

CAMELOT FINANCE S.A.
Société anonyme

ANNUAL ACCOUNTS

For the year ended 31 December 2019

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Management Report

The Directors present their annual report and the annual accounts for the year ended 31 December 2019.

1. ACTIVITIES AND REVIEW OF THE DEVELOPMENT OF THE BUSINESS

The Company was incorporated under the laws of Luxembourg on 10 August 2016. The subscribed capital amounts to USD 9,535,000. Its principal activity is the financing of group companies.

Redemption of Senior notes due 2024 and issuance of 2026 notes

On 31 October 2019, the Company closed a private offering of USD 700,000,000 in aggregate principal amount of 2026 Notes bearing interest at 4.50% per annum, payable semi-annually to holders of record in May and November. The first interest payment will be made May 2020. The 2026 Notes 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 subsidiaries of Clarivate Analytics plc. The net proceeds from the offering of 2026 Notes, together with proceeds from the Credit Facilities were used to, among other things, redeem the Prior Notes in full, refinance all amounts outstanding under the previous Term Loan and pay fees and expenses related to the foregoing. The Prior Notes were redeemed at a fixed price of 103.938%, plus accrued and unpaid interest to the date of the purchase.

In connection with the 2026 Notes, the Company incurred USD 11,183,222 of debt issuance costs.

Credit Facilities

On 31 October 2019, the Company entered into the Group's Credit Facilities and drew down USD 493,000,000. The Credit Facilities consist of a USD 900,000,000 Term Loan Facility which, with the borrowings of other group undertakings, was fully drawn at closing and a USD 250,000,000 Revolving Credit Facility with a USD 40,000,000 letter of credit sublimit, which was undrawn at closing. 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 31 October 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). The Term Loan Facility matures on 31 October 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 31 October 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.

In connection with the Term Loan Facility, the Company incurred USD 9,297,626 of debt issuance costs.

Financial Assets

Consistent with the refinancing of the external debt facilities, the loans granted to Camelot UK Bidco Limited were also refinanced with principal amounts of USD 700,000,00 and USD 493,000,000. The interest rates are based on the rates for the 2026 Notes issued and respectively the Term Loan Facilities plus a margin of 0.1445%.

The Directors estimate the overall risks faced by the Company as limited, considering the nature of its activity, although it has a degree of concentration of credit risk, as the majority of the Company's assets are recoverable from a single party, Camelot UK Bidco Limited (“Bidco”). This risk is viewed as minimal as Bidco operates as the holding company of the entire Clarivate Analytics Group and so ultimately owns all the assets and liabilities of that Group, which has diverse and established international operations and customers. During the year ended 31 December 2019 there have been no specific risks or uncertainties likely to compromise the perspectives of the Company for the future years. Long term perspectives are favourable and allow the Company to continue developing its activity.

2. RESULTS AND ALLOCATION

The result for the year ended 31 December 2019 is a profit amounting to USD 1,530,017. We propose to allocate 5% or USD 76,501 to the legal reserve as required by Luxembourg company law and to carry the remaining amount of USD 1,453,516 forward.

3. RESEARCH AND DEVELOPMENT

The Company did not have any activities of research and development during the year.

4. PURCHASE OF OWN SHARES

As at 31 December 2019, the Company does not hold any of its own shares.

5. POST BALANCE SHEET EVENTS

On 3 April 2020, the USD 700,000,000 4.50% Senior Secured Notes due 2026 were admitted to the Official List of The International Stock Exchange under ISIN US13323AAB61.

The Covid-19 outbreak in early 2020 has and will continue to have a significant impact on the world economy. In light of this, the Company, as part of the wider Clarivate Analytics plc Group, has reviewed its cash and liquidity position, and conducted a scenario planning exercise to assess the potential impact on its future financial position. The scenario planning has taken into account its existing cash position, the creditworthiness of its banking partners, potential revenue outcomes (in both a worst and reasonable downside scenario), and to be prudent evaluated potential reductions in its cost base. This exercise has confirmed that the Company's cash reserves/access to liquidity is sufficient for the Company to remain solvent.

6. DISCHARGE

We propose to approve the annual accounts as well as the proposed allocation of the result and to give full discharge to each of the Directors for their mandate for the year ended 31 December 2019.



Audit report

To the Shareholder of
Camelot Finance S.A.

Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of Camelot Finance S.A. (the "Company") as at 31 December 2019, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

What we have audited

The Company's annual accounts comprise:

- the balance sheet as at 31 December 2019;
- the profit and loss account for the year then ended; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report but does not include the annual accounts and our audit report thereon.

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

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



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 in this regard.

Responsibilities of the Board of Directors for the annual accounts

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

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit 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 the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

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

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;



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

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 27 May 2020

Malik Lekehal

RCSL Nr. : B208514

Matricule : 2016 2209 532

eCDF entry date : 14/05/2020

BALANCE SHEET**Financial year from** ⁰¹ 01/01/2019 **to** ⁰² 31/12/2019 (in ⁰³ USD)

Camelot Finance S.A.

14, rue Edward Steichen
L-2540 Luxembourg**ASSETS**

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____ 3	107 _____ 19.993.209,00	108 _____ 27.502.967,00
C. Fixed assets			
I. Intangible assets	1109 _____	109 _____ 1.188.070.000,00	110 _____ 1.378.973.750,00
1. Costs of development	1111 _____	111 _____	112 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1113 _____	113 _____	114 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1115 _____	115 _____	116 _____
b) created by the undertaking itself	1117 _____	117 _____	118 _____
	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

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Matricule : 2016 2209 532

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131 _____	131 _____	132 _____
4. Payments on account and tangible assets in the course of construction	1133 _____	133 _____	134 _____
III. Financial assets	1135 _____ 4	135 1.188.070.000,00	136 1.378.973.750,00
1. Shares in affiliated undertakings	1137 _____	137 _____	138 _____
2. Loans to affiliated undertakings	1139 _____	139 1.188.070.000,00	140 1.378.973.750,00
3. Participating interests	1141 _____	141 _____	142 _____
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143 _____	143 _____	144 _____
5. Investments held as fixed assets	1145 _____	145 _____	146 _____
6. Other loans	1147 _____	147 _____	148 _____
D. Current assets	1151 _____	151 42.454.704,00	152 23.375.496,00
I. Stocks	1153 _____	153 _____	154 _____
1. Raw materials and consumables	1155 _____	155 _____	156 _____
2. Work in progress	1157 _____	157 _____	158 _____
3. Finished goods and goods for resale	1159 _____	159 _____	160 _____
4. Payments on account	1161 _____	161 _____	162 _____
II. Debtors	1163 _____ 5	163 40.832.401,00	164 22.185.191,00
1. Trade debtors	1165 _____	165 _____	166 _____
a) becoming due and payable within one year	1167 _____	167 _____	168 _____
b) becoming due and payable after more than one year	1169 _____	169 _____	170 _____
2. Amounts owed by affiliated undertakings	1171 _____	171 40.721.898,00	172 22.185.191,00
a) becoming due and payable within one year	1173 _____	173 40.721.898,00	174 22.185.191,00
b) becoming due and payable after more than one year	1175 _____	175 _____	176 _____
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177 _____	177 _____	178 _____
a) becoming due and payable within one year	1179 _____	179 _____	180 _____
b) becoming due and payable after more than one year	1181 _____	181 _____	182 _____
4. Other debtors	1183 _____	183 110.503,00	184 _____
a) becoming due and payable within one year	1185 _____	185 110.503,00	186 _____
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____

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	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 <u>1.622.303,00</u>	198 <u>1.190.305,00</u>
E. Prepayments	1199 _____	199 _____	200 _____
TOTAL (ASSETS)		201 <u>1.250.517.913,00</u>	202 <u>1.429.852.213,00</u>

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Matricule : 2016 2209 532

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 _____	301 <u>14.934.569,00</u>	302 <u>13.404.552,00</u>
I. Subscribed capital	1303 <u>6</u>	303 <u>9.535.000,00</u>	304 <u>9.535.000,00</u>
II. Share premium account	1305 _____	305 _____	306 _____
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 <u>193.477,00</u>	310 <u>105.416,00</u>
1. Legal reserve	1311 <u>7</u>	311 <u>193.477,00</u>	312 <u>105.416,00</u>
2. Reserve for own shares	1313 _____	313 _____	314 _____
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves, including the fair value reserve	1429 _____	429 _____	430 _____
a) other available reserves	1431 _____	431 _____	432 _____
b) other non available reserves	1433 _____	433 _____	434 _____
V. Profit or loss brought forward	1319 <u>8</u>	319 <u>3.676.075,00</u>	320 <u>2.002.914,00</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>1.530.017,00</u>	322 <u>1.761.222,00</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
B. Provisions	1331 _____	331 _____	332 _____
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 _____	337 _____	338 _____
C. Creditors	1435 _____	435 <u>1.215.590.135,00</u>	436 <u>1.388.944.694,00</u>
1. Debenture loans	1437 _____	437 <u>705.250.000,00</u>	438 <u>508.312.500,00</u>
a) Convertible loans	1439 _____	439 _____	440 _____
i) becoming due and payable within one year	1441 _____	441 _____	442 _____
ii) becoming due and payable after more than one year	1443 _____	443 _____	444 _____
b) Non convertible loans	1445 <u>9</u>	445 <u>705.250.000,00</u>	446 <u>508.312.500,00</u>
i) becoming due and payable within one year	1447 _____	447 <u>5.250.000,00</u>	448 <u>8.312.500,00</u>
ii) becoming due and payable after more than one year	1449 _____	449 <u>700.000.000,00</u>	450 <u>500.000.000,00</u>
2. Amounts owed to credit institutions	1355 <u>10</u>	355 <u>493.069.149,00</u>	356 _____
a) becoming due and payable within one year	1357 _____	357 <u>4.999.149,00</u>	358 _____
b) becoming due and payable after more than one year	1359 _____	359 <u>488.070.000,00</u>	360 _____

RCSL Nr. : B208514

Matricule : 2016 2209 532

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____ 11	367 _____ 132.506,00	368 _____ 147.747,00
a) becoming due and payable within one year	1369 _____	369 _____ 132.506,00	370 _____ 147.747,00
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 _____ 12	379 _____ 17.138.480,00	380 _____ 879.003.525,00
a) becoming due and payable within one year	1381 _____	381 _____ 17.138.480,00	382 _____ 9.231.308,00
b) becoming due and payable after more than one year	1383 _____	383 _____ 0,00	384 _____ 869.772.217,00
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Other creditors	1451 _____	451 _____ 0,00	452 _____ 1.480.922,00
a) Tax authorities	1393 _____ 13	393 _____ 0,00	394 _____ 1.480.922,00
b) Social security authorities	1395 _____	395 _____	396 _____
c) Other creditors	1397 _____	397 _____	398 _____
i) becoming due and payable within one year	1399 _____	399 _____	400 _____
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
D. Deferred income	1403 _____ 14	403 _____ 19.993.209,00	404 _____ 27.502.967,00
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405 _____ 1.250.517.913,00	406 _____ 1.429.852.213,00

RCSL Nr. : B208514

Matricule : 2016 2209 532

eCDF entry date : 14/05/2020

PROFIT AND LOSS ACCOUNT**Financial year from** ⁰¹ 01/01/2019 **to** ⁰² 31/12/2019 *(in* ⁰³ USD *)*

Camelot Finance S.A.

14, rue Edward Steichen

L-2540 Luxembourg

PROFIT AND LOSS ACCOUNT

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____	702 _____
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____	704 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 _____	713 _____	714 _____
5. Raw materials and consumables and other external expenses	1671 _____	671 _____	672 _____
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____	603 _____	604 _____
6. Staff costs	1605 _____	605 _____	606 _____
a) Wages and salaries	1607 _____	607 _____	608 _____
b) Social security costs	1609 _____	609 _____	610 _____
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 _____	656 _____
c) Other staff costs	1613 _____	613 _____	614 _____
7. Value adjustments	1657 _____ 15	657 _____ -27.990.606,00	658 _____ -5.735.977,00
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____ -27.990.606,00	660 _____ -5.735.977,00
b) in respect of current assets	1661 _____	661 _____	662 _____
8. Other operating expenses	1621 _____ 16	621 _____ -91.602,00	622 _____ -63.142,00

RCSL Nr. : B208514

Matricule : 2016 2209 532

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
10. Income from other investments and loans forming part of the fixed assets	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726
11. Other interest receivable and similar income	1727	727	728
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731	732
12. Share of profit or loss of undertakings accounted for under the equity method	1663	663	664
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	665	666
14. Interest payable and similar expenses	1627	627	628
a) concerning affiliated undertakings	1629	629	630
b) other interest and similar expenses	1631	631	632
15. Tax on profit or loss	1635	635	636
16. Profit or loss after taxation	1667	667	668
17. Other taxes not shown under items 1 to 16	1637	637	638
18. Profit or loss for the financial year	1669	669	670

CAMELOT FINANCE S.A.
NOTES TO THE ANNUAL ACCOUNTS
For the year from 1 January 2019 to 31 December 2019

NOTE 1 - GENERAL INFORMATION

Camelot Finance S.A. (the "Company") was incorporated as a "Société Anonyme" under the laws of the Grand-Duchy of Luxembourg on 10 August 2016 for an unlimited duration.

The registered office is located in Luxembourg at 14, rue Edward Steichen, L-2540 Luxembourg.

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

The Company's purpose is (i) the holding of participations and interests in any form whatsoever in Luxembourg and foreign companies, partnerships or other entities, (ii) the acquisition by purchase, subscription, or in any other manner as well as the transfer by sale, exchange or otherwise of stocks, bonds, debentures, notes and other securities of any kind, and (iii) the acquisition, ownership, administration, development, management and disposal of its portfolio. The Company may enter into any agreements relating to the acquisition, subscription or management of the aforementioned instruments and the financing thereof.

The smallest and largest group into which the results of the Company are consolidated is headed up by Clarivate Analytics PLC, a company incorporated in England & Wales. The registered office of that company is located at 160 Blackfriars Road, London, SE1 8EZ, United Kingdom. Clarivate Analytics plc is listed on the New York Stock Exchange and its consolidated financial statements are available at www.Clarivate.com.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

2.1 Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention.

Accounting policies and valuation rules are, besides the ones laid down by the law of 19 December 2002, as amended, determined and applied by the Management.

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

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

2.2 Significant accounting policies

Formation expenses

Formation expenses are composed of the fees paid in relation to the financing of the Company and are written off over the period of the underlying debt on a linear method.

Financial fixed assets

Loans to affiliated undertakings are valued at purchase price including the expenses incidental thereto.

In the case of durable depreciation in value according to the opinion of Management, value adjustments are made in respect of these assets, so that they are valued at the lower figure at the balance sheet date. These value adjustments are reversed if the conditions which resulted in the value adjustments cease to exist.

Debtors

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

Translation of foreign currencies

The Company maintains its books and records in US-Dollars (USD).

Transactions expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction. Formation expenses and long-term assets expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

CAMELOT FINANCE S.A.
NOTES TO THE ANNUAL ACCOUNTS
For the year from 1 January 2019 to 31 December 2019
- continued -

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Translation of foreign currencies (continued)

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. Solely the unrealised exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realisation.

Where there is an economic link between an asset and liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account whereas the net unrealised exchange gains are not recognised.

Current tax provisions

Provisions for taxation corresponding to the difference between the tax liabilities estimated by the Company and the advance payments for the financial years for which the tax assessments have not yet been received are recorded under "Other creditors - Tax authorities".

Debts

Other Creditors are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt on a linear method.

Deferred income

Deferred income is composed of the loan issuance fees charged on the USD 700,000,000 senior notes and USD 493,000,000 term loan facilities advanced to Camelot UK Bidco Limited that are amortized to the profit and loss account over the period of the loans on a linear method.

Short term financing fees

Fee income and expenses, relating to short term financing arrangements, are recognised in the profit and loss account in the period to which they relate.

CAMELOT FINANCE S.A.
NOTES TO THE ANNUAL ACCOUNTS
For the year from 1 January 2019 to 31 December 2019
- continued -

NOTE 3 - FORMATION EXPENSES

	2019 USD	2018 USD
Formation expenses comprise the fees paid in relation to the issuance of loans of the Company.		
The movements for the year are as follows:		
Gross book value - opening balance	40,232,376	40,232,376
Additions for the year	20,480,848	0
Disposals for the year	-40,232,376	0
Gross book value - closing balance	<u>20,480,848</u>	<u>40,232,376</u>
Amortization - opening balance	-12,729,409	-6,993,432
Amortization for the year	-4,377,679	-5,735,977
Disposals for the year	16,619,449	0
Amortization - closing balance	<u>-487,639</u>	<u>-12,729,409</u>
Net book value - closing balance	<u>19,993,209</u>	<u>27,502,967</u>
Net book value - opening balance	27,502,967	33,238,944

Additions for the year represent fees paid on the issuance of the 4.5% Senior Notes due 2026 on 31 October 2019 (see note 9) and the Credit Facilities (see note 10) entered into at the same date.

Disposals for the year represent fees paid on the issuance of the 7.875% Senior Notes due 2024 (see note 9) and the Term Loan from Camelot Towerco (see note 12) following the refinancing on 31 October 2019.

As at 31 December 2019, loan issuance expenses correspond to the fees paid in relation to the issuance of the 4.5% Senior Notes due 2026 (see note 9) and the Credit Facilities (see note 10) on 31 October 2019 and are written off over the period of the underlying debts (7 years) on a linear method.

As at 31 December 2018, loan issuance expenses corresponded to the fees paid in relation to the issuance of the 7.875% Senior Notes due 2024 and the Term Loan from Camelot Towerco (see note 12) and were written off over the period of the underlying debts (8 and 7 years respectively) on a linear method.

NOTE 4 - FINANCIAL ASSETS

	2019 USD	2018 USD
<i>Loans to affiliated undertakings</i>		
The movements for the year are as follows:		
<u>Gross book value</u>		
Opening balance	1,378,973,750	1,388,058,750
Increase during the year	1,193,000,000	0
Repayments received during the year	-1,378,973,750	-9,085,000
Reclassification to current assets	-4,930,000	0
Closing balance	<u>1,188,070,000</u>	<u>1,378,973,750</u>
<u>Accumulated value adjustment</u>		
At the beginning and end of the year	0	0
Net book value at the end of the year	<u>1,188,070,000</u>	<u>1,378,973,750</u>

The Management has reviewed the Company's investment and has noted no durable reduction in value.

Loans to affiliated undertakings are detailed as follows:

Name of undertaking	Loan issue date	Maturity date	Net book Value 2019 USD	Net book Value 2018 USD
Camelot UK Bidco Limited	03/10/2016	01/10/2024	0	878,973,750
Camelot UK Bidco Limited	03/10/2016	01/10/2024	0	500,000,000
Camelot UK Bidco Limited	31/10/2019	30/10/2026	700,000,000	0
Camelot UK Bidco Limited	31/10/2019	30/10/2026	488,070,000	0
			<u>1,188,070,000</u>	<u>1,378,973,750</u>

The loans that were due to mature in 2024 were repaid on 31 October 2019 with the proceeds of a refinancing that occurred on the same date. The interest rates are based on the rates for the Senior Notes issued and respectively the Term Loan Facilities plus a margin of 0.1445%.

CAMELOT FINANCE S.A.
NOTES TO THE ANNUAL ACCOUNTS
For the year from 1 January 2019 to 31 December 2019
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NOTE 5 - DEBTORS

	2019 USD	2018 USD
Debtors are composed of:		
<u>Amounts owed by affiliated undertakings</u>		
<i>Becoming due and payable within one year</i>		
Interest receivable on the loans granted to Camelot UK Bidco Limited	5,489,711	9,524,637
Loan granted to Camelot UK Bidco Limited repayable within 1 year or less	4,930,000	9,085,000
Current account with Camelot UK Bidco Limited	29,835,360	3,575,554
Current account with Camelot US Acquisition 1 Co	319,739	0
Current account with Camelot US Acquisition 2 Co	147,088	0
	<u>40,721,898</u>	<u>22,185,191</u>
<u>Other debtors</u>		
<i>Becoming due and payable within one year</i>		
Tax authorities	110,503	0
	<u>40,832,401</u>	<u>22,185,191</u>

The current accounts do not bear any interest and have no fixed repayment date. The Management has reviewed the Company's debtors and has noted no durable reduction in value.

NOTE 6 - SUBSCRIBED CAPITAL

The subscribed capital amounts to USD 9,535,000 and is divided into 9,535,000 shares fully paid up with a par value of USD 1.

There were no movements in subscribed capital during the year.

NOTE 7 - RESERVES

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

NOTE 8 - MOVEMENTS FOR THE YEAR ON THE RESERVES AND PROFIT AND LOSS ITEMS

	Legal Reserve USD	Profit brought forward USD	Profit for the financial year USD
The movements for the year are as follows:			
Opening balance	105,416	2,002,914	1,761,222
Movements for the year:			
Allocation of previous year's profit	88,061	1,673,161	-1,761,222
Profit for the year	0	0	1,530,017
Closing balance	<u>193,477</u>	<u>3,676,075</u>	<u>1,530,017</u>

CAMELOT FINANCE S.A.
NOTES TO THE ANNUAL ACCOUNTS
For the year from 1 January 2019 to 31 December 2019
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NOTE 9 - DEBENTURE LOANS

	2019	2018
	USD	USD
<u>Non convertible loans</u>		
<i>Becoming due and payable within one year</i>		
Accrued interest on 7.875% Senior Notes due 2024	0	8,312,500
Accrued interest on 4.5% Senior Notes due 2026	5,250,000	0
	<u>5,250,000</u>	<u>8,312,500</u>
<i>Becoming due and payable after more than five years</i>		
7.875% Senior Notes due 2024 ('Prior Notes')	0	500,000,000
4.5% Senior Notes due 2026 ('2026 Notes' or 'Notes')	700,000,000	0
	<u>700,000,000</u>	<u>500,000,000</u>
	<u>705,250,000</u>	<u>508,312,500</u>

The total interest payable on the above debts amounts to USD 38,062,500 for the year (2018: USD 39,375,000).

On October 31, 2019, the Company closed a private offering of USD 700,000,000 in aggregate principal amount of 2026 Notes bearing interest at 4.50% per annum, payable semi-annually to holders of record in May and November. The first interest payment will be made May 2020. The 2026 Notes 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 subsidiaries of Clarivate Analytics plc. The net proceeds from the offering of 2026 Notes, together with proceeds from the Credit Facilities were used to, among other things, redeem the Prior Notes in full, refinance all amounts outstanding under the Term Loan from Camelot Towerco (see note 12) and pay fees and expenses related to the foregoing. The Prior Notes were redeemed at a fixed price of 103.938%, plus accrued and unpaid interest to the date of the purchase.

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 1 November 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 1 November 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 104.500% 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 1 November of each of the years referenced below based on the call premiums listed below, plus accrued and unpaid interest to the date of redemption.

Period	Redemption Price (as percentage of principal)
2022	102.250% of par value
2023	101.125% of par value
2024 and thereafter	100.00% of par value

The Indenture governing the 2026 Notes 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 31 December 2019, the Company was in compliance with the indenture covenants.

In connection with the 2026 Notes, the Company incurred USD 11,183,222 of debt issuance costs.

CAMELOT FINANCE S.A.
NOTES TO THE ANNUAL ACCOUNTS
For the year from 1 January 2019 to 31 December 2019
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NOTE 10 - AMOUNTS OWED TO CREDIT INSTITUTIONS

	2019	2018
	USD	USD
<i>Becoming due and payable within one year</i>		
Accrued interest on Credit Facilities	69,149	0
Principal amount repayable on Credit Facilities	4,930,000	0
	<u>4,999,149</u>	<u>0</u>
<i>Becoming due and payable after one year and within five years</i>		
Principal amount repayable on Credit Facilities	19,720,000	
<i>Becoming due and payable after more than five years</i>		
Principal amount repayable on Credit Facilities	468,350,000	0
	<u>493,069,149</u>	<u>0</u>

The total interest payable on the above debts amounts to USD 4,170,043 for the year (2018: USD 0).

On 31 October 2019, the Company entered into the Group's Credit Facilities and drew down USD 493,000,000. The Credit Facilities consist of a USD 900,000,000 Term Loan Facility, which with the borrowings of other group undertakings, was fully drawn at closing, and a USD 250,000,000 Revolving Credit Facility with a USD 40,000,000 letter of credit sublimit, which was undrawn at closing. 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 31 October 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). The Term Loan Facility matures on 31 October 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 31 October 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.

In connection with the Term Loan Facility, the Company incurred USD 9,297,626 of debt issuance costs.

Borrowings under the Credit Facility bear interest at a floating rate which can be, at the Company's 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 US-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 instalments 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 the Company's assets and the assets of all of Clarivate Analytics PLC's U.S. restricted subsidiaries and certain of Clarivate Analytics PLC's 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. These Credit Agreement 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 Agreement), a measure substantially similar to the Standalone Adjusted EBITDA disclosed in Clarivate Analytics PLC's 2019 financial statements under "Required Reported Data - Standalone adjusted EBITDA", to interest and other fixed charges on certain debt (as defined in the Credit Agreement) of 2.00 to 1.00 or a total net leverage ratio (as defined in the Credit Agreement) not to exceed 6.50 to 1.00. In addition, the Credit Agreement requires us to comply with a springing financial covenant pursuant to which, as of the first quarter of 2020, we must not exceed a first lien net leverage ratio (as defined under the Credit Agreement) 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 USD 20,000,000 and (ii) any cash collateralized letters of credit) is utilized at such date.

The Credit Facilities provide that, upon the occurrence of certain events of default, the Company's 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 2026 Notes), 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.

CAMELOT FINANCE S.A.
NOTES TO THE ANNUAL ACCOUNTS
For the year from 1 January 2019 to 31 December 2019
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NOTE 10 - AMOUNTS OWED TO CREDIT INSTITUTIONS (continued)

The Revolving Credit Facility provides for revolving loans, same-day borrowings and letters of credit pursuant to commitments in an aggregate principal amount of USD 250,000,000 with a letter of credit sublimit of USD 40,000,000. Proceeds of loans 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.

The obligations of the borrowers under the Credit Agreement are guaranteed by Camelot UK Holdco Limited ('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.

NOTE 11 - TRADE CREDITORS

	2019 USD	2018 USD
<i>Becoming due and payable within one year</i>		
Other creditors	<u>132,506</u>	<u>147,747</u>

NOTE 12 - AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

	2019 USD	2018 USD
<i>Becoming due and payable within one year</i>		
Current account with Camelot US Acquisition LLC	13,694,759	0
Accrued interest on Term Loan with Camelot Towerco	0	143,361
Current account with Clarivate Analytics PLC	3,443,721	0
Principal amount repayable on Term Loan Agreement with Camelot Towerco	<u>0</u>	<u>9,087,947</u>
	<u>17,138,480</u>	<u>9,231,308</u>

The current accounts with affiliated undertakings do not bear any interest and have no fixed repayment date.

<i>Becoming due and payable after one year and within five years</i>		
Term Loan with Camelot Towerco	0	869,772,217
	<u>17,138,480</u>	<u>879,003,525</u>

The total interest payable on the above debts amounts to USD 31,019,621 for the year (2018: USD 47,795,948).

On 31 October 2019, the Term Loan from Camelot Towerco was repaid with the net proceeds from the offering of 2026 Notes (see note 9) and the proceeds from the Credit Facilities (see note 10).

NOTE 13 - OTHER CREDITORS

	2019 USD	2018 USD
Tax authorities	<u>0</u>	<u>1,480,922</u>

CAMELOT FINANCE S.A.
NOTES TO THE ANNUAL ACCOUNTS
For the year from 1 January 2019 to 31 December 2019
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NOTE 14 - DEFERRED INCOME

2019
USD **2018**
USD

The deferred income is composed of loan issuance fees in relation to the loans granted to Camelot UK Bidco Limited (see note 4) and is amortized over the period of the loans on a linear method.

The movements for the year are as follows:

Gross book value - opening balance	40,232,376	40,232,376
Additions for the year	20,480,848	0
Disposal for the year	<u>-40,232,376</u>	<u>0</u>
Gross book value - closing balance	20,480,848	40,232,376
Amortization - opening balance	-12,729,409	-6,993,432
Amortization for the year	-4,377,679	-5,735,977
Disposal for the year	<u>16,619,449</u>	<u>0</u>
Amortization - closing balance	-487,639	-12,729,409
Net book value - closing balance	<u>19,993,209</u>	<u>27,502,967</u>
Net book value - opening balance	27,502,967	33,238,944

NOTE 15 - VALUE ADJUSTMENTS

2019
USD **2018**
USD

Amortisation of formation costs	<u>27,990,606</u>	<u>5,735,977</u>
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Amortisation of formation costs includes USD 23,612,927 of costs written off on the repayment of the 2024 Senior Notes and Term loans after the refinancing on 31 October 2019.

NOTE 16 - OTHER OPERATING EXPENSES

2019
USD **2018**
USD

Legal and professional fees	<u>91,602</u>	<u>63,142</u>
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**NOTE 17 - INCOME FROM OTHER INVESTMENTS AND LOANS
FORMING PART OF THE FIXED ASSETS**

2019
USD **2018**
USD

<i>Derived from affiliated undertakings</i>		
Interest on loans to Camelot UK Bidco Limited	<u>75,427,573</u>	<u>89,703,407</u>

NOTE 18 - OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

2019
USD **2018**
USD

<i>18.1 Derived from affiliated undertakings</i>		
Amortization of deferred loan issuance fees	27,990,606	5,735,977
Other financial income	<u>0</u>	<u>58,306</u>
	27,990,606	5,794,283
<i>18.2 Other interest and similar income</i>		
Foreign exchange gains	4,605	2,152
	<u>27,995,211</u>	<u>5,796,435</u>

Amortisation of deferred loan issuance fees includes USD 23,612,927 of income realised on the repayment of the loans previously granted to Camelot UK Bidco Limited after the refinancing on 31 October 2019.

CAMELOT FINANCE S.A.
NOTES TO THE ANNUAL ACCOUNTS
For the year from 1 January 2019 to 31 December 2019
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NOTE 19 - INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	USD	USD
<i>19.1 Concerning affiliated undertakings</i>		
Interest due on Term Loans	31,019,621	47,795,949
<i>19.2 Other interest payable and similar charges</i>		
Interest due on 7.875% Senior Notes due 2024	32,812,500	39,375,000
Interest due on 4.5% Senior Notes due 2026	5,250,000	0
Interest due on Term loans	4,170,043	0
Bank account costs	15,363	5,523
Other financial charges	0	58,306
	<u>42,247,906</u>	<u>39,438,829</u>
	<u><u>73,267,527</u></u>	<u><u>87,234,778</u></u>

NOTE 20 - TAX ON PROFIT OR LOSS

	2019	2018
	USD	USD
Corporate income tax	<u>444,451</u>	<u>644,841</u>

Under the laws of Luxembourg, the Company is subject to corporate income tax (CIT) and to municipal business tax (MBT) on its taxable profits.

NOTE 21 - OTHER TAXES NOT INCLUDED IN THE PREVIOUS CAPTION

	2019	2018
	USD	USD
Net Wealth tax	<u>98,581</u>	<u>59,882</u>

The Company is subject to net wealth tax (NWT) at the rate of 0.5% on its taxable net assets as of 1st January of each year.

NOTE 22 - STAFF

During the year, the Company didn't employ own staff.

NOTE 23 - RELATIONSHIP WITH MANAGEMENT

During the year, there have been no advances and no loans granted to the Board of Directors. Management fees granted to members of the Board amount to EUR 1,250.

NOTE 24 - SUBSEQUENT EVENTS

On 3 April 2020, the USD 700,000,000 4.50% Senior Secured Notes due 2026 were admitted to the Official List of The International Stock Exchange under ISIN US13323AAB61.

The Covid-19 outbreak in early 2020 has and will continue to have a significant impact on the world economy. In light of this, the Company, as part of the wider Clarivate Analytics plc Group, has reviewed its cash and liquidity position, and conducted a scenario planning exercise to assess the potential impact on its future financial position. The scenario planning has taken into account its existing cash position, the creditworthiness of its banking partners, potential revenue outcomes (in both a worst and reasonable downside scenario), and to be prudent evaluated potential reductions in its cost base. This exercise has confirmed that the Company's cash reserves/access to liquidity is sufficient for the Company to remain solvent.