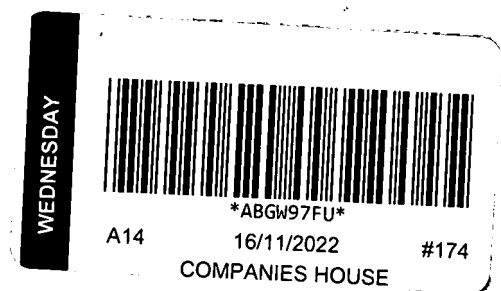


# **COMPUTER PATENT ANNUITIES INTERNATIONAL LIMITED**

**Annual Report for the year ended 31 December 2021**

**Registered No: 04016625**



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# COMPUTER PATENT ANNUITIES INTERNATIONAL LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 December 2021

*(All amounts in £ thousands unless otherwise stated)*

The directors present their strategic report for the year ended 31 December 2021.

### Definition

As used in this annual report, "Company" refers to Computer Patent Annuities Limited and "Group" refers to Clarivate Plc and its subsidiary undertakings.

### Fair review of the business

The principal activity of the Company is that of an investment holding company. It incurs administrative expenses in relation to holding this investment. The profit for the financial year amounted to £42 (2020: £162 loss). The net assets at 31 December 2021 were £1,022,427 (2020: £1,022,385). No dividends were declared and/or paid during the year (2020: £nil). No dividends are proposed before the date of approval of the accounts. The directors consider the results for the year and the position at the end of it to be satisfactory and they expect the present level of activity to be sustained for the foreseeable future.

### Events after the reporting period

Management has evaluated the impact of events that have occurred subsequent to December 31, 2021. Based on this evaluation, other than disclosed within these financial statements and related notes or described below, the Company has determined no other events were required to be recognised or disclosed.

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

On 31 March 2022, the revolving credit facility was increased from \$350m to \$750m and its term was extended from 2024 to 2027.

### Key performance indicators

The directors are of the opinion that analysis using key performance indicators at the Company level is not useful for an understanding of the development, performance or position of the business given its operations are significantly integrated within the Group and therefore KPI's are reviewed on a Group basis. These are disclosed as part of the SEC filings of Clarivate Plc, a public investment vehicle listed on the New York Stock Exchange (Ticker: CLVT), which does not form part of this report.

### Principal risks and uncertainties

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

## **COMPUTER PATENT ANNUITIES INTERNATIONAL LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 December 2021 (continued)**

*(All amounts in £ thousands unless otherwise stated)*

- Changes in technology;
- Significant disruption in, or unauthorised access to our computer systems or those of third parties that we utilise in our operations, due to cyber-attacks or cybersecurity related issues.
- Reputation of brands;
- Worldwide and regional economic conditions;
- Political, social and unforeseen developments in the different geographic regions we operate in around the world; This is a holding company having investment outside Ukraine and Russia. so doesn't have any impact of ongoing conflict.
- Dependence on third party telecommunications, data centres, and network systems as well as the internet to deliver our products and services, and
- Adverse foreign exchange rate movements

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

#### **Section 172 (1) Statement**

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

#### **Decision making**

As an intermediate holding company, the directors regularly need to consider the investments the Company is making along with the equity financing of the company. In order to fulfil these duties, the directors consult with the Executive Leadership Team and functional teams within the Group to ensure that the Company continues to deliver in line with the Group's investment and financing strategy.

#### **Colleagues**

While the company has no employees, the directors have regard to the interests of the employees within its subsidiary undertakings. The Group operates a biannual employee engagement survey and all employees are invited to attend regular online Town Hall meetings. These meetings include open question and answer sessions with the Group's Executive Leadership Team.

#### **Suppliers**

The Company has a limited number of suppliers, but along with all Group companies, through the Clarivate Supply Chain Ethical Code of Conduct, the directors seek to encourage and drive commitments to ethical improvements throughout our supply chain.

**COMPUTER PATENT ANNUITIES INTERNATIONAL LIMITED**  
**STRATEGIC REPORT FOR THE YEAR ENDED 31 December 2021 (continued)**


*(All amounts in £ thousands unless otherwise stated)*

**Governance and risk**

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

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

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

DocuSigned by:  
  
EOAC3A784545418  
On behalf of the board

**Andrew Graham Wright**  
**Director**  
**Company Registration No. 04016625**

## **COMPUTER PATENT ANNUITIES INTERNATIONAL LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

*(All amounts in £ thousands unless otherwise stated)*

The directors present their report and the audited financial statements for the year ended 31 December 2021.

#### **INCORPORATION**

Computer Patent Annuities International Limited (the "company") was incorporated in England and Wales on 13 June 2000.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company is holding investments within group entities.

#### **RESULTS AND DIVIDEND**

For the year ended 31 December 2021, pre-tax profit from the operating activities amount to £42 (2020 : £162 loss). At 31 December 2021, total equity was a surplus of £1,022,427 (2020: £1,022,385).

The directors do not recommend the payment of a dividend for the year ended 31 December 2021 (2020: Nil).

#### **DIRECTORS**

The directors who held office during the year, and up to the date of signing the financial statements, were :

Jaspal Kaur Chahal (appointed with effect from 31 August 2021)

J G Samson (resigned with effect from 16 February 2021)

S L Webster (resigned with effect from 16 February 2021)

Andrew Graham Wright (appointed on 4 February 2021)

Stephen Paul Hartman (resigned with effect from 31 August 2021)

No director had any interest in the company during the year.

#### **SECRETARY**

The role of the company secretary is performed by Dawn Logan Keeffe.

#### **GOING CONCERN**

The financial position of the Company, liquidity position and borrowing facilities are described in the primary statements and notes of these set of financial statements. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

The continuing impact of the Covid-19 pandemic on the Company has been reviewed as part of the wider Clarivate Plc Group. The review consisted of a scenario based planning exercise to assess the potential impact on the Group's future financial position. The scenario planning has taken into account its existing cash position, covenant compliance requirements, the creditworthiness of its banking partners, potential revenue outcomes (in both a worst and reasonable downside scenario), and, to be prudent, evaluated potential reductions in its cost base.

## **COMPUTER PATENT ANNUITIES INTERNATIONAL LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

*(All amounts in £ thousands unless otherwise stated)*

This exercise has confirmed that the Group's cash reserves/access to liquidity is sufficient for the group to continue in operational existence for the foreseeable future and at least 12 months from the date of approval of the Company's financial statements.

The Group's credit facilities at 31 December 2021 consist of \$700m (2020: \$700m) of secured notes due in 2026, \$921m of senior secured notes due in 2028, \$921m senior notes due in 2029, secured borrowings consisting of \$2,819m (2020: \$2,847m) term loans, due 2026, and a \$350m (2020: \$250m) revolving credit facility, due 2024. On 31 March 2022, the revolving credit facility was increased from to \$750m and its term was extended to 2027.

The notes, term loans and revolving credit facility that are all guaranteed on a joint and several basis by the Company and certain of the Group's other subsidiaries. These group borrowings are used to either, to fund investments or are lent to companies via intercompany accounts to enable companies to settle debt, as such the going concern of the company, is predicated on the going concern of the wider group to remain as a going concern.

#### **EVENTS AFTER THE REPORTING PERIOD**

Management has evaluated the impact of events that have occurred subsequent to December 31, 2021. Based on this evaluation, other than disclosed within these financial statements and related notes or described below, the Company has determined no other events were required to be recognised or disclosed.

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

On 31 March 2022, the revolving credit facility was increased from \$350m to \$750m and its term was extended from 2024 to 2027.

#### **FINANCIAL RISK MANAGEMENT**

The management of financial risks is coordinated with those undertaken at Group level by Clarivate Plc. The Group's overall risk management programme, as outlined in note 12, focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's and the Group's financial performance.

#### **DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

## COMPUTER PATENT ANNUITIES INTERNATIONAL LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

*(All amounts in £ thousands unless otherwise stated)*

- a. select suitable accounting policies and then apply them consistently;
- b. state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- c. make judgements and accounting estimates that are reasonable and prudent; and
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors confirm they have complied with all the above requirements in preparing the financial statements.


### DIRECTORS' CONFIRMATIONS

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant

### INDEPENDENT AUDITOR

The auditor, PricewaterhouseCoopers CI LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

DocuSigned by:  
  
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**On behalf of the board**  
**Andrew Graham Wright**  
**Director**  
**Company Registration No. 04016625**

**Registered office:**  
**70 St Mary Axe**  
**London**  
**EC3A 8BE**



# Independent auditors' report to the members of Computer Patent Annuities International Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Computer Patent Annuities International Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 December 2021; the statement of comprehensive income and statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Directors' Report, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- enquiring with the management of the company and the directors as to any actual or suspected instances of fraud or non-compliance with laws and regulations;
- checking the minutes of meetings of the board of directors for matters relevant to the audit;
- testing the disclosure in the financial statements, as well as in the Strategic and Directors' Report, for compliance with the requirements of the Companies Act 2006;
- performing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- identifying and testing journal entries considered to be of higher fraud risk, and the evaluation of the business rationale for any significant or unusual transactions identified as being outside of the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Karl Hairon (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers CI LLP  
Chartered Accountants and Statutory Auditors  
Jersey, Channel Islands  
7 October 2022

## COMPUTER PATENT ANNUITIES INTERNATIONAL LIMITED

### Statement of Comprehensive Income for the Year Ended 31 December 2021

*(All amounts in £ thousands unless otherwise stated)*

	Note	31 December 2021	31 December 2020
Interest on loan from parent		—	(265)
Administrative expenses	3	42	103
Profit/(loss) before income tax		42	(162)
Income tax expense		—	—
Profit/(loss) for the year		42	(162)
<b>Total Comprehensive Income/(loss) for the year</b>		<b>42</b>	<b>(162)</b>

The notes on pages 13 to 19 are an integral part of these financial statements.

**COMPUTER PATENT ANNUITIES INTERNATIONAL LIMITED****Statement of financial position****as at 31 December 2021***(All amounts in £ thousands unless otherwise stated)*

	Note	As at 31 December 2021	As at 31 December 2020
<b>ASSETS</b>			
<b>Non current assets</b>			
Investments	8	1,017,738	1,017,738
<b>Current assets</b>			
Other receivables	9	5,148	5,077
<b>Total Assets</b>		<b>1,022,886</b>	<b>1,022,815</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	10	357	328
Current Tax Liability		102	102
<b>Total current liabilities</b>		<b>459</b>	<b>430</b>
<b>Total Liabilities</b>		<b>459</b>	<b>430</b>
<b>Net Assets</b>		<b>1,022,427</b>	<b>1,022,385</b>
<b>EQUITY</b>			
Share Capital and premium	11	999,875	999,875
Retained earnings		22,552	22,510
<b>Total equity</b>		<b>1,022,427</b>	<b>1,022,385</b>


The financial statements on pages 10 to 19 were approved by the board of directors on the 4<sup>th</sup> day of October 2022 and were signed on their behalf by:

The notes on pages 13 to 19 are an integral part of these financial statements.

Andrew Graham Wright

Director

Company Registration No. 04016625

DocuSigned by:  
  
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## COMPUTER PATENT ANNUITIES INTERNATIONAL LIMITED

### Statement of changes in equity for the year ended 31 December 2021

*(All amounts in £ thousands unless otherwise stated)*

	Share Capital	Share premium	Retained earnings	Total equity
Balance as at 1 January 2020	—	560,718	22,672	583,390
Issued during the year	—	439,157	—	439,157
Total comprehensive loss for the year	—	—	(162)	(162)
Balance as at 31 December 2020	—	999,875	22,510	1,022,385
Balance as at 1 January 2021	—	999,875	22,510	1,022,385
Total comprehensive income for the year	—	—	42	42
Balance as at 31 December 2021	—	999,875	22,552	1,022,427

The notes on pages 13 to 19 are an integral part of these financial statements.

## COMPUTER PATENT ANNUITIES INTERNATIONAL LIMITED

### Notes to the Financial Statements for the Year Ended 31 December 2021

*(All amounts in £ thousands unless otherwise stated)*

#### 1 General information

Computer Patent Annuities International Limited ("the company") is an investment holding entity.

The company is a private company limited by share capital, incorporated and domiciled in England and Wales.

The address of its registered office is: 70 St Mary Axe London EC3A 8BE

#### 2 Summary of significant accounting policies

##### (a) Statement of compliance

###### *(i) Compliance with FRS 102*

The individual financial statements of the company have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

##### (b) Basis of preparation

###### *(i) Historical cost convention*

These financial statements have been prepared on a historical cost basis.

###### *(ii) Critical estimates, judgements and errors*

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies. There are no critical accounting estimates and/or judgements required in preparation of financial statements.

###### *(iii) Exemption from preparing group financial statements*

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

###### *(iv) Preparation of consolidated financial statements*

The financial statements contain information about Computer Patent Annuities International Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements. The smallest and largest group into which the results of the Company are consolidated is that headed up by Clarivate Plc, a company incorporated in Jersey, with a registered address at 4th Floor, St Pauls Gate, 22-24 New Street, St Helier, Jersey, JE1 4TR is listed on New York Stock Exchange and its consolidated financial statements are available at [www.clarivate.com](http://www.clarivate.com).

## COMPUTER PATENT ANNUITIES INTERNATIONAL LIMITED

### Notes to the Financial Statements for the Year Ended 31 December 2021(continued)

*(All amounts in £ thousands unless otherwise stated)*

#### **(c) Foreign currency**

##### *(i) Functional and presentation currency*

The company's functional and presentation currency is the pound sterling.

##### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

#### **(d) Financial instruments**

The company has chosen to adopt section 11 and 12 of FRS 102 in respect of financial instruments.

##### **i) Financial assets**

Basic financial assets, including amounts due from group undertakings, cash and bank balances, and other receivables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting year financial assets measured at amortised cost are assessed for objective evidence of impairment. The impairment loss is recognised in profit or loss account.

##### **ii) Financial liabilities**

Basic financial liabilities, including amounts due to group undertakings and other payables are initially recognised at transaction price. They are subsequently carried at amortised cost using the effective interest method.

#### **(e) Income tax**

Taxation expense for the year represents current tax recognised in the reporting year. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.



## COMPUTER PATENT ANNUITIES INTERNATIONAL LIMITED

### Notes to the Financial Statements for the Year Ended 31 December 2021(continued)

*(All amounts in £ thousands unless otherwise stated)*

The directors yearly evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### (f) Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### 3. Administrative expenses

	31 December 2021	31 December 2020
Gain from Revaluation	70	103
Others	(28)	0
	<u>42</u>	<u>103</u>

#### 4 Auditor's remuneration

Auditor's remuneration for the year ended 31 December 2021 of £12,936 (2020: £14,700) to be paid by CPA Global Limited, a fellow subsidiary undertaking.

#### 5 Income tax expense

	31 December 2021	31 December 2020
Profit(loss) on ordinary activities before tax	42	(162)
Tax at the UK tax rate of 19 %( 2020: 19%)	8	(31)
Effects of :		
Expenses not deductible for tax purposes	—	—
Deferred tax not recognised	(8)	—
Group relief not paid for	—	31
<b>Income Tax Expense</b>	<u>—</u>	<u>—</u>

#### 6 Employee Information

The company had no employees during the year (2020 Nil)

#### 7. Directors emoluments

No emoluments were paid to directors of the Company and there are no retirement benefits accruing in either year. The directors are employed by fellow subsidiary undertakings and are remunerated by those companies in respect of their services to the Group as a whole as it is not possible to allocate the remuneration of the directors to the Company.

## COMPUTER PATENT ANNUITIES INTERNATIONAL LIMITED

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

(All amounts in £ thousands unless otherwise stated)

#### 8. Investment

	31 December 2021	31 December 2020
Investments in subsidiaries	1,017,738	1,017,738
	<u>1,017,738</u>	<u>1,017,738</u>

The company has below subsidiary undertaking, the details of which are set out below:

Name of undertaking	Country of operation	Proportion of voting rights and shares held	Nature of business	Registered office
CPA Global Management Services Ltd.	England & Wales	100%	IP software services	70 St Mary Axe , London, EC3A 8BE
CPAUSH Ltd.	England & Wales	100%	Investment Holding	70 St Mary Axe , London, EC3A 8BE
CPA Global Korea Limited Liability Company	South Korea	100%	Sales, marketing and support services	2-1901-1, ACE HighTechCity, 775, Gyeongin-ro, Yeongdeungpo-gu, Seoul
CPA Global Holdings (France) S.N.C.	France	50%	Investment Holding	57 rue d'Amsterdam, 75008, Paris, France

#### 9. Other receivables: Current

	31 December 2021	31 December 2020
Amounts due from group undertakings	5,148	5,077
	<u>5,148</u>	<u>5,077</u>

Amounts due from group undertakings and are unsecured, interest free and repayable on demand.

#### 10. Trade and other payables: Current

	31 December 2021	31 December 2020
Amounts due to group undertakings	344	328
Accrual for Audit Fees	13	—
	<u>357</u>	<u>328</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

## COMPUTER PATENT ANNUITIES INTERNATIONAL LIMITE

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

(All amounts in £ thousands unless otherwise stated)

#### 11 Share Capital and Share Premium

	31 December 2021	31 December 2020
<b>Ordinary shares</b>		
<b>Issued, called up and fully paid</b>		
13 (2020:13) Ordinary Shares of £1 each	—	—
Share premium	999,875	999,875
	<u>999,875</u>	<u>999,875</u>

#### 12. Financial risk management

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

##### Market Risk

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

##### Currency Risk

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

##### Interest Rate Risk

The Company is not exposed to fluctuations in interest rates with respect to cash and cash equivalents and long-term borrowings with variable interest rates.

##### Credit Risk

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

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

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

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

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

## COMPUTER PATENT ANNUITIES INTERNATIONAL LIMITED

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

(All amounts in £ thousands unless otherwise stated)

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

#### Liquidity Risk and Capital Management

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

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

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

#### 13 Related parties

##### (a) Parent undertakings and ultimate controlling party

The Company's immediate parent company is CPA Global Group Holdings Limited, a company registered in Jersey, Channel Islands. Within the meaning of the Companies Act 2006, Clarivate Plc is regarded by the directors of the Company as being the Company's ultimate parent company and controlling party.

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

##### (b) Transactions with related parties

The Company has availed itself of the exemption in FRS 102 from the requirement to disclose details of transactions with other group undertakings.

#### 14 Contingent liabilities

The Group's credit facilities at 31 December 2021 consist of \$700m (2020: \$700m) of secured notes due in 2026, \$921m of senior secured notes due in 2028, \$921m senior notes due in 2029, secured borrowings consisting of \$2,819m (2020: \$2,847m) term loans, due 2026, and a \$350m (2020: \$250m) revolving credit facility, due 2024. The notes, term loans and revolving credit facility that are all guaranteed on a joint and several basis by the Company and certain of the Group's other subsidiaries. The directors believe that there would be no liability arising on the company as a result of this cross guarantee.

#### 15 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 financial statements and related notes or described below, the Company has determined no other events were required to be recognised or disclosed.

## **COMPUTER PATENT ANNUITIES INTERNATIONAL LIMITED**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

*(All amounts in £ thousands unless otherwise stated)*

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

On 31 March 2022, the revolving credit facility was increased from \$350m to \$750m and its term was extended from 2024 to 2027.