% - 7% dependent on the length of the post vesting restriction period.

On August 14, 2019, Clarivate (on its behalf and on behalf of its subsidiaries) agreed to waive the performance and time vesting conditions, described above, subject to the consummation of the secondary offering. These shares and warrants nevertheless remain subject to a lock-up for a period ranging from two to three years following the closing of the Mergers. We used a third-party specialist to fair value the awards at the modification date using the Monte Carlo simulation approach. The assumptions included in the model include, but are not limited to, risk-free interest rate, 1.42%; expected volatility of the Company's and the peer group's stock prices, 20.00%; and dividend yield, 0.00%. A DLOM was applied to shares that are subject to remaining post vesting lock up restrictions. The DLOM was between 3% - 7% dependent on the length of the post vesting restriction period.

CPA Global Phantom Plan

The acquired CPA Global business had a legacy deferred compensation plan. Under the plan, there are two groups of employee participants, including a non-management employee participant group and a management participant group. The vesting period for the management participant group plan includes both a lock up period vesting date of October 1, 2021, and an extended lock up period vesting date of October 1, 2022, for certain grants that were issued. The non-management employee participant group included a lock up period vesting period of October 1, 2021. For voluntary leavers under the plan, the participants would forfeit their awards. Given that the awards will be settled in cash, they are accounted for as a liability award in accordance with ASC 718. The liability balance is marked to market at the end of each reporting period.

In connection with the acquisition accounting in accordance with ASC 805, the Company performed an analysis by grant date to attribute the liability between the pre- and post- combination periods. Accordingly, the Company recorded a pre-combination liability of $19,478 which was offset to goodwill in acquisition accounting. The pre-combination liability is accreted over the remaining service periods and the related stock based compensation charge is recorded within the Cost of revenues and Selling, general and administrative costs line items of the Consolidated Statement of Operations.

Given the nature of the lock up periods and the retentive element to the award for the benefit of Clarivate, post-combination stock based compensation charges of $82,880 and $29,924 were recorded within the Cost of revenues and Selling, general and administrative costs line items of the Consolidated Statement of Operations for the years ended December 31, 2021 and 2020, respectively. To the extent vesting of awards were accelerated for colleagues that were involuntarily terminated, the Company accounted for these as a modification and acceleration of stock based compensation charges of $4,588 and $8,543

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

within the Restructuring and impairment line item of the Consolidated Statement of Operations for the years ended December 31, 2021 and 2020, respectively.

The Employee Benefit Trust ("EBT") associated with the CPA Global Equity Plan was consolidated on October 1, 2020. The EBT held Clarivate shares that were recorded as treasury shares as they were legally issued but not outstanding. The EBT also holds cash that is classified as restricted cash on the Consolidated Balance Sheet. See Note 16 - Shareholder's Equity for further details on the sale of shares in the EBT in December 2021 to fund the payment to the respective employees via payroll in the first quarter of 2022.

Note 18: Income Taxes

Income tax (benefit)/expense on income/(loss) analyzed by jurisdiction is as follows:

	Year ended December 31,		
	2021	**2020**	**2019**
Current			
U.K.	$ 4,374	$ 1,288	$ 677
U.S. Federal	4,798	17,540	6,917
U.S. State	289	2,861	988
Other	20,206	15,855	9,959
Total current	29,667	37,544	18,541
Deferred			
U.K.	(8,254)	(15,932)	—
U.S. Federal	5,987	(15,020)	(824)
U.S. State	(2,771)	(1,013)	(223)
Other	(12,331)	(8,277)	(7,293)
Total deferred	(17,369)	(40,242)	(8,340)
Total provision (benefit) for income taxes	$ 12,298	$ (2,698)	$ 10,201

The components of pre-tax loss are as follows:

	Year ended December 31,		
	2021	**2020**	**2019**
U.K. (loss)	$ (13,059)	$ (347,158)	$ (246,688)
U.S. income (loss)	(284,853)	(47,198)	3,733
Other income (loss)	39,762	41,033	(5,477)
Pre-tax loss	$ (258,150)	$ (353,323)	$ (248,432)

A reconciliation of the statutory U.K. income tax rate to the Company's effective tax rate is as follows:

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

	Year ended December 31,		
	2021	**2020**	**2019**
Loss before tax:	$ (258,150)	$ (353,323)	$ (248,432)
Income tax (benefit) provision	12,298	(2,698)	10,201
Statutory rate	19.0 %	19.0 %	19.0 %
Effect of different tax rates	3.2 %	1.8 %	(4.0)%
BEAT	(3.8)%	(1.9)%	(0.9)%
Tax rate modifications	17.4 %	— %	— %
Valuation Allowances	(39.0)%	(21.1)%	(17.6)%
Share-based compensation	(2.7)%	6.6 %	(0.2)%
Other permanent differences	2.3 %	(1.9)%	(0.9)%
Non-deductible transaction costs	(0.8)%	(1.4)%	(1.7)%
Withholding tax	(0.4)%	(0.2)%	(0.5)%
Tax indemnity	— %	— %	3.0 %
Other	— %	(0.1)%	(0.2)%
Effective rate	(4.8)%	0.8 %	(4.1)%

The tax effects of the significant components of temporary differences giving rise to the Company's deferred income tax assets and liabilities are as follows:

	December 31,	
	2021	**2020**
Accounts receivable	$ 2,637	$ 1,550
Accrued expenses	24,121	4,078
Deferred revenue	5,171	11,956
Other assets	32,302	14,561
Unrealized gain/loss	679	208
Fixed assets, net	—	6,237
Debt issuance costs	16,980	14,879
Lease liabilities	13,442	—
Goodwill	73,827	123,175
Operating losses and tax attributes	533,339	368,670
Total deferred tax assets	702,498	545,314
Valuation allowances	(546,770)	(367,962)
Net deferred tax assets	155,728	177,352
Other identifiable intangible assets, net	(407,944)	(442,275)
Other liabilities	(69,071)	(72,210)
Right of Use Assets	(9,342)	—
Fixed assets, net	(21,493)	—
Total deferred tax liabilities	(507,850)	(514,485)
Net deferred tax liabilities	$ (352,122)	$ (337,133)

In the Consolidated Balance Sheets, deferred tax assets and liabilities are shown net if they are in the same jurisdiction. The components of the net deferred tax liabilities as reported on the Consolidated Balance Sheets are as follows:

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

	December 31,	
	2021	**2020**
Deferred tax asset	$ 27,938	$ 29,863
Deferred tax liability	(380,060)	(366,996)
Net deferred tax liability	$ (352,122)	$ (337,133)

Deferred Tax Assets and Liabilities

The Company is required to assess the realization of its deferred tax assets and the need for a valuation allowance. The assessment requires judgment on the part of management with respect to benefits that could be realized from future taxable income. The valuation allowance is $546,770 and $367,962 at December 31, 2021 and 2020, respectively against certain deferred tax assets, as it more likely than not that such amounts will not be fully realized. During the years ended December 31, 2021 and 2020, the valuation allowance increased by $178,808 and $194,703, respectively.

At December 31, 2021, the Company had U.S. federal tax loss carryforwards of $983,033, U.K. tax loss carryforwards of $508,669, U.S. state tax loss carryforwards of $625,713, Japan tax loss carryforwards of $58,398, and tax loss carryforwards in other foreign jurisdictions of $92,394, respectively. The majority of the unrecognized tax loss carryforwards relate to UK and U.S. The carryforward period for US federal tax losses is twenty years for losses generated in tax years ended prior to December 31, 2017. The expiration period for these losses begins in 2036. For US losses generated in tax years beginning after January 1, 2018, the carryforward period is indefinite. The carryforward period for the U.K. tax losses is indefinite. The carryforward period for US state losses varies, and the expiration period is between 2021 and 2040. The carryforward period for the Japan tax losses is nine years, and the expiration period begins in 2025. The carryforward period of other losses varies by jurisdiction.

The Company has provided income taxes and withholding taxes in the amount of $12,893 on the undistributed earnings of foreign subsidiaries as of December 31, 2021. Included in the amount is a historical ProQuest liability in the amount of $7,461 which was recorded against goodwill in the acquisition accounting. The Company is not permanently reinvesting its foreign earnings offshore.

Deferred Tax Valuation Allowance

The following table shows the change in the deferred tax valuation as follows:

	December 31,		
	2021	**2020**	**2019**
Beginning Balance, January 1	$ 367,962	$ 173,259	$ 133,856
Change Charged to Expense/(Income)	100,708	52,111	38,956
Change Charged to CTA	(4,740)	1,787	447
Change Charged to Goodwill	82,840	140,805	—
Ending Balance, December 31	$ 546,770	$ 367,962	$ 173,259

Uncertain Tax Positions

Unrecognized tax benefits represent the difference between the tax benefits that the Company is able to recognize for financial reporting purposes and the tax benefits that have been recognized or expect to be recognized in filed tax returns. The total amount of net unrecognized tax benefits that, if recognized, would impact the Company's effective tax rate were $100,182 and $13,721 as of December 31, 2021 and 2020, respectively. As a result of the acquisition of ProQuest, a reserve of $70,842 has been recorded as part of the acquisition accounting related to positions taken in prior tax years by ProQuest. The majority of the reserve, in the amount of $66,616, is due to a tax controversy in Israel.

The Company recognizes accrued interest and penalties associated with uncertain tax positions as part of the tax provision. As of December 31, 2021, the interest and penalties are $19,808 and, as of December 31, 2020, the interest and penalties are $5,454. It is reasonably possible that the amount of unrecognized tax benefits will change during the next 12 months by

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

approximately $745.

The Company files income tax returns in the United Kingdom, the United States and various other jurisdictions. As of December 31, 2021, the Company's open tax years subject to examination were 2016 through 2021, which includes the Company's major jurisdictions in the United Kingdom and the United States.

The following table summarizes the Company's unrecognized tax benefits, excluding interest and penalties:

	December 31,		
	2021	2020	2019
Balance at the beginning of the year	$ 13,721	$ 1,145	$ 1,450
Increases for tax positions taken in prior years	—	12,098	—
Increases for tax positions taken in the current year	4,996	518	412
Increases for acquisitions (recorded against goodwill)	70,842	—	—
Increases for return to provisions	10,949	—	—
Decreases due to statute expirations	(326)	(40)	—
Decrease due to payment	—	—	(717)
Balance at the end of the year	$ 100,182	$ 13,721	$ 1,145

Note 19: Earnings Per Share

Basic net earnings per ordinary share from continuing operations ("EPS") is calculated by taking Income (loss) available to ordinary stockholders divided by the weighted average number of ordinary shares outstanding for the applicable period. Diluted net EPS is computed by taking net earnings adjusted for the effect of the fair value of Private Placement Warrants divided by the weighted average number of ordinary shares outstanding increased by the number of additional shares which have a dilutive effect.

Potential ordinary shares of 4,703,176, 19,507,036 and 80,873,293 of Private Placement Warrants, options, RSUs, and PSUs related to the 2019 Incentive Award Plan and other potentially dilutive instruments were excluded from diluted EPS, as applicable, for the year ended December 31, 2021, 2020 and 2019, respectively, as the Company had a net loss and their inclusion would have been anti-dilutive or their performance metric was not met. See Note 16 - Shareholders' Equity and Note 17 - Employment and Compensation Arrangements for additional information.

The potential dilutive effect of our MCPS outstanding during the period was calculated using the if-converted method assuming the conversion as of the earliest period reported or at the date of issuance, if later. The resulting weighted ordinary shares of 25,315,230 related to our MCPS are not included in the dilutive weighted-average ordinary shares outstanding calculation for the year ended December 31, 2021, as their effect would be anti-dilutive given the net loss incurred during the year.

The basic and diluted EPS computations for our ordinary shares are calculated as follows (in thousands, except share and per share amounts):

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

	Year Ended December 31,		
	2021	**2020**	**2019**
Basic EPS			
Net loss	$ (270,448)	$ (350,625)	$ (258,633)
Dividends on preferred shares	(41,508)	—	—
Net loss attributable to ordinary shares	$ (311,956)	$ (350,625)	$ (258,633)
Basic weighted-average number of ordinary shares outstanding	630,976,906	427,023,558	273,883,342
Basic EPS	$ (0.49)	$ (0.82)	$ (0.94)
Diluted EPS			
Net loss attributable to ordinary shares	$ (311,956)	$ (350,625)	$ (258,633)
Change in fair value of private placement warrants	(81,320)	—	—
Net loss attributable to ordinary shares, diluted	$ (393,276)	$ (350,625)	$ (258,633)
Denominator:			
Shares used in computing net loss attributable to per share to ordinary shareholders, basic	630,976,906	427,023.558	273,883,342
Weighted-average effect of potentially dilutive shares to purchase ordinary shares	9,797,194	—	—
Diluted weighted-average number of ordinary shares outstanding	640,774,100	427,023,558	273,883,342
Diluted EPS	$ (0.61)	$ (0.82)	$ (0.94)

Note 20: Other Operating Income (Expense), Net

Other operating income (expense), net, consisted of the following for the years ended December 31, 2021, 2020 and 2019:

	Year Ended December 31,		
	2021	**2020**	**2019**
Net gain on sale of business and other assets [1]	$ —	$ 28,140	$ —
Net foreign exchange (loss) gain	(19,618)	19,771	(191)
Miscellaneous (expense) income, net	(7,889)	4,470	5,017
Other operating (expense) income, net	$ (27,507)	$ 52,381	$ 4,826

[1] Includes the net gain on sale of Techstreet in 2020.

Note 21: Tax Receivable Agreement

At the completion of the 2019 Transaction, we recorded an initial liability of $264,600 payable to the pre-business combination equity holders under the TRA, representing approximately 85% of the calculated tax savings based on the portion of the Covered Tax Assets we anticipate being able to utilize in future years. TRA payments were expected to commence in 2021 (with respect to taxable periods ending in 2019) and would have been subject to deferral, at the Company's election, for payment amounts in excess of $30,000 to be made in 2021 and 2022 but would not be subject to deferral thereafter.

On August 21, 2019, the Company entered into a Buyout Agreement among the Company and Onex Partners IV LP ("TRA Buyout Agreement"), pursuant to which all future payment obligations of the Company under the Tax Receivable Agreement would terminate in exchange for a payment of $200,000 (the "TRA Termination Payment"), which the Company paid on November 7, 2019 with a portion of the net proceeds from the Refinancing 2019 Transaction. As a result of the

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

payment, a gain was recorded to shareholders equity of $64,600. As of December 31, 2021 and 2020, our liability under the TRA was $0.

Note 22: Segment Information

The Chief Executive Officer is the Company's Chief Operating Decision Maker ("CODM"). The CODM evaluates segment performance based primarily on revenue and segment Adjusted EBITDA, as described below. The CODM does not review assets by operating segment for the purposes of assessing performance or allocated resources.

Each of the Company's reportable segments, Science Group and Intellectual Property Group, recognizes revenue in accordance with the revenue recognition policy within Note 3 - Summary of Significant Accounting Policies and our ten largest customers represented only 9%, 6%, and 5% of revenues for the years ended December 31, 2021, 2020 and 2019, respectively. Below is the overview of the product lines within each reportable segment.

Science: The Science segment consists of our Academic and Government Product Line, which includes ProQuest, and our Life Sciences Product Line. Both Product Lines provide curated, high-value, structured information and consulting services that is delivered and embedded into the workflows of our customers, which include research-intensive corporations, life science organizations and universities world-wide.

Intellectual Property: The Intellectual Property segment consists of our Patent, Trademark, Domain, and IP Management Product Lines. These Product Lines help manage customer's end-to-end portfolio of intellectual property from patents to trademarks to corporate website domains.

Each of the two operating segments represent the segments for which discrete financial information is available and upon which operating results are regularly evaluated by the CODM in order to assess performance and allocate resources. The CODM evaluates performance based primarily on revenue and segment Adjusted EBITDA. Adjusted EBITDA represents net (loss) income before provision for income taxes, depreciation and amortization, interest income and expense adjusted to exclude acquisition or disposal-related transaction costs (such costs include net income from continuing operations before provision for income taxes, depreciation and amortization and interest income and expense from divestitures), losses on extinguishment of debt, stock-based compensation, unrealized foreign currency gains/(losses), costs associated with the transition services agreement with Thomson Reuters, separation and integration costs, transformational and restructuring expenses, acquisition-related adjustments to deferred revenues, costs related to our merger with Churchill Capital Corp in 2019, non-cash income/(loss) on equity and cost method investments, non-operating income or expense, the impact of certain non-cash, legal settlements and other items that are included in net income for the period that the Company does not consider indicative of its ongoing operating performance and certain unusual items impacting results in a particular period.

The following table summarizes revenue by reportable segment for the periods indicated:

	Year Ended December 31,		
	2021	**2020**	**2019**
Science Segment	$ 902,624	$ 736,765	$ 547,542
Intellectual Property Segment	974,270	517,282	426,803
Total Revenues	$ 1,876,894	$ 1,254,047	$ 974,345

Adjusted EBITDA by segment

The following table presents segment profitability and a reconciliation to net income for the periods indicated:

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

	Year Ended December 31,		
	2021	**2020**	**2019**
Science Segment Adjusted EBITDA	$ 417,066	$ 344,000	$ 240,602
Intellectual Property Segment Adjusted EBITDA	383,338	142,600	53,463
Total Adjusted EBITDA	$ 800,404	$ 486,600	$ 294,065
Benefit (provision) for income taxes	(12,298)	2,698	(10,201)
Depreciation and amortization	(537,815)	(303,150)	(200,542)
Interest, net	(252,490)	(111,914)	(157,689)
Mark to market adjustment on financial instruments [1]	81,320	(205,062)	(47,656)
Deferred revenues adjustment [2]	(3,951)	(23,101)	(438)
Transaction related costs [3]	(46,216)	(99,286)	(46,214)
Share-based compensation expense	(139,571)	(70,472)	(51,383)
Gain on sale of assets	—	28,140	—
Restructuring and impairment [4]	(129,459)	(56,138)	(15,670)
Legal settlement	—	—	39,399
Impairment on assets held for sale	—	—	(18,431)
Other [5]	(30,372)	1,060	(43,873)
Net loss	$ (270,448)	$ (350,625)	$ (258,633)
Dividends on preferred shares	(41,508)	—	—
Net loss attributable to ordinary shares	$ (311,956)	$ (350,625)	$ (258,633)

(1) Reflects mark to market adjustments on financial instruments under Accounting Standards Codification 815, *Derivatives and Hedging*, ("ASC 815"). Warrant instruments that do not meet the criteria to be considered indexed to an entity's own stock shall be initially classified as a liability at their estimated fair values, regardless of the likelihood that such instruments will ever be settled in cash. In periods subsequent to issuance, changes in the estimated fair value of the liabilities are reported through earnings.

(2) Reflects the deferred revenues adjustment made as a result of purchase accounting prior to the adoption of FASB ASU No. 2021-08, *"Accounting for Contract Assets and Contract Liabilities from Contracts with Customers"*. In the fourth quarter of 2021, Clarivate adopted ASU No. 2021-08 which allows an acquirer to account for the related revenue contracts in accordance with Topic 606 as if it had originated the contracts. This guidance was applied retrospectively to all business combinations for which the acquisition date occurs during or subsequent to the fiscal year 2021.

(3) Includes costs incurred to complete business combination transactions, including acquisitions, dispositions and capital market activities and include advisory, legal, and other professional and consulting costs. This also includes the mark to market adjustments on the contingent stock consideration associated with the CPA Global and DRG acquisitions.

(4) Reflects costs related to restructuring and impairment associated with the acquisition of primarily DRG and CPA Global in 2020. This also includes costs incurred in connection with the initiative, following our merger with Churchill Capital Corp in 2019, to streamline our operations by simplifying our organization and focusing on two segments. During 2021, the CPA Global plan continued as well as the addition of the One Clarivate and ProQuest Programs, which were approved restructuring actions to streamline operations within targeted areas of the Company. Additionally, during the year ended December 31, 2021, 2020 and 2019, we incurred impairment charges taken on right-of-use assets of $57,305, $4,771 and $0 respectively, relating to the exit and ceased use of leased properties.

(5) Includes primarily the net impact of foreign exchange gains and losses related to the re-measurement of balances and other items that do not reflect our ongoing operating performance. The 2020 detail also includes costs related to a transition services agreement and offset by the reverse transition services agreement from the sale of MarkMonitor. In 2019, this includes payments to Thomson Reuters under the Transition Services Agreement. For both 2020 and 2019, this also includes costs incurred in connection with and after our separation from Thomson Reuters in 2016 relating to the implementation of our standalone company infrastructure and related cost-savings initiatives. These costs include mainly transition consulting, technology infrastructure, personnel and severance expenses relating to our standalone company infrastructure, which are recorded in selling, general and administrative costs in our income statement, as well as expenses related to the restructuring and transformation of our business following our separation from Thomson Reuters in 2016 mainly related to the integration of separate business units into one functional organization and enhancements in our technology. These costs were largely wound down by the end of 2020.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

Consolidated Revenue and Long-Lived Assets Information by Geographic Area

Revenues recognized in the U.S. represented 46%, 45%, and 43% of revenues for the years ended December 31, 2021, 2020 and 2019, respectively and no other country accounted for more than 10% of revenues.

Revenue by Geography

The following table summarizes revenue from external customers by geography, which is based on the location of the customer:

	Year ended December 31,		
Revenue:	**2021**	**2020**	**2019**
Americas	$ 928,690	$ 631,222	$ 463,041
Europe/Middle East/Africa	555,804	365,599	278,738
APAC	396,351	280,327	233,004
Deferred revenues adjustment	(3,951)	(23,101)	(438)
Total	$ 1,876,894	$ 1,254,047	$ 974,345

Assets by Geography

Assets are allocated based on operations and physical location. The following table summarizes non-current assets other than financial instruments, operating lease ROU assets and deferred tax assets by geography:

	Year ended December 31,	
Assets:	**2021**	**2020**
Americas	$ 8,944,134	$ 3,238,734
Europe/Middle East/Africa	10,555,892	10,859,341
APAC	682,953	692,623
Total Assets	$ 20,182,979	$ 14,790,698

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

Note 23: Commitments and Contingencies

The Company does not have any recorded or unrecorded guarantees of the indebtedness of others.

Lawsuits and Legal Claims

The Company is engaged in various legal proceedings, claims, audits and investigations that have arisen in the ordinary course of business. These matters may include among others, antitrust/competition claims, intellectual property infringement claims, employment matters and commercial matters. The outcome of all of the matters against the Company is subject to future resolution, including the uncertainties of litigation.

From time to time, we are involved in litigation in the ordinary course of our business, including claims or contingencies that may arise related to matters occurring prior to our acquisition of businesses. At the present time, primarily because the matters are generally in early stages, we can give no assurance as to the outcome of any pending litigation to which we are currently a party, and we are unable to determine the ultimate resolution of these matters or the effect they may have on us. Our best estimate of the Company's potential liability for the larger legal claims is $60,500, which includes estimated legal costs and accrued interest. The recorded probable loss is an estimate and the actual costs arising from our litigation could be materially lower or higher. We do not expect the outcome of such proceedings to have a material adverse effect on our results of operations or financial condition. We have and will continue to vigorously defend ourselves against these claims. We maintain appropriate insurance that we expect is likely to provide coverage for some of these liabilities or other losses that may arise from these litigation matters.

On January 24, 2022, a putative securities class action complaint was filed in the United States District Court for the Eastern District of New York against Clarivate and certain of its executives alleging that there were weaknesses in the company's internal controls over financial reporting and financial reporting procedures that it failed to disclose in violation of federal securities law and claiming damages on behalf of a putative class of shareholders who acquired Clarivate securities between February 26, 2021 and December 27, 2021. The complaint references an error in the accounting treatment of an equity plan included in the Company's 2020 business combination with CPA Global that was disclosed on December 27, 2021. Clarivate does not believe that the claims alleged in the complaint have merit and will vigorously defend against it. Given the early stage of the proceedings, we are unable to estimate the reasonably possible loss or range of loss, if any, arising from this matter.

Warrant Liabilities

Under Accounting Standards Codification 815, *Derivatives and Hedging*, ("ASC 815"), warrant instruments that do not meet the criteria to be considered indexed to an entity's own stock shall be initially classified as a liability at their estimated fair values, regardless of the likelihood that such instruments will ever be settled in cash. In periods subsequent to issuance, changes in the estimated fair value of the liabilities are reported through earnings.

Contingent Liabilities

In conjunction with the acquisition of Publons, the Company agreed to pay former shareholders up to an additional $9,500 through 2020. Amounts payable were contingent upon Publons' achievement of certain milestones and performance metrics. The Company paid $0 and $3,701 of the contingent purchase price in the year ended December 31, 2021 and 2020, respectively, as a result of Publons achieving the first tier of milestones and performance metrics during 2020. The Company had an outstanding liability of $0 related to the estimated fair value of this contingent consideration as of December 31, 2021 and 2020.

In conjunction with the acquisition of Kopernio, the Company paid former shareholders $2,184 during the year ended December 31, 2020, due to the achievement of certain milestones and performance metrics. As a result of the payment, no further obligations exist as of December 31, 2021 and 2020.

In conjunction with the acquisition of TrademarkVision, the Company agreed to pay former shareholders a potential earn-out dependent upon achievement of certain milestones and financial performance metrics through 2020. Amounts payable were contingent upon TrademarkVision's achievement of certain milestones and performance metrics. During the year ended December 31, 2020, the Company paid $8,000 of the contingent purchase price to complete the earn-out. Due to the earn-out being settled during 2020, the outstanding liability as of December 31, 2021 and 2020 was $0.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

In conjunction with the acquisition of DRG, the Company agreed to pay up to 2,895,638 shares as contingent stock consideration, valued at $58,897 on the closing date of the acquisition. See Note 4 - Business Combinations for more information on the contingent stock consideration. Amounts payable were contingent upon any indemnity losses or claims to indemnity losses occurring within that one-year period. During March 2021, the Company issued 2,895,638 shares as per the purchase agreement for the acquisition of DRG for a total of $61,619 which was satisfied. The issuance of these shares represents a non-cash financing activity on the statement of cash flows.

In conjunction with the acquisition of CPA Global, the Company agreed to pay up to 1,500,000 shares as contingent stock consideration, valued at $46,485 on the closing date of the acquisition. See Note 4 - Business Combinations for more information on the contingent stock consideration. The amount was payable 110 days after the acquisition date and was contingent upon any indemnity losses or claims for indemnity losses as defined in the purchase agreement. During January 2021, the Company issued 1,500,000 shares as per the purchase agreement for the acquisition of CPA Global related to a hold-back clause for a total of $43,890 which was satisfied. The issuance of these shares represents a non-cash financing activity on the statement of cash flows.

As of December 31, 2021, there were no outstanding contingent liabilities.

MCPS Dividends

As noted in Note 16 - Shareholders' Equity, dividends on our convertible preferred shares will be payable on a cumulative basis when, as and if declared by our Board of Directors, or an authorized committee of our Board of Directors, at an annual rate of 5.25% of the liquidation preference of $100.00 per share. Refer to Note 16 - Shareholders' Equity for further details.

Commitments

Unconditional purchase obligations

Purchase obligations are defined as agreements to purchase goods or services that are enforceable and legally binding and that specify all significant terms, including fixed or minimum quantities to be purchased, fixed, minimum or variable pricing provisions and the approximate timing of the transactions. The Company has various purchase obligations for materials, supplies, outsourcing and other services contracted in the ordinary course of business. These items are not recognized as liabilities in our Consolidated Financial Statements but are required to be disclosed. The contractual terms of these purchase obligations extend through 2026. The Company incurred $83,598 towards these purchase obligations during the year ended December 31, 2021.

The future unconditional purchase obligations as of December 31, 2021 are as follows:

Year ending December 31,	
2022	103,602
2023	44,896
2024	32,533
2025	16,606
Thereafter	2,307
Total	$ 199,944

Note 24: Related Party and Former Parent Transactions

The Company had an outstanding liability of $13, $4 and $3 to Onex as of December 31, 2021, 2020 and 2019, respectively.

In connection with the 2016 Transaction, Bidco and a subsidiary of the Former Parent entered into the Transition Service Agreement, which became effective on October 3, 2016, pursuant to which such subsidiary of the Former Parent will, or will cause its affiliates and/or third-party service providers to, provide Bidco, its affiliates and/or third-party service providers with certain technology, facilities management, human resources, sourcing, financial, accounting, data management, marketing and other services to support the operation of the IP&S business as an independent company. Such

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

services are provided by such subsidiary of the Former Parent or its affiliates and/or third-party service providers for various time periods and at various costs based upon the terms set forth in the Transition Service Agreement.

Two controlled affiliates of Baring are vendors of ours. Total expenses incurred for these vendors were $880, $830 and $765 for the years ended December 31, 2021, 2020 and 2019, respectively. The Company had an outstanding liability to these vendors of $330 and $237 as of December 31, 2021 and 2020, respectively.

A controlled affiliate of Onex is a customer of ours. The net revenue from this customer during the period was $1,790 and $2,136 for the years ended December 31, 2021 and 2020, respectively. The Company had no outstanding receivable as of December 31, 2021 and 2020. This customer was not a related party for the year ended December 31, 2019.

Three controlled affiliates of Leonard Green & Partners, L.P. are customers of ours. The net revenue from these customers during the period was $128, $42,184 and $180 for the year ended December 31, 2021 and $129, $10,857 and $136 for the year ended December 31, 2020, respectively. The Company had an outstanding receivable of $32, $70,952 and $51 as of December 31, 2021 and $31, $54,656 and $264 as of December 31, 2020. These customers were not a related party for the year ended December 31, 2019.

Three controlled affiliates of Leonard Green & Partners, L.P. are vendors of ours. Total expenses incurred for these vendors were $1,257, $32,394 and $6,110 for the year ended December 31, 2021 and $295, $6,934 and $1,817 for the year ended December 31, 2020, respectively. The Company had no outstanding liability to these vendors as of December 31, 2021 and $0, $0 and $1,995 as of December 31, 2020. These vendors were not a related party for the year ended December 31, 2019.

One of our independent directors has an immediate family member who is a member of management within one of Clarivate's customers. Total revenue from the Customer was $1,028, $1,497 and $33 for the years ended December 31, 2021, 2020 and 2019, respectively. The Company had $60, $100 and $4 outstanding receivable as of December 31, 2021, 2020 and 2019, respectively.

On May 15, 2021, Clarivate entered into an agreement with Capri Acquisition Topco Limited ("Capri") and Solaro ExchangeCo Limited ("NewCo"), and for certain limited purposes, LGP. Capri and NewCo are controlled by LGP and held the Clarivate ordinary shares beneficially owned by LGP and certain other existing shareholders. Under the agreement, Capri contributed 177,206,779 of its Clarivate ordinary shares to NewCo. Clarivate then acquired NewCo in exchange for the issuance of the same number of Clarivate ordinary shares to Capri. This transaction did not involve any change in beneficial ownership of Clarivate's ordinary shares and the issuance of the new ordinary shares to Capri were exempt from the registration requirements of the Securities Act under Section 4(a)(2) thereof. Pursuant to authority granted to Clarivate by shareholders at its 2021 Annual General Meeting, following its acquisition of Newco, Clarivate purchased the ordinary shares held by Newco for a nominal price and then canceled such shares. This was a non-cash financing transaction that had a net immaterial impact on the Consolidated Financial Statements.

On December 1, 2021, Clarivate closed its acquisition of ProQuest from CIG, Atairos and certain other equity holders (The Seller Group). The aggregate consideration included $1,094,901 from the issuance of 46,910,923 ordinary shares to the Seller Group. As part of the acquisition, and as a result, CIG is a related party to Clarivate. Clarivate assumed a Finance lease in which CIG is the Lessor as part of the acquisition. From the period between December 1, 2021 and December 31, 2021, interest expense of $98 and amortization of Finance lease ROU asset of $1,291 is reflected in the Consolidated Statements of Operations. The Finance lease ROU asset of $30,560 is presented within Property, Plant, and Equipment (see Note 8 - Property and Equipment, Net) and the corresponding lease liability of $30,835 is treated as an item of indebtedness (see Note 14 - Debt) within the Consolidated Balance Sheet.

Note 25: Restructuring and Impairment

During 2020 and 2019, we engaged a strategic consulting firm to assist us in optimizing our structure and cost base. As a result, we have implemented several cost-saving and margin improvement programs designed to generate substantial incremental cash flow including the Operation, Simplification and Optimization Program, the DRG Acquisition Integration Program, the CPA Global Acquisition Integration and Optimization Program, and most recently the One Clarivate Program. In connection with the CPA Global Acquisition restructuring program, a social plan was entered into in Belgium. Liabilities for non-retirement post-employment benefits that fall under ASC 712 are recognized when the severance liability was determined to be probable of being paid and reasonably estimable.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

Operation Simplification and Optimization Program

During the fourth quarter of 2019, the Company approved restructuring actions designed to streamline our operations by simplifying our organization and focusing on two segments in planned phases. Restructuring charges included actions to reduce operational costs. Components of the pre-tax charges include $2,063 and $16,069 in severance costs and $158 and $10,578 in other costs incurred during the year ended December 31, 2021 and 2020, respectively. The Science and IP segments incurred $775 and $1,446 of the expense, respectively, during the year ended December 31, 2021 and $13,559 and $13,087 during the year ended December 31, 2020, respectively.

DRG Acquisition Integration Program

During the second quarter of 2020, the Company approved restructuring actions designed to eliminate duplicative costs following the acquisition of DRG in planned phases. Restructuring charges included actions to reduce operational costs. Components of the pre-tax charges include $120 and $5,133 in severance costs and $75 and $1,464 in other costs incurred during the year ended December 31, 2021 and 2020, respectively. The Science and IP segments incurred $78 and $117 of the expense, respectively, during the year ended December 31, 2021, and $3,286 and $3,311 during the year ended December 31, 2020, respectively.

CPA Global Acquisition Integration and Optimization Program

During the fourth quarter of 2020, the Company approved restructuring actions designed to eliminate duplicative costs following the acquisition of CPA Global and to streamline our operations simplifying our organization and reducing our leasing portfolio. Restructuring charges included actions to reduce operational costs. Components of the pre-tax charges include $35,882 and $18,715 in severance costs and $69,240 and $4,179 in other costs incurred during the year ended December 31, 2021 and 2020, respectively. The Science and IP segments incurred $37,899 and $67,223 of the expense, respectively, during the year ended December 31, 2021. and $7,414 and $6,938 during the year ended December 31, 2020.

One Clarivate Program

During the second quarter 2021, the Company approved restructuring actions to streamline operations within targeted areas of the Company. The program will result in a reduction in operational costs, with the primary cost savings driver being from a reduction in workforce. Components of the pre-tax charges include $17,275 and $0 in severance costs and $2,707 and $0 in other costs incurred during the year ended December 31, 2021 and 2020, respectively. The Science and IP segments incurred $7,206 and $12,775 of the expense, respectively, during the year ended December 31, 2021, and $0 and $0 during the year ended December 31, 2020.

ProQuest Acquisition Integration Program

During the fourth quarter 2021, the Company approved restructuring actions to streamline operations within targeted areas of the Company. The program will result in a reduction in operational costs, with the primary cost savings driver being from a reduction in workforce. Components of the pre-tax charges include $1,939 in severance costs and $0 in other costs incurred during the year ended December 31, 2021. The Science and IP segments incurred $671 and $1,268 of the expense, respectively, during the year ended December 31, 2021.

The table below summarizes the activity related to the restructuring reserves across each of Clarivate's cost-saving's programs.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

Restructuring Programs	*Severance and Related Benefit Costs* [3]	*Costs Associated with Exit and Disposal Costs* [1]	*Total*
Reserve Balance as of December 31, 2019	9,506	—	9,506
Expenses recorded	39,917	16,221	56,138
Payments made	(25,418)	(5,342)	(30,760)
Noncash items and other adjustments	1,707	(6,404)	(4,697)
Reserve Balance as of December 31, 2020	25,712	4,475	30,187
Expenses recorded[2]	57,280	72,179	129,459
Payments made	(48,782)	(11,459)	(60,241)
Noncash items	(5,889)	(57,995)	(63,884)
Reserve Balance as of December 31, 2021	28,322	7,200	35,522

[1] Relates primary to lease exit costs and legal and advisory fees.

[2] Severance and related benefit cost includes $4,532 of non-cash adjustments, primarily related to the acceleration of stock based compensation awards.

[3] Expenses recorded for Severance and Related Benefit Costs includes the acceleration of equity based awards for severed individuals under the CPA Global Equity Plan. These expenses will be paid in cash and is accounted for as a liability award.

The following table is a summary of charges incurred related to the Company's restructuring programs for the year ended December 31, 2021 and 2020.

	Year Ended December 31,	
	2021	**2020**
Severance and related benefit costs	$ 57,280	$ 39,917
Costs associated with exit and disposal activities [1]	11,114	8,526
Costs associated with lease exit costs including impairment [2]	61,065	7,695
Total restructuring and impairment	$ 129,459	$ 56,138

[1] Relates primarily to contract exit costs, legal and advisory fees.

[2] Relates primary to lease exit costs.

Employee Rights Upon Retirement

In Israel, the Company is required by law to make severance payments upon dismissal of an employee or upon termination of employment in certain other circumstances. The Company operates a number of post-employment defined contribution plans. A defined contribution plan is a program that benefits an employee after termination of employment, under which the Company regularly makes ongoing deposits into Israeli employees' pension plans to fund their severance liabilities. According to Section 14 of the Severance Pay Law, for employees employed by the Company under section 14, the Company deposits are made in lieu of the Company's severance liability for 85% of the employees' salaries, therefore no obligation is provided for in the financial statements for such portion of the employees' salaries. Severance pay liabilities for the section 14 employees, is calculated for 15% of salary and provided for in the financial statements based upon the latest monthly salary multiplied by the number of years of employment. The fund assets for such section 14 employees are not included in the Company's financial position. For employees that are not under section 14, severance pay liabilities are provided for in the financial statements based upon the latest monthly salary multiplied by the number of years of employment. The fund assets for such non-section 14 employees are included in the Company's financial position. In accordance with its terms, the plans meet the definition of a defined contribution plan.

	December 31, 2021	**December 31, 2020**
Long-term severance payable	$ 8,586	$ 9,608

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

Note 26: Quarterly Financial Data (Unaudited)

The following table below summarizes certain quarterly results of operations (in thousands except per share data). We have revised our Diluted EPS disclosures for the First and Third Quarter Diluted EPS calculations for misstatements identified in the original calculations which incorrectly excluded the change in fair value of private placement warrants and the corresponding effect of the weighted-average impact of potentially dilutive shares to purchase ordinary shares. We evaluated whether our previously issued interim consolidated financial statements were materially misstated due to these corrections. Based upon our evaluation of both quantitative and qualitative factors, we believe that the effects of these misstatements were not material individually or in the aggregate to the previously reported quarterly periods. Accordingly, we have revised such amounts below and will revise the diluted earnings per share in the subsequent quarterly filings on Form 10-Q in 2022. Refer to the footnote in the table below for more information related to these revisions.

	2021			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$ 428,430	$ 445,645	$ 442,117	$ 560,702
(Loss) income from operations	$ (69,510)	$ (63,770)	$ 14,375	$ 31,925
Net (loss) income attributable to ordinary shares	$ (55,951)	$ (131,567)	$ 5,993	$ (130,431)
Earnings per share:				
Basic	$ (0.09)	$ (0.22)	$ 0.01	$ (0.20)
Diluted (As Revised)	$ (0.17) [1]	$ (0.22)	$ (0.12) [1]	$ (0.20)

[1] The revision pertains to the treatment of mark-to-market gains within Q1-21 and Q3-21 reported results on the warrants within income attributable to ordinary shareholders and corresponding adjustments to Diluted weighted-average shares outstanding. Refer to the supplemental quarterly table presented below for revised computations. Previously reported Diluted earnings per share for the first quarter and third quarter of 2021 was ($0.09) and $0.01, respectively.

The diluted EPS computations for our ordinary shares for each of the quarterly periods presented were calculated as follows (in thousands, except share and per share amounts):

	2021			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Diluted EPS				
Net (loss) income attributable to ordinary shares	$ (55,951)	$ (131,567)	$ 5,993	$ (130,431)
Change in fair value of private placement warrants[1]	(51,215)	—	(83,013)	—
Net loss attributable to ordinary shares, diluted	$ (107,166)	$ (131,567)	$ (77,020)	$ (130,431)
Denominator:				
Shares used in computing net loss attributable to per share to ordinary shareholders, basic	602,272,375	611,093,882	634,508,967	654,886,227
Weighted-average effect of potentially dilutive shares to purchase ordinary shares[1]	10,326,289	—	9,393,810	—
Diluted weighted-average number of ordinary shares outstanding	612,598,664	611,093,882	643,902,777	654,886,227
Diluted EPS	$ (0.17)	$ (0.22)	$ (0.12)	$ (0.20)

[1] The revision pertains to the treatment of mark-to-market gains within Q1-21 and Q3-21 reported results on the warrants within income attributable to ordinary shareholders and corresponding adjustments to Diluted weighted-average shares outstanding.

CLARIVATE PLC
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

	2020			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$ 240,592	$ 273,500	$ 284,360	$ 455,595
(Loss) income from operations	$ (28,308)	$ 14,246	$ (12,664)	$ (9,621)
Net loss attributable to ordinary shares	$ (129,633)	$ (25,281)	$ (181,986)	$ (13,725)
Earnings per share:				
Basic	$ (0.38)	$ (0.07)	$ (0.47)	$ (0.02)
Diluted	$ (0.38)	$ (0.07)	$ (0.47)	$ (0.05)

Note 27: Subsequent Events

Management has evaluated the impact of events that have occurred subsequent to December 31, 2021. Based on this evaluation, other than disclosed within these Consolidated Financial Statements and related notes, the Company has determined no other events were required to be recognized or disclosed.

On February 7, 2022, the Company announced that our Board of Directors approved the purchase of up to $1,000 million of the Company's ordinary shares through open-market purchases, to be executed through December 31, 2023. The Board of Directors also declared a quarterly dividend of $1.3125 per share on its 5.25% Series A Mandatory Convertible Preferred Shares, payable in cash on March 1, 2022 to shareholders of record at the close of business on February 15, 2022.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of December 31, 2021. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, due to the material weaknesses in our internal control over financial reporting described below, our disclosure controls and procedures were not effective at the reasonable assurance level as of December 31, 2021.

Notwithstanding the material weaknesses, management has concluded that our audited financial statements included in this Annual Report on Form 10-K are fairly stated in all material respects in accordance with U.S. GAAP for each of the periods presented herein.

Management's Report on Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Clarivate's management assessed the effectiveness of Clarivate's internal control over financial reporting as of December 31, 2021 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control — Integrated Framework* (2013).

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Clarivate's management identified material weaknesses in our internal control over financial reporting related to: (1) the lack of an effectively designed control over the communication of modifications to pre-existing compensation agreements in an acquisition transaction between the legal function and the accounting function to ensure the accounting impact of the modifications could be evaluated, and (2) the lack of an effectively designed control with a sufficient level of precision to allow for an appropriate review of the tax balances associated with the opening balance sheet of acquired entities.

The material weakness related to the communication of modifications to pre-existing compensation agreements in an acquisition transaction resulted in the restatement of the Company's consolidated financial statements for the year ended December 31, 2020, the quarter ended December 31, 2020, and each of the quarters of 2021 related to restricted cash, prepaid expenses, goodwill, accrued expenses, other current liabilities, other non-current liabilities, treasury shares, and accumulated other comprehensive income (loss) and accumulated deficit. The material weakness related to the review of the

tax balances associated with the opening balance sheet of acquired entities resulted in immaterial adjustments of the Company's consolidated financial statements for the year ended December 31, 2020 and each of the quarters of 2020 and 2021 related to goodwill, deferred income tax asset, and deferred income tax liability. Additionally, these material weaknesses could result in misstatements of the aforementioned account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected. Because of these material weaknesses, management concluded that the Company did not maintain effective internal control over financial reporting as of December 31, 2021.

In the year ended December 31, 2021, the Company acquired ProQuest in a purchase business combination. Management excluded ProQuest from our assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2021. ProQuest represented 2% of the Company's total assets and 4% of the Company's total revenues as of and for the year ended December 31, 2021.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2021 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears under "Item 8. Financial Statements and Supplementary Data".

Remediation Plan

Our remediation plan related to the first identified material weakness includes management designing a control to identify and communicate the inventory of pre-existing compensation agreements in an acquisition transaction to the accounting department through the transaction close date to ensure the inventory includes the current version of the agreements. Our remediation plan will also include bring down procedures each quarter through the measurement period. Our remediation plan related to the second identified material weakness includes management designing an enhanced control to operate periodically during the measurement period to allow for an appropriate review of the tax balances associated with the opening balance sheet of acquired entities.

Changes in Internal Control Over Financial Reporting

During the fourth quarter of 2021, there were no changes in Clarivate's internal control over financial reporting that materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

Item 9B. Other Information

Iran Threat Reduction And Syria Human Rights Act Disclosure

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, which amended the Securities Exchange Act of 1934, an issuer is required to disclose in its annual or quarterly reports, as applicable, whether, during the reporting period, it or any of its affiliates knowingly engaged in certain activities, transactions or dealings relating to Iran or with individuals or entities designated pursuant to certain Executive Orders. Disclosure is generally required even where the activities, transactions or dealings were conducted in compliance with applicable laws and regulations.

During the reporting period, the Company sold access to information and informational materials, which are generally exempt from U.S. economic sanctions, to 3 entities that are part of, or may be owned or controlled by, the Government of Iran. We were advised by counsel that these transactions were permissible under U.S. sanctions pursuant to certain statutory and regulatory exemptions for the exportation of information and informational materials. The Company terminated this activity in October 2019 and does not intend to resume it.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

We incorporate by reference the information responsive to this Item appearing in our definitive Proxy Statement on Schedule 14A for our 2022 Annual General Meeting of Shareholders ("Proxy Statement"), which will be filed no later than 120 days after December 31, 2021.

Code of Ethics

Clarivate has adopted a Code of Ethics that applies to all of its employees, officers, and directors. This includes Clarivate's principal executive officer, principal financial officer, and principal accounting officer or controller, or persons performing similar functions. The full text of Clarivate's Code of Ethics is posted on its website at ir.clarivate.com/governance/governance-documents/default.aspx. Clarivate intends to disclose on its website any future amendments of the Code of Ethics or waivers that exempt any principal executive officer, principal financial officer, principal accounting officer or controller, persons performing similar functions, or Clarivate's directors from provisions in the Code of Ethics.

Statement of Significant Differences Between our Corporate Governance Practices and NYSE Corporate Governance Standards for U.S. Issuers

Pursuant to exceptions for foreign private issuers, we are not required to comply with certain of the corporate governance practices followed by U.S. companies under NYSE listing standards. However, Section 303A.11 of the NYSE Listed Company Manual requires that we state any significant differences between our corporate governance practices and the practices required by the NYSE. In this regard, if we believe that circumstances warrant, we may elect to comply with provisions of Companies (Jersey) Law 1991 in lieu of the NYSE shareholder approval requirements applicable to certain dilutive events, such as the establishment or material amendment of certain equity-based compensation plans. In addition, our compensation committee and nominating and corporate governance committee are not subject to annual performance evaluations.

Item 11. Executive Compensation

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement, which will be filed no later than 120 days after December 31, 2021.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement, which will be filed no later than 120 days after December 31, 2021.

Item 13. Certain Relationships and Related Transactions, and Director Independence

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement, which will be filed no later than 120 days after December 31, 2021.

Item 14. Principal Accounting Fees and Services

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement, which will be filed no later than 120 days after December 31, 2021.

PART IV

Item 15. Exhibits and Financial Statement Schedules

EXHIBIT INDEX

2.1	ProQuest Transaction Agreement (incorporated by reference to Exhibit 2.1 to Clarivate's Form 8-K filed May 17, 2021)
2.2	Amendment to ProQuest Transaction Agreement (incorporated by reference to Exhibit 2.1 to Clarivate's Form 8-K filed July 29, 2021)
2.3	Amendment No. 2 to ProQuest Transaction Agreement (incorporated by reference to Exhibit 2.1 to Clarivate's Form 8-K filed December 1, 2021)
3.1	Amended and Restated Memorandum and Articles of Association (incorporated by reference to Exhibit 3.1 to Clarivate's Form 8-K filed May 12, 2021)
3.2	Statement of Rights of the 5.25% Series A Mandatory Convertible Preferred Shares of Clarivate Plc, effective June 14, 2021 (incorporated by reference to Exhibit 3.1 to Clarivate's Form 8-K filed June 14, 2021)
3.3	Form of Certificate of the 5.25% Series A Mandatory Convertible Preferred Shares (included as Exhibit A to Exhibit 3.2 hereto)
4.1*	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934
4.2	Warrant Agreement between Continental Stock Transfer & Trust Company and Churchill Capital Corp (incorporated by reference to Exhibit 4.4 to Churchill Capital Corp's Form 8-K, filed on September 12, 2018)
4.3	Indenture dated as of October 31, 2019 among Camelot Finance S.A., as Issuer, the guarantors party thereto and Wilmington Trust, National Association, as trustee governing the 4.50% Senior Secured Notes due 2026 (incorporated by reference to Exhibit 4.1 to Clarivate's Form 6-K, filed on November 5, 2019)
4.4	Form of 4.50% Senior Secured Note due 2026 (included as Exhibit A to Exhibit 4.3 hereto)
4.5	First Supplemental Indenture, dated as of May 15, 2020, to the indenture dated as of October 31, 2019 among Camelot Finance S.A., as Issuer, the guarantors party thereto and Wilmington Trust, National Association, as trustee governing the 4.50% Senior Secured Notes due 2026 (incorporated by reference to Exhibit 4.1 to Clarivate's From 10-Q, filed on May 10, 2021)
4.6	Second Supplemental Indenture, dated as of March 30, 2021, to the indenture dated as of October 31, 2019 among Camelot Finance S.A., as Issuer, the guarantors party thereto and Wilmington Trust, National Association, as trustee governing the 4.50% Senior Secured Notes due 2026 (incorporated by reference to Exhibit 4.2 to Clarivate's From 10-Q, filed on May 10, 2021)
4.7	Third Supplemental Indenture dated as of December 1, 2021, to the indenture dated as of October 31, 2019 among Camelot Finance S.A., as Issuer, the guarantors party thereto and Wilmington Trust, National Association, as trustee and collateral agent, governing the Issuer's 4.50% Senior Secured Notes due 2026 (incorporated by reference to Exhibit 4.1 to Clarivate's Form 8-K, filed on December 1, 2021)
4.8	Indenture, dated August 19, 2021, between Clarivate Science Holdings Corporation, as Issuer, and Wilmington Trust, National Association, as trustee and collateral agent, relating to the Issuer's 3.875% senior secured notes due 2028 (incorporated by reference to Exhibit 4.1 to Clarivate's Form 8-K filed August 19, 2021)
4.9	Form of 3.875% senior secured note due 2028 (included as Exhibit A to Exhibit 4.8 hereto)
4.1	First Supplemental Indenture dated as of December 1, 2021, to the indenture dated as of August 19, 2021 among Clarivate Science Holdings Corporation, as Issuer, the guarantors party thereto and Wilmington Trust, National Association, as trustee and collateral agent, governing the Issuer's 3.875% Senior Secured Notes due 2028 (incorporated by reference to Exhibit 4.2 to Clarivate's Form 8-K, filed on December 1, 2021)
4.11	Indenture, dated August 19, 2021, between Clarivate Science Holdings Corporation, as Issuer, and Wilmington Trust, National Association, as trustee, relating to the Issuer's 4.875% senior notes due 2029 (incorporated by reference to Exhibit 4.2 to Clarivate's Form 8-K filed August 19, 2021)
4.12	Form of 4.875% senior note due 2029 (included as Exhibit A to Exhibit 4.11 hereto)
4.13	First Supplemental Indenture dated as of December 1, 2021, to the indenture dated as of August 19, 2021 among Clarivate Science Holdings Corporation, as Issuer, the guarantors party thereto and Wilmington Trust, National Association, as trustee, governing the Issuer's 4.875% Senior Notes due 2029 (incorporated by reference to Exhibit 4.3 to Clarivate's Form 8-K, filed on December 1, 2021)

10.1	Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.4 to Amendment No. 2 to Clarivate's Registration Statement on Form F-4, filed on April 15, 2019)
10.2	Investor Rights Agreement dated as of October 1, 2020 (incorporated by reference to Exhibit 10.1 to Clarivate's Form 8-K filed October 1, 2020)
10.3	Registration Rights Agreement dated as of October 1, 2020 (incorporated by reference to Exhibit 10.2 to Clarivate's Form 8-K filed October 1, 2020)
10.4	Amendment No. 1 to the Registration Rights Agreement dated as of December 1, 2021 (incorporated by reference to Exhibit 10.1 to Clarivate's Form 8-K, filed December 1, 2021)
10.5	Director Nomination Agreement dated as of December 1, 2021 (incorporated by reference to Exhibit 10.2 to Clarivate's Form 8-K, filed December 1, 2021)
10.6	Capri Transaction Agreement (incorporated by reference to Exhibit 10.2 to Clarivate's Form 8-K, filed May 17, 2021)
10.5	Director Acknowledgement Letter (Stead) (incorporated by reference to Exhibit 10.12 to Clarivate's Registration Statement on Form F-4, filed on February 27, 2019)
10.6	Director Acknowledgement Letter (von Blucher) (incorporated by reference to Exhibit 10.13 to Clarivate's Registration Statement on Form F-4, filed on February 27, 2019)
10.7	Credit Agreement dated as of October 31, 2019 among Camelot UK Holdco Limited, Camelot UK Bidco Limited, the US Borrowers party thereto, Camelot Finance S.A., certain Restricted Subsidiaries from time to time designated thereunder as Additional Revolving Borrowers, the Subsidiary Guarantors from time to time party thereto, the several banks, financial institutions, institutional lenders and other entities from time to time party thereto as lenders, the Issuing Lenders from time to time party thereto and Bank of America, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to Clarivate's Form 6-K, filed on November 5, 2019)
10.8	Incremental Facility Amendment, dated February 28, 2020, by and among Camelot UK Holdco Limited, Camelot UK Bidco Limited, Camelot Finance S.A., the other borrowers party thereto, the other subsidiaries of the Company party thereto, Bank of America, N.A., as administrative agent, and Citibank, N.A., as lender
10.9	Amendment to Credit Agreement dated October 1, 2020 (incorporated by reference to Exhibit 10.4 to Clarivate's Form 8-K filed October 1, 2020)
10.10	Amendment to the Credit Agreement dated as of November 30, 2021 to Credit Agreement dated as of October 31, 2019 (incorporated by reference to Exhibit 10.3 to Clarivate's Form 8-K, filed on December 1, 2021)
10.11+	Clarivate Analytics Plc 2019 Incentive Award Plan - Amended and Restated as of May 11, 2020
10.12+	Clarivate Analytics Plc 2019 Incentive Award Plan - Form of Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.17 to Clarivate's Form 10-K, filed on March 2, 2020)
10.13+	Clarivate Analytics Plc 2019 Incentive Award Plan - Form of Performance Share Unit Agreement (incorporated by reference to Exhibit 10.4 to Clarivate's Quarterly Report on Form 10-Q, filed on July 30, 2020)
10.14*+	Separation Agreement, dated December 10, 2021, by and between Clarivate Plc and Richard Hanks
10.15*+	Offer Letter, dated November 29, 2021, by and between Clarivate Plc and Jonathan Collins
10.16+	Offer Letter, dated October 4, 2021, by and between Clarivate Plc and Heather Matzke-Hamlin (incorporated by reference to Exhibit 10.1 to Clarivate's Form 8-K filed October 5, 2021)
10.17+	Agreement by and between Clarivate Analytics and Mukhtar Ahmed, dated January 1, 2018 (incorporated by reference to Exhibit 10.6 to Clarivate's Quarterly Report on Form 10-Q, filed on July 30, 2020)
10.18+	Executive Agreement, entered into as of July 26, 2021 by and between Clarivate Plc. and Jeffrey Roy (incorporated by reference to Exhibit 10.3 to Clarivate's Quarterly Report on Form 10-Q, filed on July 29, 2021)
10.19+	Executive Agreement, entered into as of July 26, 2021 by and between Clarivate Plc. and Stephen Hartman (incorporated by reference to Exhibit 10.4 to Clarivate's Quarterly Report on Form 10-Q, filed on July 29, 2021)
10.20+	Executive Severance Plan of Clarivate Plc (incorporated by reference to Exhibit 10.5 to Clarivate's Quarterly Report on Form 10-Q, filed on July 29, 2021)
21.1*	Subsidiaries of the Registrant

23.1*	Consent of PricewaterhouseCoopers LLP
24.1*	Powers of Attorney (included on signature page to this annual report)
31*	Certification of our Chief Executive Officer and our Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32*	Certification of our Chief Executive Officer and our Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101*	The following information from our Form 10-K for the fiscal year ended December 31, 2021, formatted in Inline eXtensible Business Reporting Language: (i) Consolidated Statement of Comprehensive Income, (ii) Consolidated Balance Sheet, (iii) Consolidated Statement of Changes in Equity, (iv) Consolidated Statement of Cash Flows, and (v) the Notes to the Consolidated Financial Statements.
104*	The cover page from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, formatted in Inline XBRL

* Filed herewith.
† Schedules and exhibits omitted pursuant to Item 601(a)(5) of Regulation S-K. Copies of any omitted schedule or exhibit will be furnished to the SEC upon request.
+ Compensatory plan or arrangement.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized in the City of London, United Kingdom on March 10, 2022.

CLARIVATE PLC
By: /s/ Jerre Stead
Name: Jerre Stead
Title: Executive Chairman and Chief Executive Officer

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Jerre Stead, Jonathan M. Collins and Jas Chahal, and each of them, individually, as the undersigned's true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place and stead in any and all capacities, in connection with this annual report, including to sign in the name and on behalf of the undersigned, this annual report and any and all amendments hereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this annual report has been signed below by the following persons on March 10, 2022 on behalf of the registrant and in the capacities indicated.

Name	Title
/s/ Jerre Stead	Executive Chairman and Chief Executive Officer
Jerre Stead	(Principal Executive Officer)
/s/ Jonathan M. Collins	Executive Vice President and Chief Financial Officer
Jonathan M. Collins	(Principal Financial Officer)
/s/ Heather Matzke-Hamlin	Acting Chief Accounting Officer
Heather Matzke-Hamlin	(Acting Principal Accounting Officer)
/s/ Valeria Alberola	Director
Valeria Alberola	
/s/ Michael J. Angelakis	Director
Michael J. Angelakis	
/s/ Sheryl von Blucher	Director
Sheryl von Blucher	
/s/ Kosty Gilis	Director
Kosty Gilis	
/s/ Usama N Cortas	Director
Usama N Cortas	
/s/ Balakrishnan S. Iyer	Director
Balakrishnan S. Iyer	
/s/ Adam T. Levyn	Director
Adam T. Levyn	
/s/ Nicholas Macksey	Director
Nicholas Macksey	
/s/ Anthony Munk	Director
Anthony Munk	
/s/ Charles J. Neral	Director
Charles J. Neral	
/s/ Jane Okun Bomba	Director
Jane Okun Bomba	
/s/ Richard W. Roedel	Director
Richard W. Roedel	
/s/ Andrew M. Snyder	Director
Andrew M. Snyder	
/s/ Roxane White	Director
Roxane White	

Exhibit 4.1

DESCRIPTION OF SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

Clarivate Plc ("Clarivate," the "Company," "our," "us" and "we") is a Jersey, Channel Islands public company with limited liability. Its affairs are governed by the articles of association and the Jersey Companies Law. Clarivate's register of members is kept by Vistra (Jersey) Limited at 4th Floor, St. Paul's Gate, 22-24 New Street, St. Helier, Jersey JE1 4TR. Our registered office is 4th Floor, St. Paul's Gate, 22-24 New Street, St. Helier, Jersey JE1 4TR. Our secretary is Jaspal Chahal of 70 St. Mary Axe, London, EC3A 8BE, UK.

Our authorized share capital is an unlimited number of no par value shares of any class. As of January 31, 2022, there were 683,151,263 ordinary shares issued and outstanding, and 14,375,000 preferred shares issued and outstanding.

Our ordinary shares and preferred shares are listed on the New York Stock Exchange (the "NYSE") and are registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Description of Ordinary Shares

General

All of the issued and outstanding ordinary shares of Clarivate are fully paid and non-assessable. Certificates representing the outstanding ordinary shares of Clarivate are generally not issued (unless required to be issued pursuant to the articles of association) and legal title to the issued shares is recorded in registered form in the register of members. Holders of ordinary shares of Clarivate have no pre-emptive, subscription, redemption or conversion rights.

The board of directors may provide for other classes of shares, including series of preferred shares, out of the authorized but unissued share capital, which could be utilized for a variety of corporate purposes, including future offerings to raise capital for corporate purposes or for use in employee benefit plans. Such additional classes of shares will have such voting powers (full or limited or without voting powers), designations, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof as may be determined by the board of directors. When any preferred shares are issued, the rights, preferences and privileges of holders of ordinary shares will be subject to, and may be adversely affected by, the rights of the holders of such preferred shares.

Dividends

The holders of ordinary shares are entitled to such dividends as may be declared by the board of directors of Clarivate, subject to the Jersey Companies Law and the articles of association. Dividends and other distributions on issued and outstanding ordinary shares may be paid out of the funds of Clarivate lawfully available for such purpose, subject to any preference of any outstanding preferred shares. Dividends and other distributions that are declared will be distributed among the holders of ordinary shares on a pro rata basis.

Voting rights

Each ordinary share entitles the holder to one vote on all matters upon which the ordinary shares are entitled to vote. Voting at any shareholders' meeting is by way of poll.

A quorum required for a meeting of shareholders requires the presence in person or by proxy of persons holding in aggregate not less than a simple majority of all voting share capital in issue (provided that the minimum quorum for any meeting shall be two shareholders entitled to vote).

A special resolution is required for important matters such as an alteration of capital, removal of director, merger or consolidation of Clarivate, change of name or making changes to the articles of association or the voluntary winding up of Clarivate.

An ordinary resolution of the shareholders requires the affirmative vote of a simple majority of the votes cast at a quorate general meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes cast at a quorate general meeting or, in each case, a resolution in writing executed by holders of the number of ordinary shares that would be required to pass the resolution at a meeting at which all the holders were present and voting.

Variation of rights

The rights attached to any class of shares (unless otherwise provided by the terms of issue of that class), such as voting, dividends and the like, may be varied only with the sanction of a special resolution passed at a general meeting or by the written consent of the holders of two-thirds of the shares of that class or with the sanction of a resolution passed by a majority of not less than two-thirds of the votes cast at a separate meeting of the holders of the shares of that class. The rights conferred upon the holders of the shares of any class shall not (unless otherwise provided by the terms of issue of that class) be deemed to be varied by the creation or issue of further shares ranking in priority to or pari passu with such previously existing shares.

Transfer of ordinary shares

Any shareholder may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form prescribed by the NYSE, as the designated stock exchange under the articles of association, or as otherwise approved by the board of directors.

In addition, the articles of association prohibit the transfer of shares of Clarivate in breach of the rules or regulations of the NYSE or any relevant securities laws (including the Exchange Act).

Liquidation

On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of ordinary shares), assets available for distribution among the holders of ordinary shares of Clarivate shall be distributed among the holders of the ordinary shares of Clarivate on a pro rata basis.

Directors

Appointment and removal

The management of Clarivate is vested in its board of directors. The articles of association provide that there shall be a board of directors consisting of no fewer than two and no greater than 14 directors, unless increased or decreased from time to time by the board of directors or by shareholders in a general meeting. So long as shares of Clarivate are listed on the NYSE, the board of directors of Clarivate shall include such number of "independent directors" as the relevant rules applicable to the listing of such shares on the NYSE require.

Beginning with the 2022 general meeting of Clarivate, each director nominee will stand for election to a term expiring at the following general meeting of Clarivate or until his or her successor is duly elected and qualified.

The directors of Clarivate shall ensure that any individual nominated pursuant to the articles of association and the Director Nomination Agreement between Clarivate and Andrew M. Snyder (the "Director Nomination Agreement") shall be nominated for election as a director at the next general meeting of Clarivate. In respect of any position on the board of directors that is not entitled to be nominated pursuant to the articles of association or the Director Nomination Agreement, the directors shall have the right to nominate an individual for election as a director at the next general meeting of Clarivate. In both cases, such individual shall be appointed if approved by ordinary resolution at such general meeting. If a vacancy arises on the board of directors, the directors may fill such vacancy in accordance with the terms of the articles of association, the Director Nomination Agreement, applicable law and the listing rules of the NYSE.

A director may be removed from office by the holders of ordinary shares by special resolution. In addition, a director may be removed from office by the board of directors by resolution.

The appointment and removal of directors is subject to the applicable rules of the NYSE and to the provisions of the Director Nomination Agreement and the Shareholders' Agreement.

The detailed procedures for the nomination of persons proposed to be elected as directors at any general meeting of Clarivate are set out in the articles of association.

Indemnification of directors and officers

To the fullest extent permitted by law, the articles of association provide that the directors and officers of Clarivate shall be indemnified from and against all liability which they incur in execution of their duty in their respective offices, except liability incurred by reason of such director's or officer's actual fraud or willful default.

Description of Preferred Shares

As of January 31, 2022, there were 14,375,000 5.25% Series A Mandatory Convertible Preferred Shares, no par value, and liquidation preference $100.00 per share (the "mandatory convertible preferred shares") issued and outstanding. All outstanding mandatory convertible preferred shares are validly issued, fully paid and non-assessable.

In connection with the issuance of the mandatory convertible preferred shares, we adopted a Statement of Rights (the "Statement of Rights") to establish the preferences, limitations and relative rights of the mandatory convertible preferred shares. Below we have summarized certain terms and provisions of the Statement of Rights. The summary is not complete. The Statement of Rights has been incorporated by reference as an exhibit to the Annual Report on Form 10-K to which this exhibit is a part. You should read the Statement of Rights for the provisions which may be important to you.

Conversion Rights

The mandatory convertible preferred shares are initially convertible into an aggregate of up to 55,289,125 ordinary shares, in each case subject to anti-dilution, make-whole and other adjustments, as described in the Statement of Rights governing the mandatory convertible preferred shares. Unless converted earlier in accordance with the terms of the Statement of Rights governing the mandatory convertible preferred shares, each mandatory convertible preferred share will convert automatically on the mandatory conversion date, which is expected to be June 1, 2024, into between 3.2052 and 3.8462 ordinary shares, subject to anti-dilution and other adjustments. The number of ordinary shares issuable upon conversion will be determined based on the average volume weighted average price per ordinary share over the 30 consecutive trading day period beginning on, and including, the 31st scheduled trading day immediately prior to June 1, 2024.

Dividends

Dividends on the mandatory convertible preferred shares will be payable on a cumulative basis when, as and if declared by our board of directors, or an authorized committee thereof, at an annual rate of 5.25% of the liquidation preference of $100.00 per mandatory convertible preferred share, and may be paid in cash or, subject to certain limitations, in ordinary shares, or in any combination of cash and ordinary shares. If declared, dividends on the mandatory convertible preferred shares will be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing on September 1, 2021 and ending on, and including, June 1, 2024.

Ranking

Our ordinary shares rank junior to our mandatory convertible preferred shares with respect to the payment of dividends and amounts payable in the event of our liquidation, dissolution or winding up of our affairs. Subject to certain exceptions, so long as any of our mandatory convertible preferred shares remain outstanding, no dividend or distributions will be declared or paid on our ordinary shares or any other class or series of share capital ranking junior to the mandatory convertible preferred shares, and no ordinary shares or any other class or series of stock ranking junior or on parity with the mandatory convertible preferred shares shall be, directly or indirectly, purchased, redeemed, or otherwise acquired for consideration by us or any of our subsidiaries unless all accumulated and unpaid dividends for all preceding dividend periods have been declared and paid upon, or a sufficient sum of cash or number of ordinary shares have been set aside for the payment of such dividends upon, all outstanding mandatory convertible preferred shares.

Liquidation Rights

In addition, upon our voluntary or involuntary liquidation, winding-up or dissolution, each holder of mandatory convertible preferred shares will be entitled to receive a liquidation preference in the amount of $100.00 per mandatory convertible preferred share, plus an amount equal to accumulated and unpaid dividends on such shares, whether or not declared, to, but excluding, the date fixed for liquidation, winding-up or dissolution, to be paid out of our assets legally available for distribution to our shareholders after satisfaction of liabilities to our creditors and holders of our share capital ranking senior to the mandatory convertible preferred shares as to distribution rights upon our liquidation, winding-up or dissolution, and before any payment or distribution is made to holders of any class or series of our share capital ranking junior to the mandatory convertible preferred shares as to distribution rights upon our liquidation, winding-up or dissolution, including, without limitation, our ordinary shares.

Voting Rights; Shareholder Meetings; Election and Removal of Directors

The holders of the mandatory convertible preferred shares do not have voting rights except as described below and as specifically required by Jersey law from time to time.

Whenever dividends on any mandatory convertible preferred shares have not been declared and paid for the equivalent of six or more dividend periods, whether or not for consecutive dividend periods (a "nonpayment"), the authorized number of directors on our board of directors will, at the next annual meeting of shareholders or at a special meeting of shareholders as provided below, automatically be increased by two and the holders of record of the mandatory convertible preferred shares, voting together as a single class with holders of record of any and all other series of voting preferred shares (as defined below) then outstanding, will be entitled, at our next annual or at a special meeting of shareholders, to vote for the election of a total of two additional members of our board of directors ("preferred share directors"); provided that the election of any such directors will not cause us to violate the corporate governance requirements of the New York Stock Exchange (or any other exchange or automated quotation system on which our securities may be listed or quoted) that requires listed or quoted companies to have a majority of independent directors; and provided further that our board of directors shall, at no time, include more than two preferred share directors.

In the event of a nonpayment, the holders of at least 25% of the mandatory convertible preferred shares and any other series of voting preferred shares may request that a special meeting of shareholders be called to elect such preferred share directors (provided that, to the extent permitted by our amended and restated memorandum and article of association, if our next annual or a special meeting of shareholders is scheduled to be held within 90 days of the receipt of such request, the election of such preferred share directors will be included in the agenda for and will be held at such scheduled annual or special meeting of shareholders). The preferred share directors will stand for reelection annually, at each subsequent annual meeting of the shareholders, so long as the holders of the mandatory convertible preferred shares continue to have such voting rights.

At any meeting at which the holders of the mandatory convertible preferred shares are entitled to elect preferred share directors, the holders of a majority of the then outstanding mandatory convertible preferred shares and all other series of voting preferred shares, present in person or represented by proxy, will constitute a quorum and the vote of the holders of a majority of such mandatory convertible preferred shares and other voting preferred shares so present or represented by proxy at any such meeting at which there shall be a quorum shall be sufficient to elect the preferred share directors.

As used herein, "voting preferred shares" means any class or series of our share capital, in addition to and established after the initial issuance of the mandatory convertible preferred shares, ranking on parity with the mandatory convertible preferred shares as to dividends and distribution rights upon our liquidation, winding up or dissolution and upon which like voting rights for the election of directors have been conferred and are exercisable. Whether a plurality, majority or other portion in voting power of the mandatory convertible preferred shares and any other voting preferred shares have been voted in favor of any matter shall be determined by reference to the respective liquidation preference amounts of the mandatory convertible preferred shares and such other voting preferred shares voted.

If and when all accumulated and unpaid dividends have been paid in full (a "nonpayment remedy"), the holders of the mandatory convertible preferred shares shall immediately and, without any further action by us, be divested of the foregoing voting rights, subject to the revesting of such rights in the event of each subsequent nonpayment. If such voting rights for the holders of the mandatory convertible preferred shares and all other holders of voting preferred shares have terminated, the term of office of each preferred share director so elected will terminate at such time and the authorized number of directors on our board of directors shall automatically decrease by two.

Any preferred share director may be removed at any time, with or without cause by the holders of record of a majority in voting power of the outstanding mandatory convertible preferred shares and any other series of voting preferred shares then outstanding (voting together as a class) when they have the voting rights described above. In the event that a nonpayment shall have occurred and there shall not have been a nonpayment remedy, any vacancy in the office of a preferred share director (other than prior to the initial election after a nonpayment) may be filled by the written consent of the preferred share director remaining in office, except in the event that such vacancy is created as a result of such preferred share director being removed or if no preferred share director remains in office, such vacancy may be filled by a vote of the holders of record of a majority in voting power of the outstanding mandatory convertible preferred shares and any other series of voting preferred shares then outstanding (voting together as a single class) when they have the voting rights described above; provided that the election of any such preferred share directors will not cause us to violate the corporate governance requirements of the New York Stock Exchange (or any other exchange or automated quotation system on which our securities may be listed or quoted) that requires listed or quoted companies to have a majority of independent directors. The preferred share directors will each be entitled to one vote per director on any matter that comes before our board of directors for a vote.

The mandatory convertible preferred shares have certain other voting rights with respect to certain amendments to our amended and rested memorandum and articles of association or the Statement of Rights establishing the terms of the mandatory convertible preferred shares or certain other transactions as described in such certificate of designations.

Listing

Our mandatory convertible preferred shares are listed on the New York Stock Exchange under the symbol "CLVT PR A."

Transfer Agent and Registrar

The transfer agent, registrar, conversion agent and dividend disbursing agent for the mandatory convertible preferred shares is Continental Stock Transfer & Trust Company. The transfer agent, registrar, conversion agent and dividend disbursing agent's address is 1 State Street, New York, NY 10004.

Other Jersey, Channel Islands Law Considerations

Purchase of Clarivate's Own Ordinary Shares

As with declaring a dividend, Clarivate may not buy back or redeem its shares unless its directors who are to authorize the buyback or redemption have made a statutory solvency statement that, immediately following the date on which the buyback or redemption is proposed, Clarivate will be able to discharge its liabilities as they fall due and, having regard to prescribed factors, Clarivate will be able to continue to carry on business and discharge its liabilities as they fall due for the 12 months immediately following the date on which the buyback or redemption is proposed (or until Clarivate is dissolved on a solvent basis, if earlier).

If the above conditions are met, Clarivate may purchase its ordinary shares in the manner described below.

Subject to the Jersey Companies Law, Clarivate may purchase on a stock exchange its own fully paid ordinary shares pursuant to a special resolution of its shareholders which shall specify the maximum number of shares to be purchased; the maximum and minimum prices which may be paid; and a date, not being later than 5 years after the passing of the resolution, on which the authority to purchase is to expire.

Subject to the Jersey Companies Law, Clarivate may purchase its own fully paid ordinary shares other than on a stock exchange pursuant to a special resolution of its shareholders, but only if the purchase is made on the terms of a written purchase contract which has been approved in advance by an ordinary resolution of its shareholders. The shareholder from whom Clarivate proposes to purchase or redeem ordinary shares is not entitled to vote in respect of the ordinary shares to be purchased.

Clarivate may fund a redemption or purchase of its own ordinary shares from any source. It cannot purchase its ordinary shares if, as a result of such purchase, only redeemable ordinary shares would remain in issue.

If authorized by a resolution of its shareholders, any shares that Clarivate redeems or purchases may be held by it as treasury shares. Any shares held by Clarivate as treasury shares may be cancelled, sold, transferred for the purposes of or under an employee share scheme or held without cancelling, selling or transferring them. Shares redeemed or purchased by Clarivate are cancelled where Clarivate has not been authorized to hold such shares as treasury shares.

Mandatory Purchases and Acquisitions

The Jersey Companies Law provides that where a person has made an offer to acquire a class or all of Clarivate's outstanding ordinary shares not already held by the person and has as a result of such offer acquired or contractually agreed to acquire 90% or more of such outstanding ordinary shares, that person is then entitled (and may be required) to acquire the remaining ordinary shares. In such circumstances, a holder of any such remaining ordinary shares may apply to the courts of Jersey for an order that the person making such offer not be entitled to purchase the holder's ordinary shares or that the person purchase the holder's ordinary shares on terms different to those under which the person made such offer.

Other than as described below under " — UK City Code on Takeovers and Mergers," Clarivate is not subject to any regulations under which a shareholder that acquires a certain level of share ownership is then required to offer to purchase all of Clarivate's remaining ordinary shares on the same terms as such shareholder's prior purchase.

Compromises and Arrangements

Where Clarivate and its creditors or shareholders or a class of either of them propose a compromise or arrangement between Clarivate and its creditors or its shareholders or a class of either of them (as applicable), the courts of Jersey may order a meeting of the creditors or class of creditors or of Clarivate's shareholders or class of shareholders (as applicable) to be called in such a manner as the court directs. Any compromise or arrangement approved by a majority in number present and voting at the meeting representing 75% or more in value of the

creditors or 75% or more of the voting rights of shareholders or class of either of them (as applicable) if sanctioned by the court, is binding upon Clarivate and all the creditors, shareholders or members of the specific class of either of them (as applicable).

Whether the capital of Clarivate is to be treated as being divided into a single or multiple class(es) of shares is a matter to be determined by the court. The court may in its discretion treat a single class of shares as multiple classes, or multiple classes of shares as a single class, for the purposes of the shareholder approval referred to above taking into account all relevant circumstances, which may include circumstances other than the rights attaching to the shares themselves.

UK City Code on Takeovers and Mergers

The UK City Code on Takeovers and Mergers (the "Takeover Code") applies, among other things, (i) to an offer for a public company whose registered office is in the Channel Islands and whose securities are admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom or any stock exchange in the Channel Islands or the Isle of Man, or (ii) if the company is a public company and is considered by the Panel on Takeovers and Mergers (the "Takeover Panel"), to have its place of central management and control in the United Kingdom or the Channel Islands or the Isle of Man (in each case, a "Code Company"). This is known as the "residency test." Under the Takeover Code, the Takeover Panel will determine whether Clarivate has its place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man by looking at various factors, including the structure of Clarivate's board of directors, the functions of the directors, and where they are resident.

If at the time of a takeover offer, the Takeover Panel determines that the residency test is satisfied and Clarivate has its place of central management and control in the United Kingdom, it would be subject to a number of rules and restrictions, including but not limited to the following: (i) Clarivate's ability to enter into deal protection arrangements with a bidder would be extremely limited; (ii) Clarivate might not, without the approval of its shareholders, be able to perform certain actions that could have the effect of frustrating an offer, such as issuing shares or carrying out acquisitions or disposals; and (iii) Clarivate would be obliged to provide equality of information to all bona fide competing bidders. The Takeover Code also contains certain rules in respect of mandatory offers for Code Companies. Under Rule 9 of the Takeover Code, if a person: acquires an interest in shares of a Code Company that, when taken together with shares in which persons acting in concert with such person are interested, carry 30% or more of the voting rights of the Code Company; or

- who, together with persons acting in concert with such person, is interested in shares that in the aggregate carry not less than 30% and not more than 50% of the voting rights in the Code Company, acquires additional interests in shares that increase the percentage of shares carrying voting rights in which that person is interested, the acquirer, and, depending on the circumstances, its concert parties, would be required (except with the consent of the Takeover Panel) to make a cash offer (or provide a cash alternative) for the Code Company's outstanding shares at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

Clarivate believes that the Takeover Code applies to it at this time. However, it is possible in the future that changes in the board's composition, changes in the Takeover Panel's interpretation of the Takeover Code or other events may cause the Takeover Code to not apply to Clarivate.

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Separation Agreement and General Release

December 10, 2021

Richard Hanks
[ADDRESS REDACTED]

Dear Richard:

This Separation Agreement and General Release (the "Agreement") is between you and the Clarivate group of companies and each of its and their past, present, and future parents, subsidiaries, branches, divisions, predecessors, successors, assigns and/or affiliated or related organizations and each of its and their past, present, and future employees, officers, directors, and agents (the "Company") (you and the Company are collectively referred to as the "Parties").

This Agreement will confirm our conversation concerning the termination of your employment effective July 1, 2022 (the "Termination Date"). This Agreement shall become effective upon the Effective Date as defined in Paragraph 23. The Parties acknowledge that entering into this Agreement does not constitute an admission of wrongdoing, fault or liability by either party. In connection with entering into this Agreement, you acknowledge and agree that you hereby resign from all offices, board of directors (or similar governing bodies) and committees of the Company. You further acknowledge and agree that you will execute such further documents and instruments as may be reasonably necessary or appropriate to carry out the intent of the immediately preceding sentence.

You will continue to be paid, as applicable, pursuant to the Company's payroll and/or other benefit policies and practices through the Termination Date.

1. In consideration of your agreement to the terms and conditions of this Agreement and upon subsequent acceptance of the terms and conditions of Attachment A on or after your Termination Date and provided you do not revoke your acceptance of Attachment A, the Company will provide you with the following benefits, in lieu of any other company benefits, and by signing this Agreement and Attachment A you acknowledge that such benefits are more valuable than the benefits to which you would otherwise be entitled:

   A. You agree that from now until the Termination Date, you will remain an employee in good standing, and you shall continue to receive your regular paychecks from the Company. Subject to the terms of this Agreement, between now and the Termination Date, you may be placed on garden or paid leave and your access to all Company systems, including your company email, will be cutoff (the "Garden Leave Period"). During any potential Garden Leave Period, you will be expected to be available to answer and otherwise appropriately respond to questions (if any) reasonably related to the work you performed for the Company but will otherwise not perform work for and/or on behalf of the Company.

   B. Severance Pay totaling $1,650,000.00, less applicable deductions and withholdings. The Severance Pay will be paid to you in six installments as follows: (i) the first $275,000.00, within thirty (30) days of the General Release Effective Date, defined in Attachment A; (ii) the second $275,000.00, within ninety (90) days of the General Release Effective Date; (iii) the third $275,000.00, within one hundred eighty (180) days of the General Release Effective Date; (iv) the fourth $275,000.00, within two hundred seventy (270) days of the General Release Effective Date; (v) the fifth $275,000.00, within three hundred six-five (365) days of the General Release Effective Date; and (vi) the sixth $275,000.00, within four hundred fifty-five (455) days of the General Release Effective Date. The Severance Pay will be paid to you using the same method you have elected, as of the Termination Date, to receive your regular paychecks from the Company. In the event of your breach of the obligations referenced in Paragraph 8 of this Agreement, the Company may unilaterally discontinue or refuse to make the payments described in this Paragraph, in addition to and without limiting any other available rights and remedies the Company has, in law or equity, in connection with your breach of this Agreement, including but not limited to Paragraph 8, below.

   C. To the extent you were granted restricted stock units, or RSUs, or performance stock units, or PSUs, as part of the Company's Incentive Award Plan (the "Plan"), except as otherwise noted

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in this paragraph, all unvested RSUs and PSUs will be forfeited on the Termination Date. Notwithstanding the foregoing, the following unvested and outstanding RSUs will vest and become available on the fifteenth (15th) day of the month that is immediately after the month of the General Release Effective Date: 17,707 unvested RSUs originally granted on March 1, 2021 and 5,216 unvested RSUs originally granted on April 1, 2020. Except as otherwise noted in this paragraph, the terms of the Plan and any Restricted Share Unit Agreement or Performance Share Unit Agreement that may apply to you remain in full force and effect.

For purposes of the Option Agreements with a grant date of May 23, 2017 and March 23, 2017 (the "Option Agreements"), the timeframe set forth in the Option Agreements regarding the exercise of options shall be extended to December 31, 2024. Except as noted in this paragraph, all other terms of the Option Agreements remain unchanged and in place.

D. To the extent you were enrolled in the Company's medical, dental, vision, and/or health savings account as of your Termination Date, your enrollment in these plans will end on the last day of the month which includes the Termination Date. All other applicable employee benefits including, without limitation, participation in the following Company plans shall terminate as of the Termination Date (if it has not already been terminated as of the Termination Date): 401(k) plan, dependent care flexible spending account, health care flexible spending account, life insurance, short-and long-term disability, management incentive, and any paid time off programs. On the first day of the month following the Termination Date you will not be entitled to receive any employee benefits, except for group health coverage continuation in accordance with COBRA and 401(k) benefits, if any.

E. The Company will reimburse you for the average monthly amount, based on your current benefits elections as of the Termination Date, of eighteen (18) months of COBRA costs in one lump sum provided that you elect to continue coverage under COBRA. This lump sum totaling $36,518.04, less applicable deductions and withholdings, will be paid to you within thirty (30) days of the General Release Effective Date. The lump sum payment described in this paragraph will be referred to as the "COBRA Reimbursement Amount." Unless you elect another method, the COBRA Reimbursement Amount will be paid to you using the same method you have elected, as of the Termination Date, to receive your regular paychecks from the Company. You will receive additional information regarding COBRA and other benefits under separate cover.

F. Your bonus under the Annual Incentive Plan ("AIP") for plan year 2021 will be paid to you in March or April 2022 at the same time all other Company employees in the U.S. receive their 2021 AIP bonuses. For purposes of calculating your 2021 AIP bonus, your individual performance modifier will be set at one hundred percent (100%) and the business modifier will be calculated based on the Company's actual performance consistent with the terms of the AIP plan document. Your 2022 AIP bonus, in the amount of $275,000.00, is being calculated at target without the application of any individual or business modifiers and prorated based on the Termination Date. The 2022 AIP bonus will be paid within thirty (30) days of the General Release Effective Date.

2. In addition to any other remedies the Company may have, the Company's obligations under Paragraph 1 shall terminate if you breach any of the provisions of this Agreement. If, prior to the Termination Date, you voluntarily terminate or give notice of your intent to voluntarily terminate your employment with the Company or are terminated for cause, as determined in the Company's sole discretion, you will be ineligible to receive the Severance Pay, the special treatment of RSUs provided in Section 1.C above or any other benefits under this Agreement. For avoidance of doubt, Attachment A will be null and void and you will be ineligible for Severance Pay and the other benefits outlined in this Agreement if, prior to the Termination Date, you voluntarily terminate or give notice of your intent to voluntarily terminate your employment with the Company or are terminated for cause, as determined in the Company's sole discretion.

3. The Company will pay you for any accrued, unused vacation time through the Termination Date. The Company will reimburse you for any authorized business expenses incurred through your actual last day worked, provided they were incurred and submitted in a timely manner and otherwise in accordance with the Company's policy.

4. You agree to treat as confidential and not disclose the terms, contents, or execution of this Agreement, except as required by law, other than to your spouse, legal counsel, or tax advisor, with the understanding that he or she will maintain the confidentiality thereof.

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5. You agree to treat as confidential and not to use or disclose any Trade Secrets or Confidential Information (as defined below) which you learned of or discovered during your employment with the Company. You also expressly acknowledge and understand the continuing and ongoing nature of your confidentiality obligations under any agreement you signed with the Company. You agree that the Company is engaged in highly competitive businesses and the Company's involvement in these businesses has required and continues to require the expenditure of substantial amounts of money and the use of skills developed over long periods of time and has developed certain valuable Trade Secrets and Confidential Information that are unique to the Company's business and the disclosure of which would cause the Company great and irreparable harm. These investments also give the Company a competitive advantage over companies that have not made comparable investments, and that otherwise have not been as successful as the Company in developing their businesses. Solely by virtue of your employment with the Company, you have become privy to the Company's Trade Secrets and Confidential Information and become intertwined with the Company's goodwill. It would be unfair for you to exploit the information and goodwill you obtained during and as a result of your employment by the Company. In addition to any remedies the Company may have in law or in equity, you will forfeit all benefits under this Agreement in the event you engage in any of the prohibited activities described in this paragraph and you may be obligated to repay the Company for any benefits previously paid under this Agreement.

   The Parties understand and acknowledge that nothing in this Agreement limits your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission, or any other federal, state or local governmental agency or commission ("Government Agencies"). The Parties further understand and acknowledge that this Agreement does not limit your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit your right to engage in future activities protected under whistleblower statutes. The Parties further understand and acknowledge that (i) the Company may not retaliate against you for any of these activities, and nothing in this Agreement or otherwise requires you to waive any monetary award or other payment that you might become entitled to from the Securities Exchange Commission, and (ii) nothing in this Agreement or otherwise prohibits you from notifying the Company that you will make a report or disclosure to law enforcement.

6. You agree that, without additional compensation, you will promptly make full written disclosure to the Company and hereby irrevocably assign to Clarivate, or its designee, all of your right, title and interest throughout the world in and to any and all Intellectual Property and Inventions (as each such term is defined below), which you have solely or jointly conceived or developed or reduced to practice, or caused to be conceived or developed or reduced to practice, while employed by the Company, during or after regular hours of your employment (collectively referred to as "Company Inventions"), except for any Inventions and Intellectual Property that you developed entirely on your own time without using the Company's equipment, supplies, facilities, or Intellectual Property and that do not relate at the time of conception or reduction to practice of the Invention or Intellectual Property either to the Company's business, or actual or demonstrably anticipated research or development of the Company, or resulting from any work performed by you for the Company. You further acknowledge that all Company Inventions which were made by you (solely or jointly with others) within the scope of and during your employment with the Company are "works made for hire" (to the greatest extent permitted by applicable law). If for any reason such Company Inventions would not be considered a "work made for hire" under applicable law, you hereby assign and transfer to the Company, or its designee, the entire right, title and interest in and to such Company Inventions. The assignment above includes assignment of all income, royalties, damages, claims and payments now or hereafter due or payable with respect thereto, and in and to all causes of action, either in law or in equity for past, present, or future infringement based on the Company Inventions, and in and to all rights corresponding to the foregoing throughout the world. For purposes of this Agreement, "Intellectual Property" means patents, invention disclosures, invention registrations, trademarks, service marks, trade names, trade dress, logos, domain names, copyrights, mask works, trade secrets, know-how and all other intellectual property and proprietary rights recognized by any applicable law of any jurisdiction, and all registrations and applications for registration of, and all goodwill associated with, the foregoing. For purposes of this Agreement, "Inventions" means all inventions, discoveries,

concepts, information, works, materials, processes, methods, data, software, programs, apparatus, designs and the like.

You agree to assist the Company, or its designee, at the Company's expense, in every proper way to secure the Company's rights in the Company Inventions in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, recordations, and all other instruments which the Company shall deem necessary in order to apply for, obtain, maintain and transfer such rights and in order to assign and convey to the Company, its successors, assigns and nominees the sole and exclusive rights, title and interest in and to such Company Inventions. If the Company is unable for any reason to secure your signature, including because of your refusal to do so, to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Company Inventions, then you hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as your agent and attorney in fact, to act for and on your behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance or transfer of letters patent or copyright registrations thereon with the same legal force and effect as if originally executed by you. You hereby waive and irrevocably quitclaim to the Company any and all claims, of any nature whatsoever, which you now or hereafter have for infringement of any and all rights in the Company Inventions.

To the extent you may do so under applicable law, you hereby waive and agree never to assert any Moral Rights that you may have in or with respect to any Company Inventions. As used in this Agreement, "Moral Rights" means any rights to claim authorship of a work, to object to or prevent the modification or destruction of a work, or to withdraw from circulation or control the publication or distribution of a work, and any similar right, existing under any applicable law of any jurisdiction, regardless of whether or not such right is denominated or generally referred to as a "moral right."

7. In addition to any remedies the Company may have in law or in equity, you will forfeit all benefits under this Agreement – including but not limited to the Severance Pay, the special treatment of RSUs and vested options provided in Section 1.C above or any other benefits under this Agreement – or the Option Agreements in the event you engage in any of the activities prohibited by the following paragraphs related to post-employment obligations and you may be obligated to repay the Company for any benefits previously paid under this Agreement.

8. Non-Competition and Non-Solicitation Protections. As noted above, you agree that the Company is engaged in a highly competitive business, and the Company's involvement in these businesses has required and continues to require the expenditure of substantial amounts of money and the use of skills developed over long periods of time. As a result of these investments of money, skill and time, the Company has developed and will continue to develop certain valuable Trade Secrets and Confidential Information that are unique to the Company's businesses and the unauthorized disclosure of which would cause the Company great and irreparable harm. These investments also give the Company a competitive advantage over companies that have not made comparable investments and that otherwise have not been as successful as the Company in developing their businesses. Solely by virtue of your employment with the Company, you have become privy to the Company's Trade Secrets and Confidential Information and have become intertwined with the goodwill the Company has developed, cultivated and maintained within its highly competitive industry and with its customers and prospective customers. It would be unfair for you to exploit the information, specifically including Confidential Information and Trade Secrets, and goodwill you obtained during and as a result of your employment by the Company.

   A. Definitions.

      i. Confidential Information. For purposes of this Paragraph, "Confidential Information" shall mean information that the Company has obtained in connection with its present or planned business, including information you developed in the performance of your duties for the Company, the disclosure of which could result in a competitive or other disadvantage to the Company. "Confidential Information" includes some of the Company's most valuable assets, such as: innovations, inventions, and ideas including patentable or copyrightable subject matter; pricing policies; business plans and outlooks; brand formulations; nonpublic financial results; new product developments or plans; customer lists; author or consultant contracts; subscription lists; software or computer programs; merger, acquisition

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or divestiture plans; personnel acquisition plans or major management changes; and Trade Secrets (defined below). Confidential Information includes all information received by the Company under an obligation of confidentiality to another person or entity.

ii. Trade Secrets. For purposes of this Paragraph, "Trade Secrets" shall mean all forms and types of financial, business, scientific, technical, economic, or engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs, or codes, whether tangible or intangible, and whether or how stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing by the Company. The Company confirms, and you understand, that the Company is the owner of its Trade Secrets, that the Company has taken reasonable steps, under the circumstances, to protect and maintain the secrecy of its Trade Secrets, and that the Company derives economic value, both tangible and intangible, from its Trade Secrets.

B. You agree that during the remainder of the term of your employment with the Company, and for a period of eighteen (18) consecutive months immediately following the Termination Date (the "Non-Compete Period"), you will not, directly or indirectly, individually or through an entity, as an owner, part owner, partner, employee, agent or otherwise:

i. Provide to a Competitive Enterprise the same or similar services that you performed during your employment with the Company. For purposes of this Agreement, "Competitive Enterprise" shall mean any company, entity, or organization (other than the Company) that engages in: (A) any business of the Company (1) which you were actively involved with at any time during the twenty-four (24) months immediately before the Termination Date or (2) about which you held or had access to Confidential Information and/or Trade Secrets during the twenty-four (24) months immediately before Termination Date (whether or not you worked in that business directly); or (B) any business under development by the Company as of the Termination Date and which you were involved or had knowledge about in the twenty-four (24) months immediately before the Termination Date; or

ii. Act in any capacity for another entity or engage in any conduct if in such capacity or due to such conduct you would inevitably use and/or disclose Confidential Information or Trade Secrets; or

iii. Own more than 5% of a Competitive Enterprise.

C. You acknowledge that (i) the Company is involved in a global business; (ii) you provided services in and have a material presence and/or influence in and outside the United States, and/or in certain territories within and outside the United States; and (iii) it is reasonable and necessary to protect the Company's legitimate business interests for the provisions of the non-compete provisions of this Paragraph 8 to apply to the United States and in any other country where you provided services for and/or on behalf of the Company during the twenty-four (24) months prior to the Termination Date.

D. You agree that while employed by the Company, you had contact with and became aware of some, most or all of the Company's customers, representatives of those customers, their names and addresses, specific customer needs and requirements, and leads and references to prospective customers. You further agree that the loss of such customers will cause the Company great and irreparable harm. You agree that during the remainder of the term of your employment with the Company and for eighteen (18) months immediately following the Termination Date, you will not directly or indirectly solicit, contact, call upon, communicate with or attempt to communicate with any customer, former customer, or prospective customer of the Company for the purpose of providing or obtaining any product or service reasonably deemed competitive with any product or service then offered by the Company. This restriction shall apply only to (i) any customer, former customer, or prospective customer of the Company with whom you had contact with during the last twenty-four (24) months of your employment with the Company or (ii) any customer, former customer, or prospective customer of the Company about which

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you had access to the Company's Confidential Information or Trade Secrets concerning such customer, former customer or prospective customer during the last twenty-four (24) months of employment with the Company.

E. For the purposes of sub-paragraph 8.D., "contact" means any interaction whatsoever between you and the customer, former customer, or prospective customer which takes place to further a business relationship.

F. You agree that during the remainder of your employment and for eighteen (18) months after the Termination Date, you will not directly or indirectly, whether for your benefit or the benefit of a third party (i) hire or cause a third party to hire: any employees, consultants or independent contractors of the Company or any persons who held such positions during the six (6) month period prior to the termination of your employment; (ii) recruit, solicit or induce, or attempt to hire, recruit, solicit or induce: any employees, consultants or independent contractors of the Company or any persons who held such positions during the six (6) month period prior to the termination of your employment, to terminate, alter or modify their employment or other relationship with the Company; (iii) interfere with the contractual or business relationship between the Company and any manufacturer, distributor, supplier, vendor or customer of the Company; or (iv) recruit, solicit or induce, or attempt to recruit, solicit or induce any manufacturer, distributor, supplier or customer of the Company to terminate, alter or modify their relationship with the Company.

G. You understand, acknowledge, and agree that in the event you breach and/or threaten to breach of any of the covenants and provisions contained in this Paragraph 8, the Company shall suffer irreparable injury for which there is no adequate remedy at law. The Company will therefore be entitled to injunctive relief from the courts without bond, enjoining you from engaging in activities in breach of this Agreement.

9. You further acknowledge and agree that the running of the periods during which you may not engage in the activities specified in Paragraph 8 shall be extended by any period in which there is a breach of Paragraph 8 and/or pending litigation concerning the breach of Paragraph 8. If it is later determined by a court of competent jurisdiction that injunctive relief is warranted to prevent you from engaging in certain post-employment conduct, then the restrictive periods set forth in Paragraph 8 shall be tolled for the period of time that you had already been engaging in the prohibited conduct prior to the injunction. The Parties to this Agreement intend that the Company shall be entitled to receive the benefit of the full restrictive periods set forth in Paragraph 8.

10. You agree that the temporal restrictions set forth in Paragraph 8 are fair and reasonably required to protect the Company's legitimate business interests in light of your substantial role as an employee of the Company. You acknowledge and agree that if any aspect of Paragraph 8 is judicially determined to be unreasonable or unenforceable in any respect, a court shall limit or modify the provision only to the extent necessary to render it reasonable under the law and shall specifically enforce the provision as so limited.

11. The post-employment obligations set forth in Paragraph 8 supersede any non-compete and/or non-solicit obligations set forth in any prior agreement with the Company.

12. You agree that, during the remainder of your employment, including any potential Garden Leave Period, and at any time following the Termination Date, you will not engage in any disparagement of the Company and will refrain from making any false, negative or critical statement, implied or expressed, concerning the Company including, but not limited to, management or communication style, methods of doing business, the quality of products or services, or role in the community. You further agree to do nothing that would damage the Company's business reputation or goodwill or the reputation of the Company.

    The Company agrees that it will not engage in any disparagement of you and will otherwise refrain from making any false, negative, or critical statements, implied or express, concerning you and that it will not authorize any of its then current officers, directors, employees, and/or agents to make any such statements about you.

13. Notwithstanding anything in this Agreement to the contrary or otherwise, the Parties hereto acknowledge and understand that, pursuant to the Defend Trade Secrets Act of 2016, you may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure

of a trade secret that: (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. Furthermore, the Parties hereto acknowledge and understand that if you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the Company's trade secrets to your attorney and use the trade secret information in the court proceeding if you: (i) file any document containing the trade secret under seal; and (ii) do not disclose the trade secret, except pursuant to court order.

14. You represent that on or before the Termination Date, you will return all materials, equipment and/or property of the Company, including all Confidential Information and Trade Secrets, and have not/will not retain any copies, whether in hard copy or electronic form. The Company agrees that you may keep your Company issued mobile phone and laptop provided you return both devices to the Company prior to the Termination Date so all data, specifically including Confidential Information and Trade Secrets, can be removed from these devices prior to them being returned to you. Further, you represent that on or before the Termination Date you will settle all amounts owed to the Company and any personal expenses owed to the Company's third-party vendors unless waived in writing by the Company. If requested by the Company you will acknowledge to the Company in writing and under oath that you have complied with the terms of this Agreement.

15. You hereby acknowledge that, subject to applicable law, in its discretion, the Company can reduce the Severance Pay and any other amounts payable under this Agreement by any overpayment you receive or any amounts you owe the Company or any personal expenses you owe to the Company's third party vendors. The Company retains the right to pursue a claim against you to the extent you receive any benefits outlined above but have not executed this Agreement and/or Attachment A or have revoked your acceptance thereof, to the extent permissible by applicable law.

16. In consideration for the payments and benefits described herein, on behalf of yourself, your predecessors, heirs, executors, administrators, successors and assigns, you hereby irrevocably and unconditionally release and discharge the Company and its and their past, present, and future parents, subsidiaries, branches, divisions, and affiliates, and its and their past, present, and future shareholders, employees, officers, directors, agents, representative, fiduciaries and attorneys, individually and in their official capacities (collectively, the "Released Parties"), from any and all causes of action, suits, debts, claims, liabilities, demands, costs, expenses, attorneys' fees, damages, indemnities and obligations of any kind or nature, in law, equity or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed, foreseeable and unforeseeable, which have existed or may have existed, or which do exist, at any time prior to and including the date on which you sign this Agreement, other than any claims that cannot lawfully be waived. This release includes, but is not limited to, any claims for employment discrimination including, but not limited to, any claims under federal, state or local fair employment laws or practices or other employee relations statutes and amendments (including without limitation the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Lilly Ledbetter Fair Pay Act of 2009, the Americans with Disabilities Act, the Family and Medical Leave Act, the Occupational Safety and Health Act, and the Sarbanes-Oxley Act of 2002), the New Jersey Law Against Discrimination, N.J.S.A. 10:5-1 et seq., any and all claims or rights under any other federal, state or local laws, regulations or ordinances prohibiting retaliation against whistleblowers, including, but not limited to, the New Jersey Conscientious Employee Protection Act, N.J.S.A. 34:19-1, et seq., any state or local leave laws, regulations or ordinances, including, but not limited to, the New Jersey Family Leave Act, N.J.S.A. 34:11B-1, et seq., Executive Order 11246; (i) 42 U.S.C. §§ 1981, 1985, 1988, all other claims arising under any federal, state, or local constitutional law, statutory law, common law, regulations, ordinances, or equity, contract, or other source of law, including any and all claims or rights under federal, state or local laws, regulations or ordinances relating to the payment of wages, bonuses, incentives and other compensation to employees, and including, but not limited to, the New Jersey Wage Payment Law, N.J.S.A. 34:11-4.1 et seq. and/or the New Jersey Wage and Hour Law, N.J.S.A. 34:11-56a et seq. and the employment laws and regulations of any state, including New Jersey; any claims arising under the Worker Adjustment and Retraining Notification Act (WARN), and any applicable state laws that provide for benefits similar to WARN; any claims pursuant to any other federal, state or local statutes, regulations, ordinances or executive orders; any claims based on any rule, common law or public policy; any claims based in contract, whether oral or written, express or implied; any claims based in tort, or any other obligation. You confirm that you have not filed any claim in a civil action or complaint in an administrative action against the Company, that no claims or complaints or other proceedings are pending in any court

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or other forum relating directly or indirectly to your employment with the Company and/or separation from employment, and that you have not raised a claim of discrimination or harassment with the Company. You affirm that you have been provided and/or have not been denied any leave requested under the Family and Medical Leave Act or applicable state law. You further affirm that you have been paid and received all compensation, wages, bonuses, commissions and benefits due to you as of the date you sign this Agreement. You confirm and acknowledge that this Agreement, including Attachment A, reflects any and all separation and/or severance payments to which you are entitled under any applicable plan, agreement or practice.

You understand that by signing this Agreement, you are providing a complete waiver of all claims that may have arisen, whether known or unknown, up until the time that this Agreement is executed by you, other than any claims that cannot lawfully be waived. It is understood that this Agreement does not constitute an admission of liabilities on the part of the Released Parties, by whom any liability is expressly denied, but is instead made to terminate any controversy or potential controversy with respect to your employment or the cessation of your employment with the Company.

This Agreement does not affect or limit your rights to any benefits to which you may otherwise be entitled pursuant to (1) any relevant 401(k) savings and/or health and welfare plans (if any) and (2) workers' compensation or unemployment insurance.

In further consideration for the payments and benefits described herein, you agree to execute the General Release attached hereto as Attachment A within twenty-one (21) days of the Termination Date but not prior to the Termination Date.

17. In further consideration for the payments and benefits described herein, following the Termination Date, you agree to make yourself available (with reasonable notice from the Company) and to cooperate in good faith with the Company at any time following the Termination Date, in responding to inquiries and subpoenas and conducting investigations, whether involving the Company or a third party, as well as preparation for, and defense of, any lawsuit, arbitration, government inquiry or potential government inquiry, or any other action or proceeding filed or claim made against the Company, as defined above, whether currently pending or asserted in the future. The Company will reimburse you for reasonable travel costs related to such participation.

18. In the event that any unaffiliated third party seeks a reference regarding you from the Company, you will refer the third party to the Clarivate employment verification service provider, The Work Number, at 1-800-367-5690 or www.theworknumber.com, which will only provide the dates of your employment at the Company, the position(s) held by you at the Company and income information (if authorized by you).

19. The Company does not guarantee the tax treatment of any payments or benefits under this Agreement including, without limitation, under the Internal Revenue Code and/or any other federal, state, municipal, local or foreign laws. You shall be solely responsible for all taxes that result from any payments due to you under this Agreement. The Parties intend that to the maximum extent permitted under all applicable law that this Agreement will be interpreted and administered to be exempt from or conform to the requirements of Internal Revenue Code Section 409A. The Agreement is intended to be exempt from or comply with the provisions of Code Section 409A so as to prevent the imposition of tax pursuant to Section 409A, and shall be interpreted and/or amended to avoid a violation of 409A.

20. The laws of the State of New Jersey will apply to any dispute concerning this Agreement, except where preempted by federal law. Should any provision of this Agreement be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, excluding the general release language above and/or Attachment A and the post-employment obligations described above, such provision shall immediately become null and void, leaving the remainder of the Agreement in full force and effect. Should the general release above and/or Attachment A be declared unlawful or unenforceable by a court of competent jurisdiction, you agree to sign a new general release which is in a form acceptable to the Company for no additional consideration. The post-employment obligations shall be interpreted and enforced in accordance with the terms contained in those provisions.

21. This Agreement represents the entire agreement of the parties. All prior understandings relating to the subject matter of this Agreement, whether oral or written, are hereby superseded by this Agreement other than any documents expressly referenced in this Agreement or incorporated

herein by reference. If applicable, information regarding the status of your work visa, following the Termination Date, will be provided separately. The Company's failure to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenants or condition.

22. You have fourteen (14) days from the receipt of this Agreement, or until December 13, 2021, to consider executing this Agreement. If you choose not to execute this Agreement within fourteen (14) days, you understand that you will forfeit the right to receive the Severance Pay and all benefits provided in Section 1 of this Agreement. For avoidance of doubt, if you fail to execute this Agreement within fourteen (14) days of the date of receipt of this Agreement, this Agreement will be deemed to be automatically withdrawn and of no legal effect.

23. This Agreement will become effective upon my execution and return of it to the Company (the "Effective Date").

You also acknowledge that but for this Agreement, including Attachment A, you would not be entitled to the Severance Pay and other benefits set forth in Paragraph 1. If you fail to sign and return Attachment A within twenty-one (21) days of the Termination Date, and/or if you revoke Attachment A then, in either case, this Agreement will be deemed to be automatically withdrawn and of no legal effect.

* * *

Since the execution of this Agreement releases the Company and the Released Parties from all claims you may have, the Company advises you to take time to consider this Agreement and to consult with an attorney of your choice prior to signing it. Please indicate your understanding, acceptance and approval of this Agreement by signing your name and dating your signature where indicated below.

BY SIGNING BELOW, YOU ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS AGREEMENT, THAT YOU HAVE BEEN ADVISED TO CONSULT WITH COUNSEL OF YOUR CHOICE AND THAT YOU KNOWINGLY AND VOLUNTARILY ENTER INTO THIS AGREEMENT INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS YOU HAVE OR MIGHT HAVE AGAINST THE COMPANY AND THE RELEASED PARTIES UP TO THE DATE YOU SIGNED THIS AGREEMENT.

This Agreement may be executed in one or more counterparts and a photocopy, PDF or other electronic form of the Agreement is as valid and effective as an original, provided it contains your handwritten signature. Kindly return the executed Agreement to Julie Wilson at Julie.Wilson@Clarivate.com.

Let me take this opportunity to express my personal thanks for your services and support and to wish you every success in your future endeavors.

Sincerely,

Jerre Stead
Executive Chairman and Chief Executive Officer
Clarivate

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Accepted and Agreed by:

_____

Richard Hanks

Date: December 10th 2021

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Attachment "A"

General Release

Pursuant to Paragraph 16 of the Separation Agreement and General Release (the "Separation Agreement") to which this General Release (the "Release") is attached I hereby agree as follows:

1. In consideration for the payments and benefits described herein and within the Separation Agreement, on behalf of myself, my predecessors, heirs, executors, administrators, successors and assigns, I hereby irrevocably and unconditionally release and discharge the Company (as that term is defined in the Separation Agreement) and its and their past, present, and future parents, subsidiaries, branches, divisions, and affiliates, and its and their past, present, and future shareholders, employees, officers, directors, agents, representatives, fiduciaries and attorneys, individually and in their official capacities (collectively, the "Released Parties"), from any and all causes of action, suits, debts, claims, liabilities, demands, costs, expenses, attorneys' fees, damages, indemnities and obligations of any kind or nature, in law, equity or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed, foreseeable and unforeseeable, which have existed or may have existed, or which do exist, at any time prior to and including the date on which I sign this Release, other than any claims that cannot lawfully be waived. This Release includes, but is not limited to any claims for employment discrimination, including, but not limited to, any claims under federal, state or local fair employment laws or practices or other employee relations statutes and amendments (including without limitation the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Lilly Ledbetter Fair Pay Act of 2009, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Family and Medical Leave Act, the Occupational Safety and Health Act, and the Sarbanes- Oxley Act of 2002, the New Jersey Law Against Discrimination, N.J.S.A. 10:5-1 et seq., any and all claims or rights under any other federal, state or local laws, regulations or ordinances prohibiting retaliation against whistleblowers, including, but not limited to, the New Jersey Conscientious Employee Protection Act, N.J.S.A. 34:19-1, et seq., any state or local leave laws, regulations or ordinances, including, but not limited to, the New Jersey Family Leave Act, N.J.S.A. 34:11B-1, et seq., Executive Order 11246; (i) 42 U.S.C. §§ 1981, 1985, 1988, all other claims arising under any federal, state, or local constitutional law, statutory law, common law, regulations, ordinances, or equity, contract, or other source of law, including any and all claims or rights under federal, state or local laws, regulations or ordinances relating to the payment of wages, bonuses, incentives and other compensation to employees, and including, but not limited to, the New Jersey Wage Payment Law, N.J.S.A. 34:11-4.1 et seq. and/or the New Jersey Wage and Hour Law, N.J.S.A. 34:11-56a et seq. and the employment laws and regulations of any state, including New Jersey, any claims arising under the Worker Adjustment and Retraining Notification Act (WARN), and any applicable state laws that provide for benefits similar to WARN; any claims pursuant to any other federal, state or local statutes, regulations, ordinances or executive orders; any claims based on any rule, common law or public policy; any claims based in contract, whether oral or written, express or implied; any claims based in tort, or any other obligation. I confirm that I have not filed any claim in a civil action or compliant in an administrative action against the Company, that no claims or complaints or other proceedings are pending in any court or other forum relating directly or indirectly to my employment with the Company and/or separation from employment, and that I have not raised a claims of discrimination or harassment with the Company. I affirm that I have been provided and/or have not been denied any leave requested under the Family and Medical Leave Act or applicable state law. I further affirm that I have been paid and received all compensation, wages, bonuses, commissions and benefits due to me, except as provided in the Separation Agreement. I confirm and acknowledge that the Separation Agreement reflects any and all separation, severance, bonus, compensation, and/or other payments to which I am entitled under any applicable plan, agreement or practice.

2. I understand that by signing this Release, I am providing a complete waiver of all claims that may have arisen, whether known or unknown, up until the time that this Release is executed by me, other than any claims that cannot lawfully be waived. I understand that this Release does not constitute an admission of liabilities on the part of the Released Parties, by whom any liability is expressly denied, but is instead made to terminate any

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controversy or potential controversy with respect to my employment or the cessation of my employment with the Company.

Notwithstanding the foregoing or anything else in this Release, nothing in this Release shall be construed to prohibit you from filing a charge or complaint with the Equal Employment Opportunity Commission (or equivalent state agency) or other administrative agency or cooperating in an official investigation, although you waive your right to any monetary relief or monetary damages in connection therewith

3. This Agreement does not affect or limit my rights to any benefits to which I may otherwise be entitled pursuant to (1) any relevant 401(k) savings and/or health and welfare plans (if any) and (2) workers' compensation or unemployment insurance.

4. **I understand that I have twenty-one (21) days from the Termination Date (as defined in the Separation Agreement) to consider executing this Release (the "Consideration Period"). I understand that I may execute this Release at any time within the Consideration Period (the "Acceptance Date"). If I choose not to execute this Release within the Consideration Period, I understand that I will forfeit the right to receive the Severance Pay and all benefits provided in Section 1 of the Separation Agreement. I further understand that I may revoke my acceptance of this Release after signing it by delivering a written notice of my decision to revoke within seven (7) calendar days after the Acceptance Date (the "Revocation Period"). I also understand that my written revocation must be sent to Julie Wilson at Julie.Wilson@Clarivate.com and that this Release and my right to receive the Severance Pay and other benefits outlined in the Separation Agreement shall be forfeited if I revoke my signature within the seven (7) calendar day Revocation Period. I acknowledge and agree that this Release shall become effective on the first day after the seven (7) calendar day Revocation Period (the "General Release Effective Date").**

I acknowledge and agree that my execution of this Release releases the Company and the Released Parties from all claims I may have, and that the Company advised me to take time to consider this Release and to consult with an attorney of my choice prior to signing it.

BY SIGNING BELOW, I ACKNOWLEDGE THAT I HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS RELEASE, THAT I HAVE BEEN ADVISED TO CONSULT WITH COUNSEL OF MY CHOICE AND THAT I KNOWINGLY AND VOLUNTARILY ENTER INTO THIS RELEASE INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS I HAVE OR MIGHT HAVE AGAINST THE COMPANY AND THE RELEASED PARTIES UP TO THE DATE I SIGN THIS RELEASE.

This Release may be executed in one or more counterparts and a photocopy, PDF or other electronic form of this Release is as valid and effective as an original, provided it contains my handwritten signature. I acknowledge and agree that I must return an executed copy of this Release to Julie Wilson at Julie.Wilson@Clarivate.com.

Accepted and Agreed by:

_____

Richard Hanks

Date___

Clarivate

November 29, 2021

Jonathan Collins
[ADDRESS REDACTED]

Dear Jonathan:

Congratulations! I am very pleased to offer you a position on behalf Clarivate. We are very excited to have you join the organization and look forward to your acceptance.

Below are the terms of your offer, which are effective from your start date. This letter sets forth the initial terms and conditions of your employment with Clarivate. If at any time following your start date you enter into an employment agreement with Clarivate, such employment agreement will expressly supersede and replace this letter in its entirety.

Start Date: On or before December 16, 2021

Position and Title: As of your start date, your title will be Executive Vice President and Chief Financial Officer of Clarivate.

In this role, you will be an executive officer of Clarivate, as further discussed below.

Manager: Jerre Stead, Chief Executive Officer

Principal Location: Flexible

Annual Compensation: You will be eligible for the following, less applicable deductions and withholdings:

- $750,000 base salary (payable in accordance with company payroll practices)
- Participation in our Annual Incentive Plan (AIP) with a target award of 100% of earned base salary. The AIP payment will be subject to terms and conditions of the plan document including modification of the actual AIP payment based on business and individual performance, and your start date.
- Participation in the annual equity program according to the award design and levels approved by the Human Resources and Compensation Committee of the Board of Directors (the HRCC) at the time of grant. Any share units granted to you will be subject to the terms and conditions of the 2019 Clarivate Incentive Award Plan (or its successor plan) (the "Plan") and the grant agreement which will be provided to you as soon as administratively practical after any grant is approved. From time to time, as business conditions dictate, the Company may revise eligibility and the types of equity provided in the annual equity program. For 2022, your annual equity grant will consist of awards of restricted share units (RSUs) and performance-based restricted share units (PSUs) with an aggregate grant date value of $2,500,000. 50% of this value will be in RSUs vesting ratably over three years and 50% will be in PSUs which will vest according to the terms of the relevant Plan document and/or grant agreement.
- For the avoidance of doubt and as set forth above, given your expected start date in December of 2021, you will be eligible for an AIP bonus for plan year 2022 and to receive a grant under the Company's equity program subject to the terms of the relevant plan documents and/or any grant agreement(s) you may be required to sign.

Sign-on Cash

Bonus: Subject to the conditions of this Section, you will receive a cash signing bonus of $750,000.00 payable in March 2022 in conjunction with the Clarivate bonus payment timing (your "Sign-on Cash Bonus"). It is understood and agreed that if you voluntarily leave Clarivate for any reason other than a Good Reason, as defined herein, submit notice of your decision to leave Clarivate for any reason other than a Good Reason, or are terminated for Cause, as defined herein, (1) before the completion of the 6 month anniversary of your start date, you will repay the full amount of the Sign-on Cash Bonus to Clarivate within 30 days of your last day of employment, and (2) between the 6 and 12 month anniversary of your start date, you will repay a pro-rata portion of the Sign-on Cash Bonus to Clarivate within 30 days of your last day of employment. A "Good Reason" for voluntary resignation means a materially adverse change in position or a required relocation. "Cause" means: (i) your commission of, indictment for, or entry of a plea of guilty or nolo contendere by you to a felony under the laws of the United States or any state thereof for any crime involving fraud, dishonesty, theft, embezzlement or moral turpitude, or any similar crime in any jurisdiction outside of the United States or (ii) you commission of any act of fraud, embezzlement, material misappropriation or dishonesty against Clarivate.

If Clarivate commences and prevails in a lawsuit or claim against you to recover all or any portion of the Sign-on Cash Bonus, in addition to any other available damages and/or remedies, you will be obligated to pay Clarivate all fees and costs (specifically including attorneys' fees) it incurred in pursuing any such lawsuit and/or claim.

Sign-on Equity Bonus: Within five (5) days of your start date, you will be granted a one-time award of RSUs with an aggregate grant date value of $7,300,000 (the "Sign-On Award"). The share denomination of this award will be calculated using the closing share price on the day prior to the public announcement of your employment. The Sign-on Award will vest as follows: 40% on March 1, 2022, 40% on March 1, 2023, and 20% on March 1, 2024. Any share units granted to you, including the Sign-On Award, will be subject to the terms and conditions of the Plan and the relevant grant agreement which will be provided to you as soon as administratively practical after the grant date. For avoidance of doubt, your Sign-On Award will be in addition to, and not in lieu of, the components of your annual compensation, as described above.

In the event your employment is terminated for Cause, you agree to pay Clarivate the cash value of any portion of the Sign-on Award that has vested as of your termination date.

If you voluntarily resign or submit notice of your decision to leave Clarivate for any reason, other than a Good Reason, within 6 months of your start date, you agree to pay Clarivate the cash value of any portion of the Sign-on Award that has vested as of your termination date.

If you voluntarily resign or submit notice of your decision to leave Clarivate for any reason, other than a Good Reason, between the 6 and 12 month anniversary of your start date, you agree to pay Clarivate, on a pro-rata basis, the cash value of any portion of the Sign-on Award that has vested as of your termination date.

For purposes of the three repayment obligations described in this Sign-on Equity Bonus section, the cash value of the repayment obligation will be calculated using Clarivate's share price as of the date the RSUs were granted to you.

If Clarivate commences and prevails in a lawsuit or claim against you to enforce any of the repayment obligations described in this Sign-on Bonus Equity section, in addition to any other available damages and/or remedies, you will be obligated to pay Clarivate all fees and costs (specifically including attorneys' fees) it incurred in pursuing any such lawsuit and/or claim.

Severance Benefits: You will be entitled to receive severance pay in accordance with and subject to the terms of the then current executive severance plan.

If Clarivate terminates your employment without Cause, as the term Cause is defined in the Executive Severance Plan of Clarivate PLC and Summary Plan Description, Effective June 30, 2021 (the "Executive Severance Plan"), during the twelve (12) month period immediately following a Change in Control and there is no then-current executive severance plan, Clarivate shall provide severance benefits to you based on the following guidelines:

a. Severance.
    i. A cash amount equal to:
        i. twenty-four (24) months of Base Salary; *plus*
        ii. an amount reflecting twenty-four (24) months of bonus target under the Annual Incentive Plan assuming the target bonus had been met at 100% for a full twenty-four (24)-month period, with such amount to be calculated based on your Base Salary as of the termination of employment.

b. Equity and Equity-Based Awards.
    i. Any unvested outstanding awards of Restricted Stock Units or Performance Share Units under the Equity Plan shall be eligible for treatment in accordance with the terms of the Equity Plan and any underlying award and/or grant agreement(s).

c. Other Benefits.
    i. To the extent COBRA applies, you shall be entitled to lump sum payment equal to the applicable monthly COBRA premium payment for the group medical plan in which you were enrolled as of your termination date, multiplied by twenty-four (24). This lump sum amount shall be paid as soon as administratively feasible following your termination from employment but, in any event, no later than the two and one-half (2½) months after the end of the year in which the termination from employment occurs

Capitalized terms in the Severance Benefits section that are not otherwise defined in this offer letter shall have the meaning given to them in the Executive Severance Plan.

Payment of severance and any other benefits described in the Severance Benefits section is contingent upon you entering into a separation and general release agreement, the complete terms of which will be provided to you closer to any potential termination date.

Relocation: You will not be required to relocate to any Clarivate office in connection with the commencement of your employment.

Benefits: You will be eligible to participate in our benefits in accordance with the terms and conditions of the respective plans Clarivate may from time to time provide to its similarly situated employees. An overview of all available benefits is attached for your reference.

Vacation: You will be entitled vacation under Clarivate's Flex Time Off plan which may be taken at mutually convenient times as agree with your manager. Clarivate may make adjustments or changes to plans and policies from time to time.

Business Expenses: Business expenses will be reimbursed, subject to proper documentation and in accordance with the policies of Clarivate.

Executive Officer Role: As an Executive Officer of Clarivate, you will be subject to applicable SEC rules. including Section 16 of the Securities Exchange Act of 1934, which articulates the regulatory filing responsibilities to which certain officers are legally required to adhere. Prior to your start date, you will meet with Julio Martin, our Chief Governance Officer and Chief Securities Counsel, for an overview of these regulations.

Additionally, as an Executive Officer, you will be required to comply with our Share Ownership Guidelines which require you to own shares of Clarivate stock equal to 3 times your base salary by the end of a 5-year compliance period.

At Will: You understand that your employment will be "at will", which means that Clarivate may terminate your employment at any time for any reason. This letter does not constitute, and may not be construed as, a commitment for employment for any specific duration.

Representations and Warranties: You hereby represent and warrant your employment with Clarivate or any of its subsidiaries as set forth herein and your execution and performance of this letter do not constitute a breach or violation of any other agreement, obligation or understanding with any third party. You represent that you are not bound by any agreement or any other existing or previous business relationship which conflicts with, or may conflict with, the performance of your obligations hereunder or prevent the full performance of your duties or obligations hereunder.

Withholding; Section 409A: Clarivate may deduct and withhold from any amounts payable under this letter such federal, state, local, or other taxes as are required or permitted to be withheld pursuant to any applicable law or regulation, as applicable. It is the intent of the parties that the provisions of this letter either comply with Section 409A of the Internal Revenue Code of 1986 ("Section 409A") or that one or more elements of compensation or benefits be exempt from Section 409A. Accordingly, the parties intend that this letter be interpreted and operated in a manner consistent with such requirements in order to avoid the application of penalty taxes under Section 409A to the extent reasonably practicable. To the extent that any provision hereof is modified in order to comply with Section 409A, such modification will be made in good faith and will, to the maximum extent reasonably possible, maintain the original intent and economic benefit to you and Clarivate of the applicable provision without violating the provisions of Section 409A. For purposes of Section 409A, your right to receive any installment payments pursuant to this letter will be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this letter specifies a payment period with reference to a number of days, the actual date of payment within the specified period will be within the sole discretion of Clarivate or one of its subsidiaries. Clarivate cannot make any guarantees with respect to compliance with such requirements, and neither Clarivate nor any affiliate will have any obligation to indemnify you or otherwise hold you harmless from any or all of such taxes or penalties. To the extent you are a "specified employee" within the meaning of Section 409A as of the date of the termination of your employment, no amounts payable under this letter that constitute deferred compensation within the meaning of Section 409A which is payable on account of your separation from service will be paid to you before the date which the first day of the seventh month after such date of termination of employment (the "Delayed Payment Date") or, if earlier, the date of your death following such separation from service. All such amounts that would, but for the preceding sentence become payable prior to the Delayed Payment Date, will be accumulated and paid on the Delayed Payment Date.

Successors and Assigns: This letter will be binding upon and inure to the benefit of Clarivate and any successor to Clarivate, including, any persons acquiring directly or indirectly all or

substantially all of the business or assets of Clarivate whether by purchase, merger, consolidation, amalgamation, reorganization or otherwise (and such successor will thereafter be deemed "Clarivate" for the purposes of this letter). This letter will inure to the benefit of and be enforceable by your personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees, but otherwise will not otherwise be assignable, transferable or delegable by you. Except as expressly provided in the immediately preceding sentence, you will not, without the prior written consent of Clarivate, assign, transfer or delegate this Agreement or any of your rights or obligations hereunder.

Governing Law: This letter will be construed and enforced in accordance with the rules of the laws of the State of Delaware, notwithstanding any state's choice of law rules to the contrary.

Entire Agreement; Modification: This offer letter, including but not limited to its at-will employment provision, may not be modified or amended except by a written agreement signed by an officer of Clarivate, acting with the authority of the board of directors of Clarivate, and you. This offer letter represents the entire agreement of the parties. All prior understandings relating to the subject matter of this offer letter, whether oral or written, are hereby superseded by this offer letter other than any documents referenced in this offer letter and/or incorporated herein by reference.

Counterparts: This letter may be executed in one or more counterparts (including via facsimile and electronic image scan (.pdf)), each of which will be deemed to be an original, but all of which together will constitute one and the same instrument and will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

Please be aware that your offer of employment is contingent on your completion of the following:

- Signature on attached agreement relating to your non-compete and/or non-solicit obligations
- Electronic acknowledgement of the Clarivate Code of Conduct
  A copy of the Code is attached for your reference. Acknowledgement will be requested after your employment has begun.
- Signature on the attached Confidential Information and Invention Assignment Agreement
- Successful Completion of a Background Check
  Following your acceptance of this offer, you will receive an online form to complete and submit. Please note that unsatisfactory results, falsifying information and/or refusal to cooperate in the background check process will result in the immediate withdrawal of this employment offer or immediate termination of employment if it has commenced.
- Proof of identity and employment eligibility
  You must present original documentation upon hire in order to complete the federal I9 form. If you do not present this information, then Clarivate may not employ you and you will be terminated, as required by law. Additional instructions are attached for your review.

If you find this offer to be acceptable, then please provide your signature and submit within 5 days of the date of this letter.

I believe that you can make a significant contribution to Clarivate and look forward to working with you as we continue to build this very exciting business.

Sincerely,

Jerre Stead
Executive Chairman and Chief Executive Officer
Clarivate

The undersigned represents and warrants that by acceptance of this position s/he will not violate the terms of any post-employment agreement(s) applicable to him/her, and that s/hewill not utilize or make available to Clarivate any confidential or proprietary information of any third party or violate any obligation(s) with respect to such information.

The undersigned accepts the above employment offer and agrees that the employment offered is "at will" (meaning either party may terminate at any time, with or without cause or notice and, except as otherwise noted in the severance language included in this offer letter, without compensation other than for time worked), that this offer supersedes any and all prior understandings or agreements, whether oral or written, relating to this offer of employment, and that there are no other terms expressed, or implied. The undersigned also understands that compensation, benefits and other terms of employment can change from time to time, as determined in Clarivate's sole discretion, and nothing stated herein implies a contract of employment or employment for any specific duration.

Accepted: _____
Jonathan Collins

Date: November 29th 2021

Exhibit 21.1

List of Subsidiaries

Entity Name	Jurisdiction of Organization
Camelot U.S. Acquisition LLC	Delaware
Camelot UK Bidco Limited	England and Wales
Clarivate Analytics (UK) Limited	England and Wales
Clarivate Plc	Jersey
Clarivate Science Holdings Corporation	Delaware
CPA Global Limited	Jersey
CPA Global Management Services Ltd	England and Wales
CPA Global North America LLC	Delaware
ProQuest LLC	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-239328), No. 333-256956, and No. 333-257608) and Form S-8 (No. 333-231405) of Clarivate Plc of our report dated March 10, 2022 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
March 10, 2022

Exhibit 31

CERTIFICATION

I, Jerre Stead, certify that:

1. I have reviewed this Annual Report on Form 10-K of Clarivate Plc;

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

   d) Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 10, 2022

/s/ Jerre Stead

Jerre Stead

Executive Chairman and Chief Executive Officer

CERTIFICATION

I, Jonathan M. Collins, certify that:

1. I have reviewed this Annual Report on Form 10-K of Clarivate Plc;

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

   d) Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 10, 2022

/s/ Jonathan M. Collins

Jonathan M. Collins

Executive Vice President and Chief Executive Officer

Exhibit 32

CERTIFICATION PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Clarivate Plc (the "Company") on Form 10-K for the year ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jerre Stead, Executive Chairman and Chief Executive Officer of the Company, certify to my knowledge, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 10, 2022

/s/ Jerre Stead

Jerre Stead

Executive Chairman and Chief Executive Officer

CERTIFICATION PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Clarivate Plc (the "Company") on Form 10-K for the year ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jonathan M. Collins, Executive Vice President and Chief Financial Officer of the Company, certify to my knowledge, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 10, 2022

/s/ Jonathan M. Collins

Jonathan M. Collins
Executive Vice President and Chief Financial Officer