UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

(Mark One)

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

For the Fiscal Year Ended December 31, 2020
or

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

Commission File No. 1-38300

CANNAE HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	82-1273460
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

1701 Village Center Circle,	Las Vegas,	Nevada	89134
(Address of principal executive offices)			*(zip code)*

(702) 323-7330

(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Cannae Common Stock, $0.0001 par value	CNNE	New York Stock Exchange

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

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

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

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

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

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

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

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

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

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

The aggregate market value of the shares of Cannae Common Stock held by non-affiliates of the registrant as of June 30, 2020, was $3,536,132,331 based on the closing price of $41.10 as reported by the New York Stock Exchange.

As of January 31, 2021 there were 91,651,257 shares of Cannae common stock outstanding.

The information in Part III hereof for the fiscal year ended December 31, 2020, will be filed within 120 days after the close of the fiscal year that is the subject of this Report.

CANNAE HOLDINGS, INC.
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PART I

Item 1. *Business*

Introductory Note

The following describes the business of Cannae Holdings, Inc. and its subsidiaries. Except where otherwise noted, all references to “we,” “us,” “our,” "Cannae", "Cannae Holdings", or the "Company," are to Cannae Holdings, Inc. and its subsidiaries, taken together.

Company Background

On November 17, 2017, Fidelity National Financial, Inc. (“FNF”, NYSE: FNF) redeemed each outstanding share of its FNF Ventures ("FNFV") Group common stock, par value $0.0001, for one share of common stock, par value $0.0001, of a newly formed entity, Cannae (the "Split-Off"). In conjunction with the Split-Off, FNF contributed to us its portfolio of investments unrelated to its primary insurance and real estate operations, which included majority and minority equity investment stakes in a number of entities and certain fixed income investments. On November 20, 2017, Cannae common stock began “regular-way” trading on The New York Stock Exchange under the “CNNE” stock symbol.

Description of Business

We are engaged in actively managing and operating a group of companies and investments, as well as making additional majority and minority equity portfolio investments in businesses, in order to achieve superior financial performance and maximize the value of these assets. Our primary investments as of December 31, 2020 include our minority ownership interests in The Dun & Bradstreet Corporation ("Dun & Bradstreet" or "D&B", NYSE: DNB), Ceridian HCM Holding, Inc. ("Ceridian", NYSE: CDAY), Optimal Blue Holdco, LLC ("Optimal Blue") and AmeriLife Group, LLC ("AmeriLife"); majority equity ownership stakes in O'Charley's Holdings, LLC ("O'Charley's") and 99 Restaurants Holdings, LLC ("99 Restaurants"); and various other equity and debt investments primarily in the real estate, financial services and healthcare technology industries.

The Company conducts its business through our wholly-owned subsidiary Cannae Holdings, LLC ("Cannae LLC"), a Delaware limited liability company. The Company’s board of directors ("Board") oversees the management of the Company, Cannae LLC and its businesses, and the performance of Trasimene Capital Management, LLC (“Trasimene” or our “Manager”). During the fiscal year ended December 31, 2019, the Company transitioned to an externally managed structure (such externalization of certain management functions, the “Externalization”). In connection with the Externalization, the Company, Cannae LLC, and our Manager entered into a Management Services Agreement dated as of August 27, 2019, as amended on January 27, 2021 (as amended, the “Management Services Agreement”).

We believe our operating structure provides our investors with a compelling opportunity to participate in the acquisition and growth of businesses by a world-class management team. Fundamentally, the Company seeks to take meaningful equity ownership stakes where we have an ability to control or significantly influence quality companies that are well-positioned in their respective industries, run by best-in-class management teams and that operate in industries that have attractive organic and acquired growth opportunities. Led by William P. Foley II ("Bill Foley") and facilitated through our Manager, we leverage our management team's operational expertise, long-term relationships and industry connections and capital sourcing capabilities to identify, structure and execute on investments with these characteristics.

Our management team has a proven track record of growing industry-leading companies and we actively interact with and support management of our portfolio companies, directly or through our board of directors, to ultimately provide value for our shareholders. Bill Foley-led management teams are responsible for the growth of publicly traded companies such as FNF, Black Knight, Inc. ("Black Knight", NYSE: BKI), Ceridian, D&B and Fidelity National Information Services (NYSE: FIS), which collectively had a market capitalization of approximately $139 billion as of December 31, 2020.

As of December 31, 2020, we had the following reportable segments:

Dun & Bradstreet. This segment consists of our 18.1% ownership interest in D&B. Dun & Bradstreet is a leading global provider of business decisioning data and analytics. Its mission is to deliver a global network of trust, enabling clients to transform uncertainty into confidence, risk into opportunity and potential into prosperity. Clients embed D&B's trusted, end-to-end solutions into their daily workflows to enhance salesforce productivity, gain visibility into key markets, inform commercial credit decisions and confirm that suppliers are financially viable and compliant with laws and regulations. Dun & Bradstreet's solutions support its clients’ mission critical business operations by providing proprietary and curated data and analytics to help drive informed decisions and improved outcomes.

Dun & Bradstreet is differentiated by the scale, depth, diversity and accuracy of its constantly expanding business database that contains comprehensive information on more than 420 million total businesses as of December 31, 2020. Access to longitudinal curated data is critical for global commerce, and with only a small percentage of the world’s businesses filing public financial statements, D&B data is a trusted source for reliable information about both public and private businesses. By building such a set of data over time, D&B was able to establish a unique identifier that creates a single thread connecting related corporate entities allowing its clients to form a holistic view of an enterprise. This unique identifier, which D&B refers to as the D-U-N-S Number, is a corporate ‘‘fingerprint’’ or ‘‘Social Security Number’’ of businesses. D&B believes that it is the only scale provider to possess both worldwide commercial credit data and comprehensive public records data that are linked together by a unique identifier allowing for an accurate assessment of public and private businesses globally. D&B generates its revenue primarily through subscription-based contractual arrangements that it enters into with its clients to provide data, analytics and analytics-related services either individually, or as part of an integrated offering of multiple services. These arrangements occasionally include offerings from more than one business unit to the same client.

We account for our investment in Dun & Bradstreet using the equity method of accounting; therefore, its results of operations do not consolidate into ours.

Optimal Blue. This segment consists of our 20.0% ownership interest in Optimal Blue. Optimal Blue is a leading provider of secondary market solutions and actionable data services. They operate a software-as-a-service, subscription-based mortgage marketplace, which supports a network of originators and investors in the residential mortgage market. The marketplace provides a broad set of critical functions utilized by banks, credit unions and mortgage brokerage companies throughout the mortgage processing life cycle.

We account for our investment in Optimal Blue using the equity method of accounting; therefore, its results of operations do not consolidate into ours.

Restaurant Group. This segment consists of the operations of O'Charley's, 99 Restaurants, Legendary Baking Holdings I, LLC ("Legendary Baking") and VIBSQ Holdco, LLC ("VIBSQ") in which we have 65.4%, 88.5%, 100% and 100% equity ownership interests, respectively. O'Charley's, 99 Restaurants, Legendary Baking, VIBSQ and their affiliates are the owners and operators of the O'Charley's restaurant concept, Ninety Nine Restaurants restaurant concept, Legendary Baking bakery and the Village Inn and Bakers Square restaurant concepts.

Corporate and Other. This aggregation of nonreportable operating segments consists of our share in the operations of controlled and uncontrolled portfolio companies including our 9.5% ownership interest in Ceridian, 20.0% ownership interest in AmeriLife, 21.7% ownership interest in Coding Solutions Topco, Inc. ("CorroHealth"), 49.2% ownership interest in a joint venture (the "Senator JV") with affiliates of Senator Investment Group, LP ("Senator"), 22.5% voting equity interest in preferred stock of QOMPLX, Inc. ("QOMPLX"), 30.5% equity interest in Triple Tree Holdings, LLC ("Triple Tree"), majority-owned real estate and resort development businesses ("Cannae RE"), interests in sponsors of special purpose acquisition companies ("SPACs") and other various minority equity and debt investments.

Ceridian is a global human capital management (“HCM”) software company that offers a broad range of services and software designed to help employers more effectively manage employment processes, such as payroll, payroll-related tax filing, human resource information systems, employee self-service, time and labor management, employee assistance programs, and recruitment and applicant screening. Ceridian's technology-based services are typically provided through long-term customer relationships that are anticipated to result in a high level of recurring revenue.

AmeriLife is a leader in marketing and distributing life, health, and retirement solutions.

CorroHealth (formerly known as Coding Solutions) is a joint venture that has various medical coding technology platforms and back office functions supporting the health care revenue and billing cycles and focuses on acquiring and operating synergistic health care services companies in the provider and payer space.

The Senator JV is an investment fund in partnership with Senator designed to provide a mechanism to allow us and Senator to jointly invest in CoreLogic, Inc. ("CoreLogic"). As of the date of this Annual Report on Form 10-K ("Annual Report"), we exited our investment in CoreLogic completely and have no further material interest in the Senator JV. See further discussion under the header *Recent Developments* in Item 7 of Part II of this Annual Report.

QOMPLX, formerly Fractal Industries, Inc., is an intelligent decision and analytics platform used by businesses for modeling and planning. QOMPLX offers an enterprise operating system and application platforms with capabilities ranging from data handling, analytics, and reporting to advanced algorithms, simulations, and machine learning, which have business uses for cybersecurity, insurance underwriting and quantitative finance.

Triple Tree is an independent, research-driven investment banking firm focused on mergers and acquisitions, financial restructuring, and principal investing services for innovative, high-growth businesses in the healthcare industry.

Cannae RE and its subsidiaries operate and invest in golf and real estate properties and develop, manage and operate residential and recreational properties, including a 1,800-acre ranch-style luxury resort and residential community in Oregon and an 18-hole championship golf facility in Idaho.

Refer to Item 7 of Part II of this Annual Report for further information on recent results of operations and transactions and other activity of our operating segments.

Strategy

Our strategy for the Company is to continue our activities with respect to the above described business investments to achieve superior financial performance, maximize and ultimately monetize the value of those assets and to continue to pursue similar investments in businesses and to grow and achieve superior financial performance with respect to such newly acquired businesses.

Dun & Bradstreet. We believe that Dun & Bradstreet has an attractive business model that is underpinned by highly recurring, diversified revenues, significant operating leverage, low capital requirements and strong free cash flow. The proprietary and embedded nature of its data and analytics solutions and the integral role that D&B plays in its clients' decision-making processes have translated into high client retention and revenue visibility. D&B has had relationships with 21 of its top 25 clients by revenue for the year ended December 31, 2020 for more than 20 years, which reflects how deeply embedded D&B is in its clients daily workflows and decisioning processes. For both 2020 and 2019, D&B's annual revenue retention rate, reflecting the percentage of prior year revenue from its clients who were retained in the current year, was 96%. Dun & Bradstreet also benefits from strong operating leverage given its centralized database and solutions, which allows it to generate strong contribution margins and free cash flow.

Subsequent to our investment in D&B in the first quarter of 2019, D&B quickly began implementing changes to address operational and execution issues at D&B that led to stagnant revenue growth and declining profitability over the last decade. The new investors in D&B immediately brought in a new senior leadership team, which commenced a comprehensive transformation to improve and revitalize D&B's business for long-term success. The new senior leadership team saw significant opportunity to create value by transforming the organization and improving the platform with new business unit leaders, enhanced technology and data, solution innovation and a client-centric go-to-market strategy.

D&B's transformation strategy is based on a proven playbook of enhancing stockholder value through organizational re-alignment and re-investment. As of December 31, 2020, these initiatives have resulted in approximately $242.0 million of net annualized run-rate savings, and D&B believes there are incremental opportunities to further rationalize its cost structure. In light of the changes that have been made or identified by D&B's management team, we believe D&B is well-positioned to execute on its strategies of driving stockholder value through consistent revenue growth, managing cost initiatives and innovating and improving the way it adds value and solves the increasingly challenging and complex needs of its clients.

Restaurant Group. Our restaurant operations are focused in the family dining and casual dining segments of the restaurant industry. The Restaurant Group's strategy is to achieve long-term profit growth and drive increases in same store sales and guest counts. We have a highly experienced management team that is focused on enhancing the guest experience at our restaurants and building team member engagement. We also utilize a shared service platform that takes advantage of the combined back-office synergies of our restaurant operating companies. Our goal is to maintain a strong balance sheet for our Restaurant Group to provide stability in all operating environments.

On January 27, 2020, American Blue Ribbon Holdings, LLC ("Blue Ribbon") and its wholly-owned subsidiaries, filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware (the "Blue Ribbon Reorganization"). The Blue Ribbon Reorganization did not involve or affect the operations of O'Charley's or 99 Restaurants, which are not part of Blue Ribbon.

As a result of the Blue Ribbon Reorganization, we deconsolidated Blue Ribbon as of January 27, 2020 because the bankruptcy court and committee of creditors formed are deemed to have control of Blue Ribbon. On July 10, 2020, Blue Ribbon filed its Debtor's Chapter 11 Plan (the "Chapter 11 Plan") with the U.S. Bankruptcy Court of Delaware (the "Bankruptcy Court").

On October 2, 2020, the Chapter 11 Plan became effective and Blue Ribbon emerged from bankruptcy as a set of reorganized companies, including VIBSQ and Legendary Baking. Upon Blue Ribbon's emergence from bankruptcy, we acquired the assets and uncompromised liabilities of Legendary Baking and VIBSQ in exchange for $15.5 million of the outstanding balance under our debtor in possession loan (the "DIP Loan") with Blue Ribbon. Subsequent to Blue Ribbon's emergence from bankruptcy, we own 100% of the equity of VIBSQ and Legendary Baking. Refer to Note I to our Consolidated Financial Statements included in Item 8 of Part II of this Annual Report for further discussion of our accounting for our acquisition of VIBSQ and Legendary Baking upon their emergence from bankruptcy.

We believe the Blue Ribbon Reorganization will facilitate the Legendary Baking, Village Inn and Bakers Square brands' evolution to a healthy core of restaurants and bakery operations and support an approach to the brands that is most beneficial for all stakeholders.

Acquisitions, Dispositions, Minority Owned Operating Affiliates and Financings. Acquisitions are an important part of our growth strategy and dispositions are an important aspect of our strategy of rebalancing our portfolio of companies and providing our shareholders with prudent risk-based returns on investment. On an ongoing basis, with assistance from our Manager and outside advisors, we actively evaluate possible transactions, such as acquisitions and dispositions of business units and operating assets and business combination transactions.

In the future, we may seek to sell certain investments or other assets to increase our liquidity. Further, we may make acquisitions in lines of business that are not directly tied to, or synergistic with, our current operating segments. In the past we have obtained majority and minority investments in entities and securities where we see the potential to achieve above market returns.

There can be no assurance that any suitable opportunities will arise or that any particular transaction will be completed. We have made a number of acquisitions and dispositions over the past several years to strengthen and expand our investment base and expand the service offerings and customer bases of our businesses, to expand into other businesses or where we otherwise saw value, and to monetize investments in assets and businesses.

Special Purpose Acquisition Companies. In 2020 and early 2021, we made investments in the sponsors of, and forward purchase commitments to purchase equity of, three SPACs, which are companies formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. See discussion under the header *Forward Purchases of Equity of Special Purpose Acquisition Companies* in Item 7 of Part II of this Annual Report for further information on our investment commitments. The following summarizes the Company's equity commitments by entity:

SPAC	Ticker	IPO Date	Cannae Equity Purchase Commitment (1)
Foley Trasimene Acquisition Corp. II ("FTAC II")	BFT	August 21, 2020	$ 500.0
Foley Trasimene Acquisition Corp. ("FTAC")	WPF	May 29, 2020	400.0
Trebia Acquisition Corp. ("Trebia")	TREB	June 19, 2020	75.0

(1) Represents Cannae's commitment as of the date of this Annual Report to purchase equity of the listed SPAC and its target upon consummation of each SPACs initial business combination

SPACs have proven to be not only an efficient means for private entities to go public, but also a unique opportunity for companies to partner with sponsors who provide invaluable industry, operational and capital market experience. We believe our investments in the SPACs sponsored or co-sponsored by Trasimene and led by our chairman Bill Foley provide an opportunity for Cannae to participate in the growth and transformation of businesses with compelling characteristics similar to other of our management team’s prior investments, including Dun & Bradstreet, FNF, Black Knight and Ceridian. The sponsors intend to focus on prospective target businesses that have unseen potential for revenue growth and/or operating margin expansion with high recurring revenue and cash flow, defensible intellectual property and strong market positions within their industries.

On December 7, 2020, FTAC II entered into a definitive agreement and plan of merger with Paysafe Limited (“Paysafe”), a leading integrated payments platform (the "FTAC II Paysafe Merger"). Upon closing of the FTAC II Paysafe Merger, the newly combined company will operate as Paysafe and plans to list on the New York Stock Exchange under the symbol PSFE. The FTAC II Paysafe Merger reflects an implied pro-forma enterprise value for Paysafe of approximately $9.0 billion. The FTAC II Paysafe Merger will be funded with the cash held in trust at FTAC II, forward purchase commitments, private investment in public equity ("PIPE") commitments and equity of Paysafe. Completion of the FTAC II Paysafe Merger is subject to approval by FTAC II stockholders, the effectiveness of a registration statement to be filed with the SEC in connection with the transaction, and other customary closing conditions, including the receipt of certain regulatory approvals. The FTAC II Paysafe Merger is expected to close in the first half of 2021.

On December 7, 2020, Cannae entered into an agreement to purchase 35,000,000 shares of Paysafe for $350.0 million as part of a subscription to the PIPE (the "Paysafe Subscription Agreement"). Paysafe has agreed to pay us a placement fee of $5.6 million as consideration for our subscription. Upon consummation of the FTAC II Paysafe Merger, our aggregate investment in Paysafe is expected to be $504.7 million in Paysafe, inclusive of Cannae's investment commitments under our forward purchase agreement with FTAC II (the "FTAC II FPA") and Paysafe Subscription Agreement and our prior $4.7 million investment in the sponsor of FTAC II, and we are expected to receive 54,290,000 shares of common stock of Paysafe which represents approximately 7.5% of the pro forma outstanding common equity of Paysafe and 8,134,067 warrants to purchase one share of Paysafe common stock at $11.50 per share.

Further information on the FTAC II Paysafe Merger can be found in Paysafe's Registration Statement on Form F-4 filed with the SEC on December 21, 2020 and amended on February 1, 2021.

On January 25, 2021, FTAC entered into a business combination agreement with Alight Solutions ("Alight"), a leading cloud-based provider of integrated digital human capital and business solutions (the "FTAC Alight Business Combination"). Under the terms of the FTAC Alight Business Combination, FTAC will combine with Alight and Alight will become a publicly traded entity under the name “Alight, Inc.” and symbol ALIT. The FTAC Alight Business Combination reflects an implied pro-forma enterprise value for Alight of approximately $7.3 billion at closing. The FTAC Alight Business Combination will be funded with the cash held in trust at FTAC, forward purchase commitments, PIPE commitments and equity of Alight. Completion of the FTAC Alight Business Combination is subject to approval by FTAC stockholders, the effectiveness of a registration statement to be filed with the SEC in connection with the transaction, and other customary closing conditions of SPAC business combinations, including the receipt of certain regulatory approvals. The FTAC Alight Business Combination is expected to close in the second quarter of 2021.

On January 25, 2021, Cannae entered into an agreement to purchase 25,000,000 shares of Alight for $250.0 million as part of a subscription to the PIPE (the "Alight Subscription Agreement"). Alight has agreed to pay us a placement fee of $6.3 million as consideration for our subscription. Upon consummation of the FTAC Alight Business Combination, our aggregate investment in Alight is expected to be $404.5 million, inclusive of Cannae's investment commitments under our forward purchase agreement with FTAC (the "FTAC FPA") and Alight Subscription Agreement and our previous $4.5 million investment in a sponsor of FTAC, and we are expected to receive 44,639,500 shares of common stock of Alight which represents approximately 8.6% of the pro forma outstanding common equity of Alight and 8,026,666 warrants to purchase one share of Alight common stock at $11.50 per share.

Further information on the FTAC Alight Business Combination can be found in FTAC's current report on Form 8-K filed with the SEC on January 27, 2021.

Business Trends and Conditions

Dun & Bradstreet. Businesses rely on business-to-business data and analytics providers to extract data-driven insights and make better decisions. For example, in commercial lending and trade credit, the scarcity of readily available credit history makes the extension of credit a time-consuming and imprecise process. In procurement, businesses face increasingly complex and global supply chains, making the assessment of compliance and viability of all suppliers prohibitively difficult and expensive if not conducted effectively. In sales and marketing, businesses have benefited from the proliferation of customer relationship management, Marketing Automation and Sales Acceleration tools designed to help identify, track and improve both customer management and prospecting growth activities. While these tools are helping to fill sales funnels and improve the progression of opportunities, key challenges remain in salesforce productivity, effective client segmentation and marketing campaign activation. Common stumbling blocks include incorrect, or outdated, contact information, duplicated or inaccurate firmographic data and a lack of synchronization between the various platforms in the marketing technology ecosystem.

D&B helps its clients solve these mission critical business problems. D&B believes the total addressable market (‘‘TAM’’) in which it operates is large, growing and significantly underpenetrated. D&B participates in the big data and analytics software market, as defined by Interactive Data Corporation, or IDC, which represents a collection of software markets that functionally address decision support and decision automation. This market includes business intelligence and analytics tools, analytic data management and integration platforms and analytics and performance management applications. Within the broader market of data and analytics solutions, D&B serves a number of different markets, including the commercial credit data, sales and marketing data and Governance, Risk and Compliance ("GRC") markets to provide clients with decisioning support and automation. As D&B continues to drive innovation in its solutions, it expects to address a greater portion of this TAM as new use cases for its data assets and analytical capabilities are introduced.

D&B believes there are several key trends in the global macroeconomic environment generating additional growth in D&B's TAM and increasing the demand for its solutions, including growing recognition by business of the value of analytics and data-informed business decisioning, growth in data creation and applications driven by the proliferation of new technologies with new data sets and applications, advances in analytical capabilities that are unlocking the value of data, and heightened compliance requirements in the regulatory environment for business driven by the growth of new technologies.

Restaurant Group. The restaurant industry is highly competitive and is often affected by changes in consumer tastes and discretionary spending patterns; changes in general economic conditions; public safety conditions or concerns; demographic trends; weather conditions; the cost of food products, labor, energy and other operating costs; and governmental regulations. Higher labor costs due to state and local minimum wage increases and shopping pattern shifts to e-commerce and “ready to eat” grocery and convenience stores have had a negative impact on restaurant performance, particularly in the casual and family dining restaurants in which the company operates.

The restaurant industry is also characterized by high capital investments for new restaurants and relatively high fixed or semi-variable restaurant operating expenses. Because of the high fixed and semi-variable expenses, changes in sales in existing restaurants are generally expected to significantly affect restaurant profitability because many restaurant costs and expenses are not expected to change at the same rate as sales. The most significant commodities that may affect our cost of food and beverage are beef, seafood, poultry, and dairy, which accounted for approximately half of our overall cost of food and beverage in the past. Generally, temporary increases in these costs are not passed on to guests; however, in the past, we have adjusted menu prices to compensate for increased costs of a more permanent nature.

Average weekly sales per restaurant are typically higher in the first and fourth quarters than in other quarters, and we typically generate a disproportionate share of our earnings from operations in the first and fourth quarters. Holidays, severe weather and other disruptive conditions may impact sales volumes seasonally in some operating regions.

Our revenues in future periods will continue to be subject to these and other factors that are beyond our control and, as a result, are likely to fluctuate.

COVID-19. In March 2020, the outbreak of COVID-19 was declared a national health emergency in the United States and worldwide. The ongoing COVID-19 global and national health emergency has caused significant disruption in the international and United States economies and financial markets. The Company has been closely monitoring developments related to COVID-19 and its impacts to our portfolio of investments and financial markets. We are working with management of our subsidiaries to evaluate business-specific risks and respond to any financial and operational disruptions. At the holding company level, we believe our operating model, low financial leverage and access to capital uniquely positions us to weather economic disruptions. See further discussion of our financial resources in the *Liquidity and Capital Resources* subsection in Item 7 of Part II of this Annual Report.

As a result of the unprecedented social restrictions related to COVID-19, our Restaurant Group brands experienced a significant reduction in guest counts beginning in the last two weeks of March 2020 and continuing through the end of the year. In response to the outbreak and these changing conditions, our Restaurant Group brands closed the dining rooms in substantially all of our restaurants in late March 2020 with substantially all remaining closed to dine in customers through early May 2020. During this time, most of our restaurants we were solely operating to-go and delivery services in the jurisdictions where government regulations permit restaurants to continue to operate and where the guest demand made such operations sustainable. We temporarily closed certain restaurants, modified work hours for our Restaurant Group employees and identified and implemented cost savings measures throughout our Restaurant Group operations.

Timing of reopening stores and resulting guest traffic has varied by jurisdiction. In the second half of 2020, our Restaurant Group experienced a gradual increase in guest traffic and revenues compared to the first half of 2020; however, the volume of customers visiting our stores has remained below our historical levels. We have seen an increase in revenues from to-go and delivery sales from historical experience; however, comparable store sales across all of our restaurant brands remained depressed compared to previous years.

We have been in discussions with our Restaurant Group businesses’ major suppliers, and during the COVID-19 outbreak we have not experienced and do not currently expect to experience material disruptions in our supply chain.

The COVID-19 outbreak and these responses have affected and are projected to continue to adversely affect our Restaurant Group brands' guest traffic, sales and operating costs. See further discussion of the impact of COVID-19 on our Restaurant Group in the *Results of Operations* subsection in Item 7 of Part II of this Annual Report.

See Item 1A of Part I of this Annual Report for further discussion of risk factors related to COVID-19.

Competition

Dun & Bradstreet. Dun & Bradstreet primarily competes on the basis of differentiated data sets, analytical capabilities, solutions, client relationships, innovation and price. D&B believes that it competes favorably in each of these categories across its business segments. D&B's competitors vary based on the client size and geographical market that its solutions cover.

For Dun & Bradstreet's finance and risk solutions segment, its competition generally varies by client size. D&B has a leading presence in the enterprise market as clients place a high degree of value on our best-in-class commercial credit database to inform their critical decisions around the extension of credit. D&B’s main competitors in the enterprise and mid-market include Bureau van Dijk (owned by Moody’s Corporation) in Europe and Equifax and Experian in North America. In the small and mid-size company market, commercial credit health becomes increasingly tied to consumer credit health. D&B's competition in this market generally includes Equifax, Experian and other consumer credit providers that offer commercial data. Additionally, there is a fragmented tail of low cost, vertical and regionally focused point solutions in this market that may be attractive to certain clients, but lack the scale and coverage breadth to compete holistically.

For Dun & Bradstreet's sales and marketing solutions segment, its competition has historically been very fragmented with many players offering varying levels of data quantity and quality, and with data being collected in ways that may cross ethical and privacy boundaries. Dun & Bradstreet strives to protect the data and privacy of its clients and to maintain the highest standards in the ethical acquisition, aggregation, curation and delivery of data. D&B's direct competitors vary depending on use cases, such as market segmentation, digital marketing lead generation, lead enrichment, sales effectiveness and data management. In the market for contact data, D&B's competition generally includes ZoomInfo and a few consultancies building bespoke solutions. For other sales and marketing solutions such as customer data platform, visitor intelligence, audience targeting and intent data, D&B faces a number of smaller competitors.

Overall, outside North America, D&B's competitive environment varies by region and country, and can be significantly impacted by the legislative actions of local governments, availability of data and local business preferences. In the United Kingdom and Ireland, D&B's direct competition for its finance and risk solutions segment is primarily from Bureau van Dijk, Creditsafe and Experian. Additionally, in D&B's sales and marketing solutions segment, the landscape in these markets is both localized and fragmented, where numerous local players of varying sizes compete for business. In Asia Pacific, D&B faces competition in its finance and risk solutions segment from a mix of local and global providers. D&B competes with Sinotrust International Information & Consulting (Beijing) Co., Ltd., in China and local competitors in India. In addition, as in the United Kingdom, D&B's sales and marketing solutions landscape throughout Asia is localized and fragmented.

Restaurant Group. The restaurant industry is highly competitive and is often affected by changes in consumer tastes. Competition for our restaurant brands varies by location. In general, our restaurant brands compete within each market with national and regional chains and locally-owned restaurants for guests, management and hourly personnel and suitable real estate sites. Restaurants are increasingly competing with grocery stores who are expanding their offerings of quick serve, ready-made meals and meal kits and with meal kit delivery services, which have increased market share over the last couple years. We expect to continue to compete in these areas.

Competitive Strengths

Proven management team. Our Board and executive management team, led by Bill Foley, has a proven track record of investment identification and management. Bill Foley has led the creation of several multi-billion dollar companies with hundreds of acquisitions across diverse platforms, including, FNF, Fidelity National Information Services, Inc., Black Knight, Ceridian, D&B and FGL Holdings, Inc. Our Board and executive management's breadth of knowledge of capital markets allows us to identify companies and strategic assets with attractive value propositions, to structure investments to maximize their value, and to return the value created to shareholders. We believe the Externalization under the Management Services Agreement will enhance our executive management team’s ability to provide these services.

Intellectual Property

Dun & Bradstreet. D&B owns and controls various intellectual property rights, such as trade secrets, confidential information, trademarks, service marks, tradenames, copyrights, patents and applications to the foregoing. These rights, in the aggregate, are of material importance to Dun & Bradstreet's business. D&B believes that the Dun & Bradstreet name and related tradenames, marks and logos are also of material importance to its business. Dun & Bradstreet is licensed to use certain technology and other intellectual property rights owned and controlled by others, and other companies are licensed to use certain technology and other intellectual property rights owned and controlled by it. Dun & Bradstreet's trademarks, service marks, databases, software, copyrights, patents, patent applications and other intellectual property are proprietary and accordingly it relies on a combination of statutory (e.g., copyright, trademark, trade secret, patent, etc.) and contract and liability safeguards for protecting them throughout the world.

Dun & Bradstreet owns patents and patent applications both in the U.S. and in other selected countries. The patents and patent applications include claims, which pertain to certain technologies and inventions that D&B has determined are proprietary and warrant patent protection. The protection of its innovative technology and inventions, such as its proprietary methods for data curation and identity resolution, through the filing of patent applications, is part of Dun & Bradstreet's business strategy. Filing of patent applications may or may not provide Dun & Bradstreet with a dominant position in the fields of technology. However, these patents and/or patent applications may provide Dun & Bradstreet with legal defenses should subsequent patents in these fields be issued to third-parties and later asserted against it. Where appropriate, Dun & Bradstreet may also consider asserting or cross-licensing its patents.

Restaurant Group. We regard our Restaurant Group's service marks, including "O'Charley's", "Ninety Nine", "Village Inn", "Legendary Baking", "Bakers Square", and other service marks and trademarks as important factors in the marketing of our restaurants. We have also obtained trademarks for several of our brands' menu items and for various advertising slogans. We are aware of names and marks similar to our Restaurant Group's service marks and trademarks used by other persons in certain geographic areas where we have restaurants. However, we believe such uses will not adversely affect us. Our policy is to pursue registration of our marks whenever possible and to oppose vigorously any infringement of our marks.

We license the use of our registered trademarks and service marks to franchisees and third parties through franchise arrangements and licenses. The franchise and license arrangements restrict franchisees' and licensees' activities with respect to the use of our trademarks and service marks, and impose quality control standards in connection with goods and services offered in connection with the trademarks and service marks.

Information Security

We and our unconsolidated affiliates are highly dependent on information technology networks and systems to securely process, transmit and store electronic information. Attacks on information technology systems continue to grow in frequency, complexity and sophistication. Such attacks have become a point of focus for individuals, businesses and governmental entities. These attacks can create system disruptions, shutdowns or unauthorized disclosure of confidential information, including non-public personal information, consumer data and proprietary business information.

We and our unconsolidated affiliates remain focused on making strategic investments in information security to protect the clients and information systems of our operating subsidiaries and unconsolidated affiliates. This includes both capital expenditures and operating expenses on hardware, software, personnel and consulting services. As the primary products and services of our operating subsidiaries and unconsolidated affiliates evolve, we apply a comprehensive approach to the mitigation of identified security risks. We have established risk management policies, including those related to information security and cybersecurity, designed to monitor and mitigate information security related risks.

Human Capital Resources

Employees

As of January 31, 2021, Cannae and our consolidated subsidiaries had 14,509 employees, which includes 14,358 in our Restaurant Group and 151 in the various majority-owned businesses comprising our Corporate and other segment. None of our employees are unionized or represented by any collective agency. We believe that our relations with employees are generally good.

Our Manager and Cannae LLC rely on the experience and expertise of a small number of highly qualified and experienced employees which make up our management team. We continually assess our management team's capabilities and capacity with a view toward the long term sustainability of the Company's operations.

Diversity

We stand committed to our philosophy that all employees deserve an inclusive workplace, one where each employee feels heard and empowered. All employees – regardless of race, ethnicity, sexual orientation or gender identification – are given equal access to opportunities throughout the organization. We believe that having a variety of employee ideas, perspectives, and experiences are key components of our success. The diversity of our employees and directors allows us to connect to our investees in important ways and offer them meaningful insights to our business operations. We have a written nondiscrimination policy that is distributed to all employees as part of our employee handbook. Employees must acknowledge our employee handbook and specifically our nondiscrimination policy annually.

Our Board leads by example in its commitment to diversity. In 2019, our Board codified its commitment to consider all aspects of diversity when selecting new director nominees, including candidates with a diversity of race, ethnicity, sexual orientation or gender identification by integrating it into the director selection criteria in our Corporate Governance Guidelines. In February 2021, Barry Moullet and David Aung, both of whom identified themselves as having diverse backgrounds, joined our Board.

Statement Regarding Forward-Looking Information

The statements contained in this Annual Report or in our other documents or in oral presentations or other statements made by our management that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") including statements regarding our expectations, hopes, intentions, or strategies regarding the future. These statements relate to, among other things, future financial and operating results of the Company. In many cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” or “continue,” or the negative of these terms and other comparable terminology. Actual results could differ materially from those anticipated in these statements as a result of a number of factors, including, but not limited to the following:

- changes in general economic, business, and political conditions, including changes in the financial markets and changes in conditions resulting from the outbreak of a pandemic such as the novel coronavirus COVID-19;
- the overall impact of the outbreak of COVID-19 and measures to curb its spread, including the effect of governmental or voluntary mitigation measures such as business shutdowns, social distancing, and stay-at-home orders;
- compliance with extensive government regulation of our operating subsidiaries and adverse changes in applicable laws or regulations or in their application by regulators;
- the effects of the Externalization and the Management Services Agreement;

- loss of key personnel that could negatively affect our financial results and impair our operating abilities;
- our potential inability to find suitable acquisition candidates, as well as the risks associated with acquisitions in lines of business that will not necessarily be limited to our traditional areas of focus, or difficulties integrating acquisitions;
- other risks detailed in "Risk Factors" below and elsewhere in this document and in our other filings with the SEC.

We are not under any obligation (and expressly disclaim any such obligation) to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise. You should carefully consider the possibility that actual results may differ materially from our forward-looking statements.

Additional Information

The Company’s Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Exchange Act, are filed with the Securities and Exchange Commission (the "SEC"). The Company is subject to the informational requirements of the Exchange Act and files or furnishes reports, proxy statements and other information with the SEC. The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.

Our website address is www.cannaeholdings.com. We make available free of charge on or through our website our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports filed or furnished pursuant to the Exchange Act as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. However, the information found on our website is not part of this or any other report.

Item 1A. ***Risk Factors***

Risk Factor Summary

In the course of conducting our business operations, we are exposed to a variety of risks, some of which are inherent in our industry and others of which are more specific to our own businesses. The risk factors summarized below could materially harm our business, operating results and/or financial condition, impair our future prospects and/or cause the price of our common stock to decline. These risks are discussed more fully in the section titled "Risk Factors." Material risks that may affect our business, operating results and financial condition include, but are not necessarily limited to, the following:

- *We may become subject to the Investment Company Act of 1940.*
- *Certain executive officers and members of our Board of Directors have or will have interests and positions that could present potential conflicts.*
- *The Management Service Agreement was negotiated between related parties and the terms, including fees payable, may not be as favorable to us as if it were negotiated with an unaffiliated third party.*
- *Our executive officers, directors and Manager may allocate some of their time to other businesses, thereby causing conflicts of interest in their determination as to how much time to devote to our affairs, which may materially adversely affect our results of operations.*
- *Conflicts of interest could arise in connection with certain of our directors' and executive officers' discharge of fiduciary duties to our shareholders.*
- *Our Manager and members of our management team may engage in activities that compete with us or our businesses.*
- *We cannot remove our Manager solely for poor performance, which could limit our ability to improve our performance and could adversely affect the market price of our shares.*
- *Our Manager can resign on 180 days' notice, subject to a limited extension, and we may not be able to find a suitable replacement, resulting in a disruption in our operations that could materially adversely affect our financial condition, business and results of operations as well as the market price of our shares.*
- *We must pay our Manager the management fee regardless of our performance.*
- *We cannot determine the amount of the management fee that will be paid over time with any certainty, nor are we able to determine with any certainty the amount of carried interest that will be paid over time, and our payment of such fees and carried interest to the Manager may significantly reduce the amount of cash available for distribution to our shareholders.*
- *Our profit allocation may induce our Manager to make suboptimal decisions regarding our operations.*
- *The COVID-19 outbreak has disrupted and is expected to continue to disrupt the business of our Restaurant Group, which has and could continue to materially affect our Restaurant Group's operations, financial condition and results of operations for an extended period of time.*
- *General macroeconomic factors, including unemployment, energy prices and interest rates, and certain economic and business factors specific to the restaurant and bakery industries that are largely out of our restaurant businesses' control may have a material adverse effect on our business, financial condition and results of operations.*
- *The Restaurant Group companies face significant competition for customers, real estate and employees and competitive pressure to adapt to changes in conditions driving customer demand. The Restaurant Group companies' inability to compete effectively may have a material adverse effect on our business, financial condition and results of operations.*
- *If our restaurant businesses are unable to effectively grow revenue and profitability, our Restaurant Group companies may be required to record additional impairment charges to restaurant assets, the carrying value of goodwill or other intangible assets, which could have a material adverse effect on our financial condition and results of operations.*
- *Increased commodity, energy and other costs could decrease our Restaurant Group companies' profit margins or cause the Restaurant Group companies to limit or otherwise modify their menus, which could have a material adverse effect on our business, financial condition and results of operations.*
- *Negative customer experiences or negative publicity surrounding our Restaurant Group companies' restaurants or other restaurants could adversely affect sales in one or more of our Restaurant Group companies' restaurants and*

make our concepts less valuable, which could have a material adverse effect on our business, financial condition and results of operations.

- *Our restaurant businesses could suffer due to reduced demand for our restaurant businesses' brands or specific menu offerings if our restaurant businesses are the subject of negative publicity or litigation regarding allegations of food-related contaminations or illnesses, which could have a material adverse effect on our business, financial condition and results of operations.*
- *Our investment in D&B may expose us to certain risks, which could have a material adverse effect on our results of operations or financial position.*
- *We share certain directors with D&B or its affiliated entities, which may lead to conflicting interests.*
- *D&B's ability to implement and execute its strategic plans to transform the business may not be successful and, accordingly, D&B may not be successful in achieving its goals to transform its business, which could have a material adverse effect on its business, financial condition and results of operations.*
- *Data security and integrity are critically important to D&B's business, and cybersecurity incidents, including cyberattacks, breaches of security, unauthorized access to or disclosure of confidential information, business disruption, or the perception that confidential information is not secure, could result in a material loss of business, regulatory enforcement, substantial legal liability and/or significant harm to its reputation.*
- *D&B's substantial indebtedness could have a material adverse effect on its financial condition and its ability to operate its business or react to changes in the economy or its industry, prevent them from fulfilling its obligations and could divert its cash flow from operations for debt payments.*
- *An outbreak of disease, global or localized health pandemic or epidemic or a similar public health threat, or the fear of such an event, could have a material adverse effect on Dun & Bradstreet's business, financial condition and results operations.*
- *If Optimal Blue is unable to protect its information systems against data corruption, cyber-based attacks or network security breaches; are unable to provide adequate security in the electronic transmission of sensitive data; or are unable to prevent system failures or service interruptions, it could have a material adverse effect on its business, financial condition and results of operations and ultimately, our investment.*
- *The outbreak of COVID-19 and resulting government response have negatively affected the global economy, the United States economy and the global financial markets, and may disrupt our operations, which could have an adverse effect on our Corporate and Other businesses, financial condition and results of operations.*
- *We share certain directors and officers with FNF, which may lead to conflicting interests.*

In addition to the other information set forth in this Annual Report and other filings we have made and make in the future with the SEC, you should carefully consider the following risk factors and uncertainties, which could materially affect our business, financial condition or results of operations in future periods. However, other factors not discussed below or elsewhere in this Annual Report could also adversely affect our businesses, results of operations and financial condition. Therefore, the risk factors below should not be considered a complete list of potential risks that we may face.

Risks Relating to the Company's Structure

We may become subject to the Investment Company Act of 1940.

We do not believe that we are subject to regulation under the Investment Company Act of 1940, as amended (the "40 Act"). We engage primarily in the business of managing and operating our controlled subsidiaries that make up a majority of our portfolio of companies. Our officers, Manager and any employees who provide services to us pursuant to the terms of our corporate services agreement with FNF devote their activities to the businesses of these portfolio companies. Our interest in controlled portfolio companies comprises a substantial majority of our assets. Based on these factors, we believe that we are not an investment company under the 40 Act, including under Section 3(b)(1) of the 40 Act. If, at any time, we become primarily engaged in the business of investing, reinvesting or trading in securities, we could become subject to regulation under the 40 Act. Following any such change in our business and after giving effect to any applicable grace periods, we may be required to register as an investment company, which could result in significant registration and compliance costs, could require changes to our corporate governance structure and financial reporting, and could restrict our activities going forward. In addition, if we were to become inadvertently subject to the 40 Act, any violation of the 40 Act could subject us to material adverse consequences, including potentially significant regulatory penalties and the possibility that certain of our contracts would be deemed unenforceable.

Certain executive officers and members of our Board of Directors have or will have interests and positions that could present potential conflicts.

Certain executive officers and members of our Board serve on the boards of directors of other entities or are employed by other entities, including D&B, Trasimene, FNF or Black Knight.

As a result of the foregoing, there may be circumstances where certain executive officers and directors may be subject to conflicts of interest with respect to, among other things: (i) our ongoing relationships with D&B, Trasimene or FNF; (ii) business opportunities arising for any of us, D&B, Trasimene, FNF or Black Knight; and (iii) conflicts of time with respect to matters potentially or actually involving or affecting us.

We have in place a code of business conduct and ethics prescribing procedures for managing conflicts of interest and our chief compliance officer and audit committee are responsible for the review, approval or ratification of any potential conflicts of interest transactions. Additionally, we expect that interested directors will abstain from decisions with respect to conflicts of interest as a matter of practice. However, there can be no assurance that such measures will be effective, that we will be able to resolve all potential conflicts or that the resolution of any such conflicts will be no less favorable to us than if we were dealing with an unaffiliated third party.

Refer to Note R to the Notes to Consolidated Financial Statements for more information related to our related party relationships and transactions with FNF and our Manager.

Risks Relating to the Externalization and Our Manager

The Management Service Agreement was negotiated between related parties and the terms, including fees payable, may not be as favorable to us as if it were negotiated with an unaffiliated third party.

Because our Manager is owned by certain of our directors and executive officers, the Management Services Agreement was developed by related parties, although our independent directors reviewed and approved the Management Services Agreement. The terms of the Management Services Agreement, including fees payable, may not reflect the terms we may have received if it was negotiated with an unrelated third party. In addition, particularly as a result of our relationship with the principal owners of the Manager, who are certain directors and members of our management team, our independent directors may determine that it is in the best interests of our shareholders not to enforce, or to enforce less vigorously, our rights under the Management Services Agreement because of our desire to maintain our ongoing relationship with our Manager.

Our executive officers, directors and Manager may allocate some of their time to other businesses, thereby causing conflicts of interest in their determination as to how much time to devote to our affairs, which may materially adversely affect our results of operations.

While the members of our management team anticipate devoting a substantial amount of their time to the affairs of the Company, our executive officers, directors, Manager and other members of our management team may engage in other business activities. This may result in a conflict of interest in allocating their time between our operations and our management and the operations of other businesses. Their other business endeavors may involve related or unrelated parties. Conflicts of interest that arise over the allocation of time may not always be resolved in our favor and may materially adversely affect our results of operations. See the section entitled “Factors Relating to the Split-Off” included in Item 1A of our Annual Report for further discussion of risks associated with our split-off from, and relationship with, FNF.

Conflicts of interest could arise in connection with certain of our directors’ and executive officers’ discharge of fiduciary duties to our shareholders.

Certain of our directors and executive officers are members of the Manager. Such persons, by virtue of their positions with us, have fiduciary duties to us and our shareholders. The duties of such persons as directors or executive officers to us and our shareholders may conflict with the interests of such persons in their capacities as members or employees of the Manager.

Our Manager and members of our management team may engage in activities that compete with us or our businesses.

While the members of our management team intend to devote a substantial majority of their time to the affairs of the Company, and while our Manager currently does not manage any other businesses that are in lines of business similar to our businesses, neither our management team nor our Manager is expressly prohibited from investing in or managing other entities, including those that are in the same or similar line of business as our businesses, or required to present any particular investment or business opportunity to the Company. In this regard, the Management Services Agreement and the obligation thereunder to provide management services to us will not create a mutually exclusive relationship between our Manager, on the one hand, and the Company, on the other.

We cannot remove our Manager solely for poor performance, which could limit our ability to improve our performance and could adversely affect the market price of our shares.

Under the terms of the Management Services Agreement, our Manager may not be removed as a result of underperformance. Instead, the Company may only remove our Manager in certain limited circumstances or upon a vote by a majority of the Company's board of directors to terminate the Management Services Agreement. This limitation could adversely affect the market price of our shares.

Our Manager can resign on 180 days' notice, subject to a limited extension, and we may not be able to find a suitable replacement, resulting in a disruption in our operations that could materially adversely affect our financial condition, business and results of operations as well as the market price of our shares.

Our Manager has the right, under the Management Services Agreement, to resign at any time on 180 days' written notice, whether we have found a replacement or not, subject to the Company's right to extend such period by an additional 180 days or until a replacement manager has been in place for 30 days, if no replacement manager has been found by the 150th day following the Manager's notice of resignation. If our Manager resigns, we may not be able to contract with a new manager or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 180 days (subject to possible extension), or at all, in which case our operations are likely to experience a disruption; our financial condition, business and results of operations as well as our ability to pay distributions are likely to be adversely affected; and the market price of our shares may decline. In addition, the coordination of our internal management, acquisition activities and supervision of our businesses is likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by our Manager. Even if we are able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with our businesses may result in additional costs and time delays that could materially adversely affect our financial condition, business and results of operations.

We must pay our Manager the management fee regardless of our performance.

Our Manager is entitled to receive a management fee that is based on our cost of invested capital, as defined in the Management Services Agreement, regardless of the performance of our businesses. The calculation of the management fee is unrelated to the Company's results of operations. As a result, the management fee may incentivize our Manager to increase the amount of invested capital.

We cannot determine the amount of the management fee that will be paid over time with any certainty, nor are we able to determine with any certainty the amount of carried interest that will be paid over time, and our payment of such fees and carried interest to the Manager may significantly reduce the amount of cash available for distribution to our shareholders.

Under the Management Services Agreement, the Company will be obligated to pay a management fee to and, subject to certain exceptions, reimburse the costs and out-of-pocket expenses of our Manager incurred on behalf of the Company in connection with the provision of services to the Company. The management fee is calculated by reference to the Company's cost of invested capital, which will be impacted by the acquisition or disposition of, and additional capital contributions and investments in, businesses, which can be significantly influenced by our Manager, as well as the performance of our businesses and other businesses we may acquire in the future. Changes in cost of invested capital and in the resulting management fee could be significant, resulting in a material adverse effect on the Company's results of operations. In addition, if the performance of the Company declines, assuming cost of invested capital remains the same, management fees will increase as a percentage of the Company's net income.

Furthermore, we cannot determine the amount of carried interest with respect to liquidity events involving investments of the Company that will be paid over time with any certainty. Such determination would be dependent on the potential sale proceeds received for any of our businesses and the performance of the Company and its businesses over a multi-year period of time, among other factors that cannot be predicted with certainty at this time. Such factors may have a significant impact on the amount of any carried interest to be paid to the Manager. Likewise, such determination would be dependent on whether certain hurdles were surpassed giving rise to a payment of carried interest. Any amounts paid in respect of the carried interest are unrelated to the management fee earned for performance of services under the Management Services Agreement.

While it is difficult to quantify with any certainty the actual amount of any such payments in the future, such amounts could be substantial. The management fee and carried interest will be payment obligations of the Company and, as a result, will be paid, along with other Company obligations, prior to the payment of distributions to shareholders. As a result the payment of these amounts may significantly reduce the amount of cash flow available for distribution to our shareholders. If we do not have sufficient liquid assets to pay the management fee and carried interest when such payments are due, we may be required to liquidate assets or incur debt in order to make such payments. This circumstance could materially adversely affect our liquidity and ability to make distributions to our shareholders.

Our profit allocation may induce our Manager to make suboptimal decisions regarding our operations.

Our Manager will receive carried interest based on profits in excess of an annualized hurdle rate upon a liquidity event involving a Company investment. In this respect, a calculation and payment of carried interest may be triggered upon the sale of one of our businesses. As a result, our Manager may be incentivized to recommend the sale of one or more of our businesses to our Board of Directors at a time that may not be optimal for our shareholders.

Risks Relating to the Restaurant Group

The COVID-19 outbreak has disrupted and is expected to continue to disrupt the business of our Restaurant Group, which has and could continue to materially affect our Restaurant Group's operations, financial condition and results of operations for an extended period of time.

The COVID-19 outbreak, the federal, state and local government responses to COVID-19 and our responses to the outbreak have all disrupted and will continue to disrupt our Restaurant Group businesses. In the United States, individuals are being encouraged to practice social distancing, in most places are restricted from gathering in groups and in many cases, placed on complete restriction from non-essential movements outside of their homes. In response to the COVID-19 outbreak and these changing conditions, we closed the dining rooms in substantially all of our restaurants in late March 2020 with substantially all remaining closed through early May 2020. Beginning in March 2020 and lasting into May 2020, in most of our restaurants we were solely operating to-go and delivery services in the jurisdictions where government regulations permit restaurants to continue to operate and where the guest demand makes such operations sustainable. We temporarily closed certain restaurants, modified work hours for our Restaurant Group employees and identified and implemented cost savings measures throughout our Restaurant Group operations. If the COVID-19 outbreak deteriorates again, we may again be required to close the dining rooms in substantially all of our restaurants and solely operate to-go and delivery services, which would further adversely affect the results of operations of our Restaurant Group.

The COVID-19 outbreak and these responses have affected and will continue to adversely affect our Restaurant Group brands' guest traffic, sales and operating costs and we cannot predict how long the outbreak will last or what other government responses may occur.

Suppliers of our Restaurant Group could be adversely impacted by the COVID-19 outbreak. If our Restaurant Group's suppliers’ access to resources is constrained or their employees are unable to work, whether because of illness, quarantine, limitations on travel or other government restrictions in connection with COVID-19, our Restaurant Group businesses could face shortages of food items or other restaurant supplies and our Restaurant Group's operations and sales could be adversely impacted by such supply interruptions.

The COVID-19 pandemic has negatively impacted the financial results of our Restaurant Group and depending on the duration and scope, such impact could continue to have a material adverse impact on our results of operations.

See further discussion of the impact of COVID-19 on our Restaurant Group's results in the *Results of Operations* subsection in Item 7 of Part II of this Annual Report.

General macroeconomic factors, including unemployment, energy prices and interest rates, and certain economic and business factors specific to the restaurant and bakery industries that are largely out of our restaurant businesses' control may materially and adversely affect consumer behavior and have a material adverse effect on our business, financial condition and results of operations.

General economic conditions may materially and adversely affect the financial condition and results of operations of our restaurant businesses, which we also refer to as our Restaurant Group companies. Recessionary economic cycles, a protracted economic slowdown, a worsening economy, increased unemployment, increased energy prices, rising interest rates, a downgrade of the United States ("U.S.") government's long-term credit rating, financial market volatility and unpredictability or other national, regional and local regulatory and economic conditions or other industry-wide cost pressures could affect consumer behavior and spending for restaurant dining occasions and result in increased pressure with respect to our Restaurant Group companies' pricing, guest count levels and commodity costs, which could lead to a further decline in our Restaurant Group companies' sales and earnings, beyond those that resulted in the Blue Ribbon Reorganization. Job losses, foreclosures, bankruptcies and falling home prices could cause customers to make fewer discretionary purchases, and any significant decrease in our Restaurant Group companies' guest counts or profit will negatively impact their financial performance. In addition, if gasoline, natural gas, electricity and other energy costs increase, or credit card, home mortgage and other borrowing costs increase with rising interest rates, our Restaurant Group companies' customers may have lower disposable income and reduce the frequency with which they dine at restaurants, may spend less during each visit at our Restaurant Group companies' restaurants or may choose more inexpensive restaurants. These factors could also cause the Restaurant Group companies to, among other things, reduce the number and frequency of new restaurant openings, close additional restaurants, delay the reimaging of the Restaurant Group companies' existing restaurant locations, or impede our ability to successfully execute, and achieve the goals contemplated by, the Blue Ribbon Reorganization.

The business results of our Restaurant Group companies depend on a number of industry-specific factors as well, many of which are beyond the Restaurant Group companies' control. The full service dining sector of the restaurant industry is affected by seasonal fluctuation of sales volumes, consumer confidence, consumer spending patterns and consumer preferences, including changes in consumer tastes and dietary habits, and the level of consumer acceptance of our restaurant brands. The performance of individual restaurants may also be materially and adversely affected by factors applicable to those restaurants, such as demographic trends, severe weather, traffic patterns and the type, number and location of competing restaurants.

The quarterly results of our Restaurant Group companies have been and may continue to be affected by restaurant closures and exit-related costs, labor availability and costs for hourly and management personnel, changes in borrowings and interest rates, changes in consumer preferences and competitive conditions, fluctuations in food and commodity prices, fluctuations in costs attributable to public company compliance and impairments of goodwill, intangible assets and property, fixtures and equipment. As a result of these and other factors, the Restaurant Group companies' financial results for any quarter may not be indicative of the results that may be achieved for a full fiscal year.

Unfavorable changes in the above factors or in other business and economic conditions affecting our Restaurant Group companies' customers or industry could increase costs, reduce guest counts in some or all restaurants or impose practical limits on pricing, any of which could lower profit margins and have a material adverse effect on our business, financial condition and results of operations.

The Restaurant Group companies face significant competition for customers, real estate and employees and competitive pressure to adapt to changes in conditions driving customer demand. The Restaurant Group companies' inability to compete effectively may affect guest counts, sales and profit margins, which could have a material adverse effect on our business, financial condition and results of operations.

The restaurant industry is intensely competitive with a substantial number of restaurant operators that compete directly and indirectly with the Restaurant Group companies with respect to price, service, ambiance, brand, customer service, dining experience, location, food quality and variety and value perception of menu items and there are other well established competitors with substantially greater financial and other resources than the Restaurant Group companies. Some of our Restaurant Group companies' competitors advertise on national television, which may provide customers with greater awareness and name recognition than our Restaurant Group companies can achieve through their advertising efforts. There is also active competition for management personnel and attractive suitable real estate sites. Consumer tastes and perceptions, nutritional and dietary trends, guest count patterns and the type, number and location of competing restaurants often affect the restaurant business, and our Restaurant Group companies' competitors may react more efficiently and effectively to those conditions. For instance, prevailing health or dietary preferences or perceptions of our Restaurant Group companies' products may cause consumers to avoid certain menu items or products our Restaurant Group companies offer in favor of foods that are perceived as more healthy, and such choices by consumers could have a material adverse effect on our business, financial condition and results of operations. Further, our Restaurant Group companies face growing competition from the supermarket industry, with the improvement of their "convenient meals" in the deli and prepared food sections, from quick service and fast casual restaurants and online food delivery services as a result of food and beverage offerings by those food providers. As our Restaurant Group companies' competitors expand operations in markets where our restaurant businesses operate or expect to operate, we expect competition to intensify. If our Restaurant Group companies are unable to continue to compete effectively, including following the completion of the Blue Ribbon Reorganization, their guest counts, sales and profit margins could decline, which could have a material adverse effect on our business, financial condition and results of operations.

If our restaurant businesses are unable to effectively grow revenue and profitability, our Restaurant Group companies may be required to record additional impairment charges to restaurant assets, the carrying value of goodwill or other intangible assets, which could have a material adverse effect on our financial condition and results of operations.

Our Restaurant Group companies assess the potential impairment of their long-lived assets whenever events or changes in circumstances indicate that the carrying value of the assets or asset group may not be recoverable. Factors considered include, but are not limited to, significant underperformance relative to historical or projected future operating results, significant changes in the manner in which an asset is being used, an expectation that an asset will be disposed of significantly before the end of its previously estimated useful life and significant negative industry or economic trends. Our Restaurant Group companies annually review and compare the carrying value of intangible assets, including goodwill, to the fair value. For the years ended December 31, 2020, 2019 and 2018, we recorded $7.8 million, $10.4 million and $26.7 million, respectively, of impairment to goodwill in our Restaurant Group segment as a result of deteriorating operating results and cash flow resulting from declining same store sales and increased costs. In addition, for the years ended December 31, 2020, 2019, and 2018, we recorded $11.8 million, $17.1 million, and $5.8 million, respectively, of impairment expense related to other intangible assets within our Restaurant Group.

We cannot accurately predict the amount and timing of any future recorded impairment to our Restaurant Group companies' assets. Should the value of goodwill or other intangible or long-lived assets become further impaired, there could be a material adverse effect on our financial condition and results of operations.

Increased commodity, energy and other costs could decrease our Restaurant Group companies' profit margins or cause the Restaurant Group companies to limit or otherwise modify their menus, which could have a material adverse effect on our business, financial condition and results of operations.

The cost, availability and quality of ingredients restaurant operations use to prepare their food is subject to a range of factors, many of which are beyond their control. A significant component of our restaurant businesses' costs will be related to food commodities, including beef, pork, chicken, seafood, poultry, dairy products, oils, produce, fruit, flour and other related costs such as energy and transportation over which we may have little control, that can be subject to significant price fluctuations due to seasonal shifts, climate conditions, industry demand, changes in international commodity markets and other factors. If there is a substantial increase in prices for these commodities, our Restaurant Group companies' results of operations may be negatively affected. In addition, the Restaurant Group companies' restaurants are dependent upon frequent deliveries of perishable food products that meet certain specifications. Shortages or interruptions in the supply of perishable food products caused by unanticipated demand, problems in production or distribution, disease or food-borne illnesses, inclement weather or other conditions could adversely affect the availability, quality, and cost of ingredients, which would likely lower revenues, damage the Restaurant Group companies' reputation or otherwise harm our business.

Negative customer experiences or negative publicity surrounding our Restaurant Group companies' restaurants or other restaurants could adversely affect sales in one or more of our Restaurant Group companies' restaurants and make our concepts less valuable, which could have a material adverse effect on our business, financial condition and results of operations.

Because we believe our Restaurant Group companies' success depends significantly on their ability to provide exceptional food quality, outstanding service and an excellent overall dining experience, adverse publicity, whether or not accurate, relating to food quality, public health concerns, illness, safety, injury or government or industry findings concerning our Restaurant Group companies' restaurants, restaurants operated by other food service providers or others across the food industry supply chain could affect our Restaurant Group companies more than it would other restaurants that compete primarily on price or other factors. If customers perceive or experience a reduction in the food quality, service or ambiance at our Restaurant Group companies' restaurants or in any way believe our Restaurant Group companies' restaurants have failed to deliver a consistently positive experience, the value and popularity of one or more of our Restaurant Group companies' concepts could suffer. Further, because our restaurant businesses rely heavily on "word-of-mouth," as opposed to more conventional mediums of advertisement, to establish concept recognition, our restaurant businesses may be more adversely affected by negative customer experiences than other dining establishments, including those of our restaurant businesses' competitors.

Our restaurant businesses could suffer due to reduced demand for our restaurant businesses' brands or specific menu offerings if our restaurant businesses are the subject of negative publicity or litigation regarding allegations of food-related contaminations or illnesses, which could have a material adverse effect on our business, financial condition and results of operations.

Food safety is a top priority, and our Restaurant Group companies dedicate substantial resources to ensuring that their customers enjoy safe, quality food products. Food-related contaminations and illnesses may be caused by a variety of food-borne pathogens, such as E. coli or salmonella, which are frequently carried on unwashed fruits and vegetables, from a variety of illnesses transmitted by restaurant workers, such as hepatitis A, which may not be diagnosed prior to being infectious, and from contamination of food by foreign substances. Contamination and food borne illness incidents could also be caused at the point of source or by food suppliers and distributors. As a result, we cannot control all of the potential sources of contamination or illness that can be contained in or transmitted from our Restaurant Group companies' food. Regardless of the source or cause, any report of food-borne illnesses or other food safety issues including food tampering or contamination, at one of our Restaurant Group companies' restaurants could adversely affect the reputation of our Restaurant Group companies' brands and have a negative impact on their sales. Even instances of food-borne illness, food tampering or food contamination occurring solely at restaurants of our Restaurant Group companies' competitors or at one of our Restaurant Group companies' suppliers could result in negative publicity about the food service industry generally and adversely impact our Restaurant Group companies' sales.

If any person becomes injured or ill, or alleges becoming injured or ill, as a result of eating our Restaurant Group companies' food, our Restaurant Group companies may temporarily close some restaurants or their bakery facilities, which would decrease their revenues, and our restaurant businesses may be liable for damages or be subject to governmental regulatory action, either of which could have long-lasting, negative effects on our restaurant businesses' reputation, financial condition and results of operations, regardless of whether the allegations are valid or whether our restaurant businesses are found liable. The occurrence of food-borne illnesses or food safety issues could also adversely affect the price and availability of affected ingredients, resulting in higher costs and lower margins.

Our Restaurant Group companies' failure to comply with government regulation, and the costs of compliance or non-compliance, could have a material adverse effect on our business, financial condition and results of operations.

The Restaurant Group companies are subject to various federal, state and local laws and regulations affecting their business. Each of their restaurants and their bakery division are subject to licensing and regulation by a number of federal, state and local governmental authorities, which may include, among others, alcoholic beverage control, health and safety, nutritional menu labeling, health care, environmental and fire agencies. Difficulty in obtaining or failure to obtain the required licenses, including liquor or other licenses, permits or approval could delay or prevent the development of a new restaurant in a particular area. Additionally, difficulties or inabilities to retain or renew licenses, or increased compliance costs due to changed regulations, could adversely affect operations at existing restaurants.

There is also a potential for increased regulation of certain food establishments in the U.S., where compliance with Hazard Analysis & Critical Control Points ("HACCP") management systems may now be required. HACCP refers to a management system in which food safety is addressed through the analysis and control of potential hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product. Many states have required restaurants to develop and implement HACCP programs and the U.S. government continues to expand the sectors of the food industry that must adopt and implement HACCP programs. For example, the Food Safety Modernization Act, signed into law in January 2011, granted the FDA new authority regarding the safety of the entire food system, including through increased inspections and mandatory food recalls. We anticipate that the new requirements may impact the restaurant industry. Additionally, our Restaurant Group companies' suppliers may initiate or otherwise be subject to food recalls that may impact the availability of certain products, result in adverse publicity or require the Restaurant Group companies' to take actions that could be costly for them or otherwise harm their business.

The impact of current laws and regulations, the effect of future changes in laws or regulations that impose additional requirements and the consequences of litigation relating to current or future laws and regulations, or an insufficient or ineffective response to significant regulatory or public policy issues, could increase our Restaurant Group companies' cost structure or lessen their operational efficiencies and talent availability, and therefore have a material adverse effect on our financial condition and results of operations. Failure to comply with the laws and regulatory requirements of federal, state and local authorities could result in, among other things, revocation of required licenses, administrative enforcement actions, fines and civil and criminal liability. Compliance with these laws and regulations can be costly and can increase the Restaurant Group companies' exposure to litigation or governmental investigations or proceedings.

Restaurant companies, including our restaurant companies, are the target of claims and lawsuits from time to time in the ordinary course of business. Proceedings of this nature, if successful, could result in our payment of substantial costs and damages, which could have a material adverse effect on our business, financial condition and results of operations.

Our Restaurant Group companies and other restaurant companies have been subject to claims and lawsuits alleging various matters from time to time in the ordinary course of business, including those that follow. Claims and lawsuits may include class action lawsuits, alleging violations of federal and state laws regarding workplace and employment matters, discrimination and similar matters. A number of these lawsuits have resulted in the payment of substantial damages by the defendants. Similar lawsuits have been instituted from time to time alleging violations of various federal and state wage and hour laws regarding, among other things, employee meal deductions, the sharing of tips amongst certain employees, overtime eligibility of assistant managers and failure to pay for all hours worked. Although our restaurant businesses will maintain what we believe to be adequate levels of insurance, insurance may not be available at all or in sufficient amounts to cover any liabilities with respect to these matters. Accordingly, if our restaurant businesses are required to pay substantial damages and expenses as a result of these types or other lawsuits, such payments or expenses could have a material adverse effect on our business and results of operations.

Occasionally, our Restaurant Group companies' customers may file complaints or lawsuits against the Restaurant Group companies alleging that they are responsible for some illness or injury the customers suffered at or after a visit to one of the Restaurant Group companies' restaurants, including actions seeking damages resulting from food-borne illness and relating to notices with respect to chemicals contained in food products required under state law. Our Restaurant Group companies may also be subject to a variety of other claims from third parties arising in the ordinary course of their business, including personal injury claims, contract claims and claims alleging violations of federal and state laws. In addition, most of our Restaurant Group companies' restaurants are subject to state "dram shop" or similar laws that generally allow a person to sue our restaurant businesses if that person was injured by a legally intoxicated person who was wrongfully served alcoholic beverages at one of our Restaurant Group companies' restaurants. The restaurant industry has also been subject to a growing number of claims that the menus and actions of restaurant chains have led to the obesity of certain of their customers. In addition, the Restaurant Group companies may also be subject to lawsuits from their employees or others alleging violations of federal and state laws regarding workplace and employment matters, discrimination and similar matters. A number of these lawsuits in the restaurant industry have resulted in the payment of substantial damages by the defendants.

Regardless of whether any claims against the Restaurant Group companies are valid or whether they are liable, claims may be expensive to defend and may divert resources away from their operations. In addition, such claims may generate negative publicity, which could reduce customer traffic and sales. Although our restaurant businesses will maintain what they believe to be adequate levels of insurance, insurance may not be available at all or in sufficient amounts to cover any liabilities with respect to these or other matters. Defense costs, even for unfounded claims, or a judgment or other liability in excess of our restaurant businesses' insurance coverage for any claims or any adverse publicity resulting from claims could have a material adverse effect on our business, results of operations and financial condition.

The Restaurant Group companies rely heavily on information technology and any material failure, interruption, or security breach in their systems could have a material adverse effect on our business, financial condition and results of operations.

The Restaurant Group companies rely heavily on information technology systems across their operations and corporate functions, including for order and delivery from suppliers and distributors, point-of-sale processing in their restaurants, management of their supply chains, payment of obligations, collection of cash, bakery production, data warehousing to support analytics, finance or accounting systems, labor optimization tools, gift cards, online business and various other processes and transactions, including the storage of employee and customer information. The Restaurant Group companies' ability to effectively manage their business and coordinate the production, distribution and sale of their products will depend significantly on the reliability and capacity of these systems. The failure of these systems to operate effectively, maintenance problems or problems with transitioning to upgraded or replacement systems could cause delays in product sales and reduced efficiency of our restaurant businesses' operations, and significant capital investments could be required to remediate the problem.

The regulatory environment surrounding information security and privacy is increasingly demanding, with the frequent imposition of new and constantly changing requirements. Compliance with these requirements may result in cost increases due to necessary systems changes and the development of new administrative processes. In addition, customers and employees have a high expectation that our restaurant businesses will adequately protect their personal information. The majority of our restaurant businesses' restaurant sales are by credit or debit cards. We and other restaurants and retailers have experienced security breaches in which credit and debit card information of their customers has been stolen.

In addition, any breach in customer payment information could result in investigations by the U.S. Secret Service Electronic Crimes Task Force ("ECTF") and increased cost in our restaurant businesses' efforts to cooperate with the ECTF.

The Restaurant Group companies also maintain certain personal information regarding their employees. In addition to government investigations, the Restaurant Group companies may in the future become subject to lawsuits or other proceedings for purportedly fraudulent transactions arising out of the actual or alleged theft of their customers' credit or debit card information or if customer or employee information is obtained by unauthorized persons or used inappropriately. If the Restaurant Group companies fail to comply with these laws and regulations or experience a significant breach of customer, employee or company data, their reputation could be damaged and they could experience lost sales, fines or lawsuits. Additionally, if a person is able to circumvent the security measures intended to protect our Restaurant Group companies' employee or customer private data, he or she could destroy or steal valuable information and disrupt our restaurant businesses' operations. The Restaurant Group companies may also be required to incur additional costs to modify or enhance their systems in order to prevent or remediate any such attacks.

The success of the Restaurant Group depends, in part, on its intellectual property, which we may be unable to protect.

We regard our Restaurant Group's service marks, including "O'Charley's", "Ninety Nine", "Village Inn", "Legendary Baking", and "Bakers Square", and other service marks and trademarks as important factors in the marketing of our restaurants. We have also obtained trademarks for several of our brand's menu items and for various advertising slogans. We are aware of names and marks similar to our Restaurant Group's service marks and trademarks used by other persons in certain geographic areas where we have restaurants. We believe such uses will not adversely affect us and our policy is to pursue registration of our marks whenever possible and to oppose vigorously any infringement of our marks.

We license the use of our registered trademarks and service marks to franchisees and third parties through franchise arrangements and licenses. The franchise and license arrangements restrict franchisees' and licensees' activities with respect to the use of our trademarks and service marks, and impose quality control standards in connection with goods and services offered in connection with the trademarks and service marks.

Risks Relating to the Company's Investment in Dun & Bradstreet

Our investment in D&B may expose us to certain risks, which could have a material adverse effect on our results of operations or financial position.

D&B’s transformation strategy is based on several strategic initiatives and growth strategies. The achievement of its strategic initiatives and growth strategies depends on a number of factors, including but not limited to its ability to maintain the integrity of its brand and reputation, client demand for its solutions, the effect of macro-economic challenges on its clients and vendors, its reliance on third parties to provide data and certain operational services and its ability to protect its information technology. D&B may not be able to successfully implement its strategic initiatives in accordance with its expectations, or in the timeframe it desires, which may result in us not realizing our expected return on our investment in D&B, or result in a negative return on investment.

We record our investment in D&B using the equity method of accounting, through which we record our proportionate share of their net earnings or loss in our consolidated financial statements. Equity-method investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If our equity-method investment is not recoverable, we may be required to record an impairment charge, which could have a material adverse effect on our results of operations.

We share certain directors with D&B or its affiliated entities, which may lead to conflicting interests.

One of our directors, Bill Foley, and our CEO and director, Richard N. Massey, also serve on the board of directors of D&B. From time to time, we may enter into transactions with D&B and/or its respective subsidiaries or other affiliates. There can be no assurance that the terms of any such transactions will be as favorable to our company, D&B or any of our or its respective subsidiaries or affiliates as would be the case where there is no overlapping director.

D&B's ability to implement and execute its strategic plans to transform the business may not be successful and, accordingly, D&B may not be successful in achieving its goals to transform its business, which could have a material adverse effect on its business, financial condition and results of operations.

D&B may not be successful in developing and implementing its strategic plans to transform its businesses, including realigning management, simplifying and scaling technology, expanding and enhancing data and optimizing its client services. If the development or implementation of D&B's plans are not successful, they may not produce the revenue, margins, earnings or synergies that we expect, including offsetting the impact of adverse economic conditions that may exist currently or develop in the future. D&B may also face delays or difficulties in implementing technological, organizational and operational improvements, including its plans to leverage our data insights in new functional areas and utilize existing data architecture to generate high contribution incremental revenue streams, which could adversely affect its ability to successfully compete. In addition, the costs associated with implementing such plans may be more than anticipated and D&B may not have sufficient financial resources to fund all of the desired or necessary investments required in connection with its plans. The existing and future execution of D&B's strategic and operating plans to transform its business will, to some extent, also be dependent on external factors that they cannot control. In addition, these strategic and operational plans need to be continually reassessed to meet the challenges and needs of its business in order for D&B to remain competitive. The failure to implement and execute its strategic and operating plans in a timely manner or at all, realize or maintain the cost savings or other benefits or improvements associated with such plans, have financial resources to fund the costs associated with such plans or incur costs in excess of anticipated amounts, or sufficiently assess and reassess these plans could have a material adverse effect on D&B's business, financial condition and results of operations, and ultimately the value of our investment in D&B.

D&B's brand and reputation are key assets and a competitive advantage, and its business may be affected by how it is perceived in the marketplace.

D&B's brand and reputation are key assets of its business and a competitive advantage. D&B's ability to attract and retain clients is highly dependent upon the external perceptions of its level of data quality, effective provision of solutions, business practices, including the actions of its employees, third-party providers, members of D&B's world-wide network of partners and other brand licensees, some of which may not be consistent with its policies and standards. Negative perception or publicity regarding these matters could damage D&B's reputation with clients and the public, which could make it difficult for it to attract and maintain clients. Adverse developments with respect to its industry may also, by association, negatively impact its reputation, or result in higher regulatory or legislative scrutiny. Negative perceptions or publicity could have a material adverse effect on D&B's business, financial condition and results of operations, and ultimately the value of our investment in D&B.

Data security and integrity are critically important to D&B's business, and cybersecurity incidents, including cyberattacks, breaches of security, unauthorized access to or disclosure of confidential information, business disruption, or the perception that confidential information is not secure, could result in a material loss of business, regulatory enforcement, substantial legal liability and/or significant harm to its reputation.

D&B collects, stores and transmits a large amount of confidential company information on over 420 million total businesses as of December 31, 2020, including financial information and personal information. D&B operates in an environment of significant risk of cybersecurity incidents resulting from unintentional events or deliberate attacks by third parties or insiders, which may involve exploiting highly obscure security vulnerabilities or sophisticated attack methods. These cyberattacks can take many forms, but they typically have one or more of the following objectives, among others: (1) obtain unauthorized access to confidential information, (2) manipulate or destroy data or (3) disrupt, sabotage or degrade service on D&B's systems.

D&B has experienced and expects to continue to experience numerous attempts to access its computer systems, software, networks, data and other technology assets on a daily basis. The security and protection of its data is a top priority for D&B.

D&B devotes significant resources to maintain and regularly upgrade the wide array of physical, technical and contractual safeguards that it employs to provide security around the collection, storage, use, access and delivery of information D&B has in its possession. Despite D&B's physical security, implementation of technical controls and contractual precautions to identify, detect and prevent the unauthorized access to and alteration and disclosure of its data, D&B cannot be certain that third party systems that have access to its systems will not be compromised or disrupted in the future, whether as a result of criminal conduct or other advanced, employee error or malfeasance, or other disruptions during the process of upgrading or replacing computer software or hardware, power outages, computer viruses, telecommunication or utility failures or natural disasters or other catastrophic events. Due to the sensitive nature of the information D&B collects, stores and transmits, it is not unusual for efforts to occur (coordinated or otherwise) by unauthorized persons to attempt to obtain access to its systems or data, or to inhibit D&B's ability to deliver products or services to a consumer or a business customer.

D&B must continually monitor and develop its information technology networks and infrastructure to prevent, detect, address and mitigate the risk of unauthorized access, misuse, computer viruses and other events that could have a security impact. The preventive actions D&B takes to address cybersecurity risk, including protection of its systems and networks, may be insufficient to repel or mitigate the effects of cyberattacks as it may not always be possible to anticipate, detect or recognize threats to its systems, or to implement effective preventive measures against all cybersecurity risks. This is because, among other things: (1) the techniques used in cyberattacks change frequently and may not be recognized until after the attacks have succeeded; (2) cyberattacks can originate from a wide variety of sources, including sophisticated threat actors involved in organized crime, sponsored by nation-states, or linked to terrorist or hacktivist organizations; and (3) third parties may seek to gain access to D&B's systems either directly or using equipment or security passwords belonging to employees, clients, third-party service providers or other users.

Although D&B has not incurred material losses or liabilities to date as a result of any breaches, unauthorized disclosure, loss or corruption of its data or inability of its clients to access its systems, such events could disrupt D&B's operations, subject it to substantial regulatory and legal proceedings and potential liability and fines, result in a material loss of business and/or significantly harm its reputation.

D&B may not be able to immediately address the consequences of a cybersecurity incident because a successful breach of its computer systems, software, networks or other technology assets could occur and persist for an extended period of time before being detected due to, among other things: (1) the breadth and complexity of its operations and the high volume of transactions that is processes; (2) the large number of clients, counterparties and third-party service providers with which D&B does business with; (3) the proliferation and increasing sophistication of cyberattacks; and (4) the possibility that a third party, after establishing a foothold on an internal network without being detected, might obtain access to other networks and systems.

The extent of a particular cybersecurity incident and the steps that D&B may need to take to investigate it may not be immediately clear, and it may take a significant amount of time before such an investigation can be completed and full and reliable information about the incident is known. While such an investigation is ongoing, D&B may not necessarily know the extent of the harm or how best to remediate it, and certain errors or actions could be repeated or compounded before they are discovered and remediated, any or all of which could further increase the costs and consequences of a cybersecurity incident.

Due to concerns about data security and integrity, a growing number of legislative and regulatory bodies have adopted breach notification and other requirements in the event that information subject to such laws is accessed by unauthorized persons and additional regulations regarding the use, access, accuracy and security of such data are possible. In the United States, D&B is subject to laws that provide for at least 50 disparate notification regimes. Complying with such numerous and complex regulations in the event of unauthorized access would be expensive and difficult, and failure to comply with these regulations could subject D&B to regulatory scrutiny and additional liability.

If D&B is unable to protect its computer systems, software, networks, data and other technology assets it could have a material adverse effect on its business, financial condition and results of operations, and ultimately the value of our investment in D&B.

D&B's substantial indebtedness could have a material adverse effect on its financial condition and its ability to operate its business or react to changes in the economy or its industry, prevent them from fulfilling its obligations and could divert its cash flow from operations for debt payments.

D&B has a substantial amount of indebtedness, which requires significant interest and principal payments. As of December 31, 2020, D&B has $3,255.8 million in total long-term debt outstanding. In addition, subject to the limitations contained in the credit agreements governing certain of D&B's credit facilities, D&B may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions or for other purposes. If D&B does so, the risks related to its high level of debt could increase. This substantial amount of indebtedness could have important consequences to D&B, including the following: (1) it may be difficult for D&B to satisfy its obligations, including debt service requirements under its outstanding indebtedness; (2) D&B's ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions or other general corporate purposes may be impaired; (3) requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on its indebtedness, thereby reducing D&B's ability to use its cash flow to fund its operations, capital expenditures, future business opportunities and other purposes; (4) D&B will be more vulnerable to economic downturns and adverse industry conditions and its flexibility to plan for, or react to, changes in its business or industry will be more limited; (5) D&B's ability to capitalize on business opportunities and to react to competitive pressures, as compared to its competitors, may be compromised due to its high level of indebtedness and the restrictive covenants in its credit agreements and indentures; (6) D&B's ability to borrow additional funds or to refinance indebtedness may be limited; and (7) it may cause potential or existing clients or vendors to not contract with D&B due to concerns over its ability to meet its financial obligations.

An outbreak of disease, global or localized health pandemic or epidemic or a similar public health threat, or the fear of such an event, could have a material adverse effect on Dun & Bradstreet's business, financial condition and results operations.

A significant outbreak of contagious diseases in the human population, such as COVID-19, could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could have an adverse effect on demand for Dun & Bradstreet's solutions and access to its data sources. Disruptions in the financial markets could limit the ability or willingness of D&B's clients to extend credit to their customers or cause its clients to constrain budgets, which could adversely impact demand for D&B's data and analytics solutions. The U.S. and other governments abroad have implemented enhanced screening, broad shelter-in-place orders and social distancing requirements, business closures, quarantine requirements and travel restrictions in connection with the COVID-19 global pandemic. In addition to governmental measures, companies, including Dun & Bradstreet, are imposing, or may impose, temporary precautionary measures intended to help minimize the risk of the virus to employees, customers and communities, including requiring that employees work remotely and restricting non-essential travel. Additionally, many businesses permanently reduced employee headcount and many others have permanently ceased operations as a result of the pandemic. Given the breadth of Dun & Bradstreet's data, the large number of countries the data is sourced from and system requirements necessary to process and analyze such data, many of D&B's employees and employees of its partners may be limited or unable to effectively work remotely. Further, D&B's employees travel frequently to maintain relationships with and sell solutions to its clients. Continued mandates that employees work remotely, prolonged travel restrictions or general economic uncertainty could negatively impact D&B's suppliers' ability to provide it with data and services, D&B's ability to deliver or market its solutions and client demand for D&B's solutions. The extent of the impact of COVID-19 on D&B's operational and financial performance will depend on future developments, including the duration and spread of the global pandemic, related travel advisories, business closures and quarantine or social distancing restrictions, the speed of recovery once the pandemic subsides, the impact of any resurgence of the pandemic once measures to slow the spread of the virus have been lifted and impacts to the global markets, all of which are highly uncertain and cannot be predicted. Preventing the effects from and responding to this market disruption or any other public health threat, related or otherwise, could further impact demand for D&B's solutions and could have a material adverse effect on its business, financial condition and results of operations.

D&B has elected to take advantage of the ''controlled company'' exemption to the corporate governance rules for publicly listed companies, which could make their common stock less attractive to some investors or otherwise harm their stock price.

Because D&B qualifies as a ''controlled company'' under the corporate governance rules for publicly listed companies, D&B is not required to have a majority of its Board of Directors be independent under the applicable rules of the NYSE, nor is it required to have a compensation committee or a corporate governance and nominating committee comprised entirely of independent directors, and its audit committee is not required to be comprised entirely of independent directors for a period of one year following its initial public offering. Accordingly, should the interests of the Investor Consortium differ from those of other stockholders, the other stockholders may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance rules for publicly-listed companies. D&B's status as a controlled company could make its common stock less attractive to some investors or otherwise harm its stock price and, thus, the value of our investment.

Risks Relating to the Company's Investment in Optimal Blue

If Optimal Blue is unable to protect its information systems against data corruption, cyber-based attacks or network security breaches; are unable to provide adequate security in the electronic transmission of sensitive data; or are unable to prevent system failures or service interruptions, it could have a material adverse effect on its business, financial condition and results of operations and ultimately, our investment.

Optimal Blue is highly dependent on information technology networks and systems, including the Internet, to securely process, transmit and store electronic information. Optimal Blue depends heavily upon its computer systems and cloud computing and system interruptions or events beyond its control could interrupt or terminate the delivery of its solutions and services to its clients and may interfere with its suppliers' ability to provide necessary data to it and its employees' ability to perform their responsibilities.

Security breaches of Optimal Blue's infrastructure, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, and the evolving threat landscape can create system disruptions, shutdowns or unauthorized disclosure of confidential information, including non-public personal information, consumer data and proprietary business information. Cyber-based attacks, including those to extort payment in return for the release of sensitive information, are increasing. Unauthorized access, including through use of fraudulent schemes such as "phishing" schemes, could jeopardize the security of information stored in Optimal Blue’s systems. In addition, malware or viruses could jeopardize the security of information stored or used in a user's computer. If Optimal Blue is unable to prevent or detect such security or privacy breaches, its operations could be disrupted, or it may suffer loss of reputation, financial loss, lawsuits and regulatory-imposed restrictions and penalties because of lost or misappropriated information, including sensitive consumer data, which could have a material adverse effect on its business, financial condition and results of operations and ultimately the value of our investment.

If Optimal Blue fails to adapt its solutions to technological changes or evolving industry standards and regulations, or if its ongoing efforts to upgrade, modernize or innovate its technology are not successful, Optimal Blue may not be able to achieve its growth strategies and could lose clients and have difficulty attracting new clients for its solutions.

The markets for Optimal Blue’s solutions are characterized by constant technological changes, frequent introductions of new products and services and evolving industry standards and regulations. Optimal Blue’s growth strategies and future success will be significantly affected by its ability to successfully enhance its current solutions, and to develop and introduce new solutions and services that address the increasingly sophisticated needs of its clients and their customers. These initiatives carry the risks associated with any new product or service development effort, including cost overruns, delays in delivery and performance issues. There can be no assurance that Optimal Blue will be successful in developing, marketing and selling new solutions and services that meet these changing demands, that it will not experience difficulties that could delay or prevent the successful development, introduction and marketing of these solutions and services or that Optimal Blue’s new solutions and services and their enhancements will adequately meet the demands of the marketplace and achieve market acceptance. If Optimal Blue’s efforts are unsuccessful, it could have a material adverse effect on its business, financial condition and results of operations and ultimately, the value of our investment.

Optimal Blue relies upon proprietary technology and information rights, and if it is unable to protect its rights, it could have a material adverse effect on it and ultimately our investment value. Similarly, if Optimal Blue’s applications, solutions, including those that contain "open source" software, or services are found to infringe the proprietary rights of others or fail to comply with the terms of one or more of these open source licenses, Optimal Blue may be required to change its business practices and may also become subject to significant costs and monetary penalties.

Optimal Blue’s success depends, in part, upon its intellectual property rights. Optimal Blue relies primarily on a combination of patents, copyrights, trade secrets, trademark laws, nondisclosure and other contractual restrictions on copying, distribution and creation of derivative products to protect its proprietary technology and information. This protection is limited, and its intellectual property could be used by others without Optimal Blue’s consent. Any infringement, disclosure, loss, invalidity of or failure to protect its intellectual property could have a material adverse effect on Optimal Blue’s business, financial condition and results of operations and ultimately, the value of our investment. Moreover, litigation may be necessary to enforce or protect its intellectual property rights, to protect its trade secrets or to determine the validity and scope of the proprietary rights of others. Such litigation could be time-consuming, result in substantial costs and diversion of resources and could have a material adverse effect on our business, financial condition and results of operations and ultimately, the value of our investment.

As Optimal Blue’s information technology applications and services develop, it may become increasingly subject to infringement claims. Any such claims, whether with or without merit, could be expensive and time-consuming to defend, cause Optimal Blue to cease providing solutions that incorporate the challenged intellectual property, require Optimal blue to redesign its solutions, if feasible, divert management's attention and resources; or require Optimal Blue to enter into royalty or licensing agreements in order to obtain the right to use necessary technologies. Any one or more of the foregoing outcomes could have a material adverse effect on Optimal Blue’s business, financial condition and results of operations and ultimately, the value of our investment.

Optimal Blue’s reliance on third parties subjects it to risk and may disrupt or adversely affect its operations. In addition, it may not realize the full benefit of its third-party arrangements, which may result in increased costs, or may adversely affect the service levels Optimal Blue is able to provide its clients.

Optimal Blue relies upon third parties for various business process and technology-related products and services, including cloud-based providers. Although Optimal Blue has contractual provisions with its providers that specify performance requirements, Optimal Blue does not ultimately control their performance, which may make its operations vulnerable to third-party performance failures. In addition, Optimal Blue’s failure to adequately monitor and regulate the performance of its third-party vendors could subject it to additional risk. Reliance on third parties also makes Optimal blue vulnerable to changes in its vendors' businesses, financial condition and other matters outside of Optimal Blue’s control, including their violations of laws or regulations, which could increase Optimal Blue’s exposure to liability or otherwise increase the costs associated with the operation of its business. If for any reason Optimal Blue’s relationship with any of these third parties, including cloud-based providers, were to end unexpectedly, it could require a significant amount of cost and time to transition to new third-party service providers. The failure of Optimal Blue’s providers to perform as expected or as contractually required could result in significant disruptions and costs to Optimal Blue’s operations and to the services it provides to its clients, or could result in loss of revenues, which could have a material adverse effect on its business, financial condition and results of operations and ultimately, the value of our investment.

Optimal Blue and its clients are subject to various governmental regulations, including regulations over the mortgage loan industry or which address the mortgage loan market, and a failure to comply with governmental regulations or changes in these regulations, including changes that may result from changes in the political landscape or the use of consumer data and public records, could result in penalties, restrict or limit Optimal Blue or its clients' operations or make it more burdensome to conduct such operations.

Many of Optimal Blue’s clients' and its businesses are subject to various federal, state, local and foreign laws and regulations. Optimal Blue’s failure to comply with applicable laws and regulations could restrict its ability to provide certain services or result in imposition of civil fines and criminal penalties, substantial regulatory and compliance costs, litigation expense, adverse publicity and loss of revenues. As a provider of electronic data processing to financial institutions, such as banks and credit unions, Optimal Blue is subject to regulatory oversight and examination by the Federal Financial Institutions Examination Counsel.

A portion of Optimal Blue’s Compass Analytics, LLC ("Compass Analytics") business provides risk management, loan sales (best execution) and general secondary marketing advisory and hedge execution services in concert with licensing Compass Analytics’ mortgage loan valuation and risk management analytics to its clients. Through this business, Compass Analytics may advise clients regarding their best practices, strategic relationships and workflow, but earns no commission or compensation for any trade execution or volume and does not have custody of any client funds or securities. Compass Analytics offers these advisory services to mortgage loan originators and servicers, including mortgage banks, community and commercial banks, credit unions, mortgage loan insurers, government agencies, investors, Federal Home Loan Banks and real estate investment trusts. As a result, Compass Analytics is registered with and regulated by the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended ("Investment Advisers Act"). The failure by Compass Analytics to comply with applicable laws or regulations could result in fines, suspensions of individual employees or other sanctions, any of which could have a negative impact on Compass Analytic’s business, financial condition and results of operations and ultimately, the value of our investment. Even if an investigation or proceeding did not result in a fine or sanction or the fine or sanction imposed against Compass Analytics or its employees by a regulator were small in monetary amount, the adverse publicity relating to an investigation, proceeding or imposition of these fines or sanctions could harm Compass Analytic’s reputation and cause it to lose existing clients.

In addition, Optimal Blue’s businesses are subject to an increased degree of compliance oversight by regulators and by its clients. Specifically, the Consumer Financial Protection Bureau (the "CFPB") has authority to write rules affecting the business of, supervise, conduct examinations of and enforce compliance with federal consumer financial laws and regulations with respect to certain "non-depository covered persons" determined by the CFPB to be "larger participants" that offer consumer financial products and services. The CFPB and the prudential financial institution regulators such as the OCC also have the authority to examine Optimal Blue in its role as a service provider to large financial institutions. In addition, we believe some of Optimal Blue’s largest bank clients' regulators are requiring the banks to exercise greater oversight and perform more rigorous audits of their key service providers such as Optimal Blue.

Changes to laws and regulations and regulatory oversight of Optimal Blue and its clients, including those that may result from changes in the political landscape, may cause Optimal Blue to increase its prices in certain situations or decrease its prices in other situations, may restrict its ability to implement price increases or otherwise limit the manner in which Optimal Blue conducts its business. Optimal Blue may also incur additional expense in keeping its software solutions services up to date as laws and regulations change, and it may not be able to pass those additional costs on to its clients. In addition, in response to increased regulatory oversight, participants in the mortgage lending industry may develop policies pursuant to which they limit the extent to which they can rely on any one vendor or service provider. Conversely, in an environment with less stringent regulatory oversight, prospective clients may choose to retain their in-house platforms, or current service providers, or seek alternative service providers who provide services that are less compliance and quality oriented at a lower price point. If Optimal Blue is unable to adapt its products and services to conform to increased or evolving laws and regulations, or if these laws and regulations have a negative effect on its clients, Optimal Blue may experience client losses or increased operating costs, which could have a material adverse effect on its business, financial condition and results of operations and ultimately, the value of our investment.

Because Optimal Blue’s databases include certain public and non-public personal information concerning consumers, it is subject to government regulation and potential adverse publicity concerning our use of consumer data. Optimal Blue acquires, stores and uses many types of consumer data and related services that are subject to regulation under the Gramm-Leach-Bliley Act and, to a lesser extent, various other federal, state and local laws and regulations. These laws and regulations are designed to protect the privacy of consumers and to prevent security breaches, cyber-based attacks, other unauthorized access and misuse of personal information in the marketplace. Optimal Blue’s failure to comply with these laws, or any future laws or regulations of a similar nature, could result in substantial regulatory penalties, litigation expense or loss of revenues, which could have a material adverse effect on its business, financial condition and results of operations and ultimately, the value of our investment.

The mortgage loan industry is heavily regulated and continues to be subject to review by governmental authorities. Inquiries may include federal and state governmental review of all aspects of the mortgage lending business. Such efforts may include actions to address the housing market and the economy in general and to maintain rigorous mortgage loan servicing standards. Additional state and federal government actions directed at housing and the mortgage loan industry may occur and could have a material adverse effect on Optimal Blue’s business, financial condition and results of operations and ultimately, the value of our investment.

Because Optimal Blue’s revenues from clients in the mortgage lending industry are affected by the strength of the economy and the housing market generally, including the volume of real estate transactions, a change in any of these conditions could have a material adverse effect on it.

Optimal Blue’s revenues are primarily generated from software and hosting solutions and professional services it provides to the mortgage loan industry and, as a result, a weak economy or housing market may have a material adverse effect on its business, financial condition and results of operations and ultimately, the value of our investment. The volume of mortgage loan origination and residential real estate transactions is highly variable and reductions in these transaction volumes could have a direct effect on the revenues of Optimal Blue.

Risks Relating to the Split-Off

We may incur material costs as a result of our separation from FNF, which could have a material adverse effect on our business, financial condition and results of operations.

As a result of our separation from FNF, we have incurred and will continue to incur costs and expenses not previously incurred. These increased costs and expenses may arise from various factors, including financial reporting or costs associated with complying with the federal securities laws (including compliance with the Sarbanes-Oxley Act of 2002, tax administration and human resources related functions.) FNF provided many of these services for us at no-cost (other than reimbursement of FNF's out-of-pocket costs and expenses) under the CSA until November 2020. In October 2020, we entered into an Extension of Corporate Services Agreement (the “Extension”) with FNF. Pursuant to the Extension, the term of the CSA is extended for two years until November 17, 2022 (the “Extended Term”). During the Extended Term, FNF will provide certain corporate services to Cannae at FNF’s Standard Allocation (as defined in the CSA), plus 10%, and Cannae agrees to pay or reimburse FNF for any fees, costs or other expenses paid by FNF to third parties in connection with the corporate services. The CSA will automatically renew for successive one-year terms, unless the parties mutually agree to terminate the CSA at least 30 days prior to the applicable termination date. No later than 30 days prior to such termination date, the parties shall negotiate mutually agreeable arm’s length terms for each additional one-year term.

We cannot assure you that we will not incur third-party vendor costs or out-of-pocket expenses under the CSA that are material to our business. Moreover, we will have to develop internal departments/functions to perform the services at the end of the term of the CSA.

We share certain directors and officers with FNF, which may lead to conflicting interests.

One of our executive officers, Michael L. Gravelle, is also an executive officer of FNF and one of our directors, Bill Foley, also serves on the boards of directors of FNF or its subsidiaries. Our executive officers and members of our board of directors have fiduciary duties to our stockholders. Likewise, any such persons who serve in similar capacities at FNF or any other public company have fiduciary duties to that company's stockholders. We also are party to a variety of related party agreements and relationships with FNF and certain of FNF's subsidiaries and FNF and subsidiaries of FNF have an ownership interest in Cannae Holdings. From time to time, we may enter into transactions with FNF and/or its respective subsidiaries or other affiliates. There can be no assurance that the terms of any such transactions will be as favorable to our company, FNF or any of our or its respective subsidiaries or affiliates as would be the case where there is no overlapping officer or director.

Our agreements with FNF were negotiated while we were a subsidiary of FNF.

We have a number of agreements with FNF covering matters such as tax sharing and our responsibility for certain liabilities previously undertaken by FNF for certain of our businesses. In addition, we have entered into (i) the CSA, (ii) a voting agreement with FNF, pursuant to which FNF agrees to appear or cause all shares of Cannae Holdings common stock that FNF or its subsidiaries, as applicable, own after the Split-Off to be counted as present at any meeting of the stockholders of Cannae Holdings, for the purpose of establishing a quorum, and agrees to vote all of such Cannae Holdings shares (or cause them to be voted) in the same manner as, and in the same proportion to, all shares voted by holders of Cannae Holdings common stock (other than FNF and its subsidiaries), (iii) a registration rights agreement, pursuant to which FNF or its subsidiaries, as applicable, received registration rights with respect to the shares in Cannae held by FNF and (iv) a revolver note with FNF, pursuant to which Cannae Holdings may borrow revolving loans, the proceeds of which may be used for investment purposes and working capital needs, from FNF from time to time in an aggregate amount not to exceed $100.0 million. The terms of all of these agreements were initially established while we were a wholly-owned subsidiary of FNF, and hence may not be the result of arm's length negotiations.

We believe that the terms of these agreements are commercially reasonable and fair to all parties under the circumstances; however, conflicts could arise in the interpretation or any extension or renegotiation of the foregoing agreements after the Split-Off.

General Risk Factors

The outbreak of COVID-19 and resulting government response have negatively affected the global economy, the United States economy and the global financial markets, and may disrupt our operations, which could have an adverse effect on our Corporate and Other businesses, financial condition and results of operations.

The ongoing COVID-19 global and national health emergency has caused significant disruption in the international and United States economies and financial markets. The spread of COVID-19 and resulting government imposed restrictions on many activities has resulted in an overarching reduction in business activity and financial transactions, an increase in unemployment, supply chain interruptions and overall economic and financial market instability. If such disruption persists for an extended period of time, the businesses comprising our Corporate and Other segment and our ability to consummate new investments could be adversely affected, which could result in an adverse effect on our financial condition and results of operations.

Competition and technology may erode the Corporate and Other business franchises and result in lower earnings, which could have a material adverse effect on our business, financial condition and results of operations.

Each of the Corporate and Other businesses face intense competitive pressures within markets in which they operate. While we will manage our businesses with the objective of achieving long-term sustainable growth by developing and strengthening competitive advantages, many factors, including market and technology changes, may erode or prevent the strengthening of competitive advantages. Accordingly, future operating results will depend to some degree on whether our Corporate and Other businesses are successful in protecting or enhancing their competitive advantages. If our Corporate and Other businesses are unsuccessful in these efforts, our periodic operating results in the future may decline from current levels.

The Corporate and Other businesses, from time to time in the ordinary course of business, are involved in legal proceedings and may experience unfavorable outcomes, which could have a material adverse effect on our business, financial condition and results of operations.

The Corporate and Other businesses, from time to time in the ordinary course of business, are involved in pending and threatened litigation matters, some of which include claims for punitive or exemplary damages. These companies are also subject to compliance with extensive government laws and regulations related to employment practices and policies. The Corporate and Other businesses may not be able to successfully resolve these types of conflicts to their satisfaction, and these matters may involve claims for substantial amounts of money or for other relief that might necessitate changes to their business or operations. The defense of these actions may be both time consuming and expensive and their outcomes cannot be predicted with certainty. Determining reserves for pending litigation is a complex, fact-intensive process that requires significant legal judgment. It is possible that unfavorable outcomes in one or more such proceedings could result in substantial payments that could have a material adverse effect on the Corporate and Other businesses' cash flows in a particular period or on our business, financial condition and results of operations.

Failure to comply with, or changes in, laws or regulations applicable to the Corporate and Other businesses could have a material adverse effect on our business, financial condition and results of operations.

The Corporate and Other businesses will be subject to certain laws, such as certain environmental laws, takeover laws, anti-bribery and anti-corruption laws, escheat or abandoned property laws, and antitrust laws, that may impose requirements on us and them as an affiliated group. As a result, we could become jointly and severally liable for all or part of fines imposed on our Corporate and Other businesses or be fined directly for violations committed by these businesses, and such fines imposed directly on us could be greater than those imposed on such businesses. Compliance with these laws or contracts could also require us to commit significant resources and capital towards information gathering and monitoring thereby increasing our operating costs.

Similarly, the Corporate and Other businesses may be subject to contractual obligations that may impose obligations or restrictions on their affiliates. The interpretation of such contractual provisions will depend on local laws. Given that we do not control all of the Corporate and Other businesses and that they generally operate independently of each other, there is a risk that we could contravene one or more of such laws, regulations and contractual arrangements due to limited access and opportunities to monitor compliance. In addition, compliance with these laws or contracts could require us to commit significant resources and capital towards information gathering and monitoring thereby increasing our operating costs.

We need qualified personnel to manage and operate our Corporate and Other businesses, and any inability to adequately satisfy these needs could have a material adverse effect on our business, financial condition and results of operations.

In our decentralized business model, we need qualified and competent management to direct day-to-day business activities of our Corporate and Other businesses. Our Corporate and Other businesses also need qualified and competent personnel in executing their business plans and serving their customers, suppliers and other stakeholders. Changes in demographics, training requirements and the unavailability of qualified personnel could negatively impact our Corporate and Other businesses' ability to meet demands of customers to supply goods and services. Recruiting and retaining qualified personnel is important to all of our Corporate and Other businesses' operations. Although our Corporate and Other businesses have adequate personnel for the current business environment, unpredictable increases in demand for goods and services may exacerbate the risk of not having sufficient numbers of trained personnel, which could have a negative impact on our operating results, financial condition and liquidity.

Our management may seek growth through acquisitions in lines of business that will not necessarily be limited to our current areas of focus or geographic areas. This expansion of our business subjects us to associated risks, such as the diversion of management's attention and lack of experience in operating such businesses, which could have a material adverse effect on our business, financial condition and results of operations.

We may make acquisitions in lines of business that are not directly tied to or synergistic with our current portfolio companies. Accordingly, we may in the future acquire businesses in industries or geographic areas with which management is less familiar than we are with our current businesses.

The acquisition and integration of any business we may acquire involves a number of risks and may result in unforeseen operating difficulties and expenditures in assimilating or integrating the businesses, technologies, products, personnel or operations of the acquired business. Furthermore, acquisitions may: (1) involve our entry into geographic or business markets in which we have little or no prior experience; (2) involve difficulties in retaining the customers of the acquired business; (3) involve difficulties and expense associated with regulatory requirements, competition controls or investigations; (4) result in a delay or reduction of sales for both us and the business we acquire; and (5) disrupt our ongoing business, divert our resources and require significant management attention that would otherwise be available for ongoing development of our current business.

To complete future acquisitions, we may determine that it is necessary to use a substantial amount of our cash or engage in equity or debt financing. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges senior to those of holders of our common stock. Any debt financing obtained by us in the future could involve restrictive covenants relating to our capital-raising activities and other financial and operational matters that make it more difficult for us to obtain additional capital in the future and to pursue other business opportunities, including potential acquisitions. In addition, we may not be able to obtain additional financing on terms favorable to us, if at all, which could limit our ability to engage in acquisitions. Moreover, we can make no assurances that the anticipated benefits of any acquisition, such as operating improvements or anticipated cost savings, would be realized or that we would not be exposed to unexpected liabilities in connection with any acquisition.

Further, an acquisition may negatively affect our operating results because it may require us to incur charges and substantial debt or other liabilities, may cause adverse tax consequences, substantial depreciation and amortization of deferred compensation charges, may require the amortization, write-down or impairment of amounts related to deferred compensation, goodwill and other intangible assets, may include substantial contingent consideration payments or other compensation that reduce our earnings during the quarter in which incurred, or may not generate sufficient financial return to offset acquisition costs.

We may often pursue investment opportunities that involve business, regulatory, legal or other complexities, which could have a material adverse effect on our business, financial condition and results of operations.

As an element of our investment strategy, we may pursue unusually complex investment opportunities. This could often take the form of substantial business, regulatory or legal complexity. Our tolerance for complexity may present risks, as such transactions can be more difficult, expensive and time-consuming to finance and execute; it may be more difficult to manage or realize value from the assets acquired in such transactions; and such transactions may sometimes entail a higher level of regulatory scrutiny or a greater risk of contingent liabilities. Any of these risks could harm our performance.

The lack of liquidity in our investments may adversely affect our business.

We invest, and will continue to invest, in companies whose securities are not publicly traded and whose securities will be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. The illiquidity of these investments may make it difficult for us to sell these investments when desired. In addition, if we are required or otherwise choose to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we had previously recorded these investments. Our investments are often subject to contractual or legal restrictions on resale or are otherwise illiquid because there is usually no established trading market for such investments. Because certain of our investments are illiquid, we may be unable to dispose of them timely or we may be unable to do so at a favorable price, and, as a result, we may suffer losses.

The loss of key personnel could impair our operating abilities and could have a material adverse effect on our business, financial condition and results of operations.

Our success will substantially depend on our ability to attract and retain key members of our senior management team and officers. If we lose one or more of these key employees, our operating results and in turn the value of our common stock could be materially adversely affected. Although we will have employment agreements with many of our officers, there can be no assurance that the entire term of the employment agreement will be served or that the employment agreement will be renewed upon expiration.

The due diligence process that we undertake in connection with new acquisitions may not reveal all facts that may be relevant in connection with an investment.

Before making acquisitions, we will conduct due diligence that we deem reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, we may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisers, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an acquisition, we will rely on the resources available to us, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence investigation that we will carry out with respect to any opportunity may not reveal or highlight all relevant facts (including fraud) that may be necessary or helpful in evaluating such opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Our commitments to invest in Paysafe/FTAC II, Alight/FTAC, and Trebia may expose us to certain risks, which could have a material adverse effect on our results of operations or financial position.

As of the date of this Annual Report, we have an aggregate commitment of $975.0 million to purchase equity of Paysafe/FTAC II; Alight/FTAC; and Trebia (collectively, such future investment commitments, the “SPAC Commitments”). See discussion under the header Special Purpose Acquisition Companies in Item 1 of Part I of this Annual Report and under Forward Purchases of Equity of Special Purpose Acquisition Companies in Item 7 of Part II of this Annual Report for further information on each of our investment commitments.

The SPAC Commitments represent a significant portion of the Company’s available working capital and total assets as of December 31, 2020. Our obligation to fund the SPAC Commitments could require the Company to forgo alternative investment opportunities which may arise in the near term. Additionally, while the Company currently has sufficient cash and liquid investments to fulfill our funding obligations, funding the SPAC Commitments could require the Company to raise additional funds through equity financing, liquidating certain of our current investments or by drawing on our available corporate debt facilities in the future. Despite our current financial position and capital resources, we cannot guarantee that the Company will be able to fulfill our obligations to fund the SPAC Commitments.

Furthermore, we cannot guarantee the success of our ultimate investments in Paysafe, Alight or the ultimate target of Trebia if our obligations to fund these entities pursuant to the SPAC Commitments are fulfilled. Neither our participation as investors in the sponsors and in the common stock of FTAC, FTAC II and Trebia nor the historical performance of our or our Manager’s other investments should be relied upon as an indication of the future performance or potential success of our investments in Paysafe, Alight or the ultimate target of Trebia. We can make no assurances that our investments in these entities upon consummation of their initial business combinations will be successful or that the value of the Company’s investments will appreciate.

Through the Company’s initial investments in the sponsors of FTAC, FTAC II and Trebia, and our forward purchase agreements with each, the Company will receive warrants representing the right to purchase common shares of each of Paysafe, Alight and the ultimate target of Trebia at an exercise price of $11.50 per share upon consummation of their initial business combinations. There is no guarantee that such warrants will ever be in the money prior to their expiration, and as such, the warrants may expire worthless.

We expect to enter into similar forward purchase commitments with other SPACs in the near term. Accordingly, such commitments once legally consummated would also be subject to the aformentioned risks.

Our charter, bylaws and provisions of Delaware law may discourage or prevent strategic transactions, including a takeover of our company, even if such a transaction would be beneficial to our stockholders.

Provisions contained in our charter and bylaws and provisions of the Delaware General Corporate Law ("DGCL"), could delay or prevent a third party from entering into a strategic transaction with us, as applicable, even if such a transaction would benefit our stockholders. For example, our charter and bylaws: (1) authorize the issuance of "blank check" preferred stock that could be issued by us upon approval of our board of directors to increase the number of outstanding shares of capital stock, making a takeover more difficult and expensive; (2) provide that directors may be removed from office only for cause and that any vacancy on our board of directors may only be filled by a majority of our directors then in office, which may make it difficult for other stockholders to reconstitute our board of directors; (3) provide that special meetings of the stockholders may be called only upon the request of a majority of our board of directors or by our executive chairman, chief executive officer or president, as applicable; (4) require advance notice to be given by stockholders for any stockholder proposals or director nominees; (5) provide that directors are elected by a plurality of the votes cast by stockholders, which results in each director nominee elected by a plurality winning his or her seat upon receiving one "for" vote; and (6) provide that the board of directors is divided into three classes, as nearly equal in number as possible, with one class being elected at each annual meeting of stockholders, which could make it more difficult for a third party to acquire, or discourage a third party from seeking to acquire, control of Cannae.

These restrictions and provisions could keep us from pursuing relationships with strategic partners and from raising additional capital, which could impede our ability to expand our business and strengthen our competitive position. These restrictions could also limit stockholder value by impeding a sale of our company.

Our business could be materially and adversely affected by the occurrence of a catastrophe, including natural or man-made disasters.

Any catastrophic event, such as pandemic diseases, terrorist attacks, floods, severe storms or hurricanes or computer cyber-terrorism, could have a material and adverse effect on our business in several respects: (1) the outbreak of a pandemic disease, like the novel coronavirus COVID-19, could have a material adverse effect on our liquidity, financial condition and the operating results of the Company and our underlying businesses due to its impact on the economy and financial markets; (2) the occurrence of any pandemic disease, natural disaster, terrorist attack or any other catastrophic event that results in our workforce being unable to be physically located at one of our facilities could result in lengthy interruptions in our corporate operations; (3) the value of our investment portfolio may decrease if the securities in which we invest are negatively impacted by climate change, pandemic diseases, severe weather conditions and other catastrophic events.

Item 1B. *Unresolved Staff Comments*

None.

Item 2. *Properties*

Our corporate headquarters are located in Las Vegas, Nevada in owned facilities.

Restaurant Group. The Restaurant Group's headquarters are located in Nashville, Tennessee with other office locations in Woburn, Massachusetts. The majority of the restaurants are leased from third parties, and are located in 39 states throughout the United States. Substantially all of our Restaurant Group's revenues are generated in those states.

Corporate and Other. The Golf & Real Estate segment of Cannae RE owns a 1,800 acre ranch-style luxury resort and residential community in Bend/Powell Butte, Oregon and an 18-hole championship golf facility located in Rock Creek, Idaho.

Item 3. *Legal Proceedings*

For a description of our legal proceedings see discussion under *Legal and Regulatory Contingencies* in Note M. *Commitments and Contingencies* to our Consolidated Financial Statements included in Item 8 of Part II of this Annual Report, which is incorporated by reference into this Part I, Item 3.

Item 4. *Mine Safety Disclosures*

None.

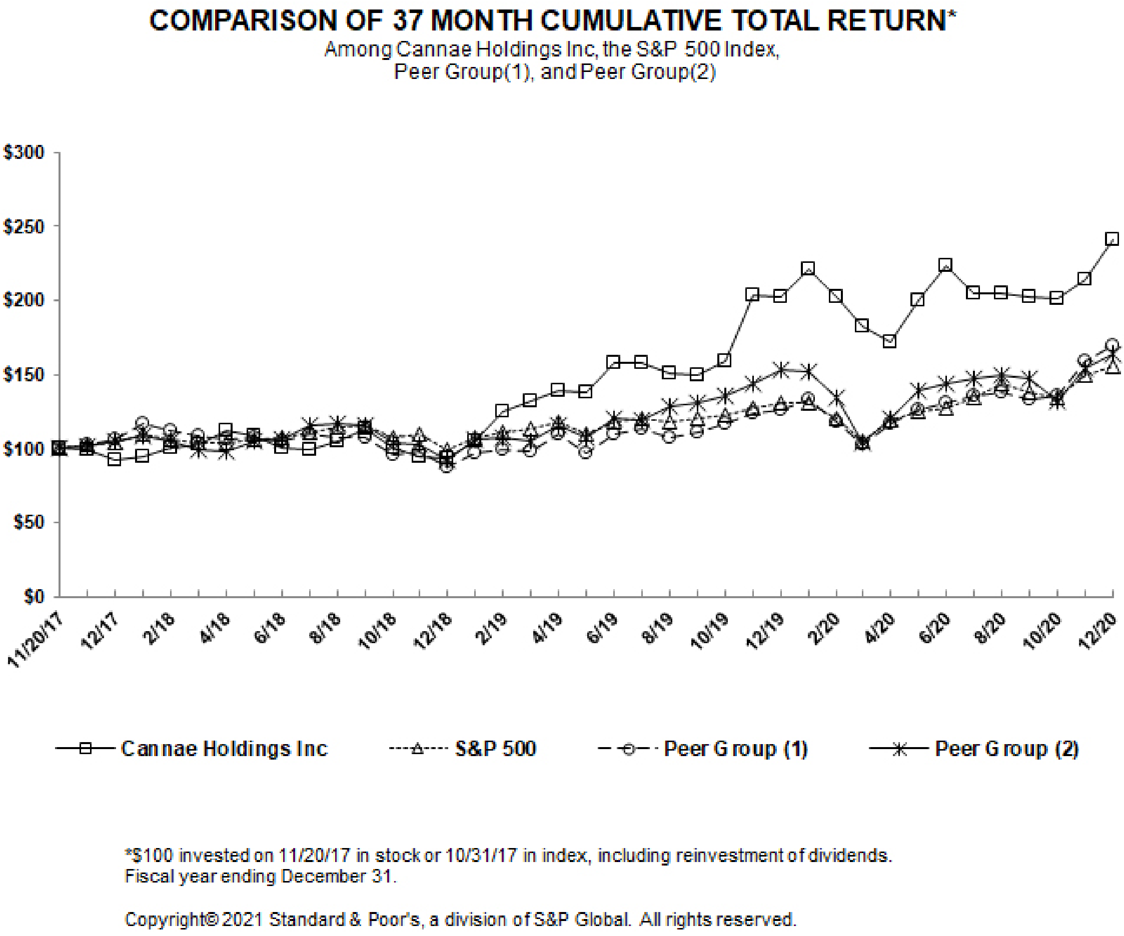
PART II

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

The Company's common stock trades on The New York Stock Exchange under the trading symbol "CNNE".

Performance Graph

Set forth below is a graph comparing cumulative total shareholder return on our common stock against the cumulative total return on the S&P 500 Index and against the cumulative total return of a peer group index consisting of certain companies against which we compete for the period ending December 31, 2020. We updated our peer group for the period ending December 31, 2020 from the group used for the period ending December 31, 2019 to include peers that better align with the size and externally-managed operating structure of the Company. The peer group comparison has been weighted based on their stock market capitalization. The graph assumes an initial investment of $100.00 on November 20, 2017, the date on which shares of our common stock began trading.



	11/20/2017	12/31/2017	12/31/2018	12/31/2019	12/31/2020
Cannae Holdings, Inc.	100.00	92.60	93.09	202.23	240.73
S&P 500	100.00	104.21	99.64	131.02	155.12
Peer Group (1)	100.00	105.94	88.08	126.33	169.09
Peer Group (2)	100.00	105.31	91.68	153.27	164.22

(1) Represents the peer group used for the year ending December 31, 2019 and consists of the following companies: Apollo Global Management, LLC, Ares Capital Corporation, BlackRock, Inc., The Blackstone Group L.P., The Carlyle Group L.P., Compass Diversified Holdings, Jefferies Financial Group Inc., KKR & Co. Inc., and Qurate Retail Inc.

(2) Represents the peer group used for the year ending December 31, 2020 and consists of the following companies: Apollo Investment Corporation, Compass Diversified Holdings, FS KKR Capital Corp. II, Golub Capital BDC, Inc., New Mountain Finance Corporation and Prospect Capital Corporation.

On January 29, 2021, the last reported sale price of our common stock on The New York Stock Exchange was $37.99 per share. We had approximately 4,785 shareholders of record.

Information concerning securities authorized for issuance under our equity compensation plans will be included in Item 12 of Part III of this Annual Report.

Purchases of Equity Securities by the Issuer

On September 19, 2019, our Board of Directors approved a new three-year stock repurchase program effective September 19, 2019 (the "2019 Repurchase Program") under which we may purchase up to 5 million shares of our common stock through September 30, 2022. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. We repurchased 510,109 shares of our common stock during the year ended December 31, 2020 for approximately $14.4 million in the aggregate, or an average of $28.31 per share. From the original commencement of the 2019 Repurchase Program through market close on December 31, 2020, we repurchased a total of 688,416 common shares for approximately $19.3 million in the aggregate, or an average of $28.06 per share.

The following table summarizes repurchases of equity securities by Cannae during the year ending December 31, 2020:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (2)
3/1/2020 - 3/31/2020	386,517	$ 27.94	386,517	4,435,176
4/1/2020 - 4/30/2020	123,592	$ 29.37	123,592	4,311,584
Total	510,109		510,109	

(1) On September 19, 2019, our Board of Directors approved the 2019 Repurchase Program, under which we may purchase up to 5 million shares of our common stock through September 30, 2022.

(2) As of the last day of the applicable month.

Item 6. *Selected Financial Data*

The information set forth below should be read in conjunction with the Consolidated Financial Statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Form 10-K. Certain reclassifications have been made to the prior year amounts to conform with the 2020 presentation.

On January 27, 2020, Blue Ribbon began the Blue Ribbon Reorganization and we deconsolidated Blue Ribbon. On October 2, 2020, the Chapter 11 Plan became effective and Blue Ribbon emerged from bankruptcy as a set of reorganized companies. Upon Blue Ribbon's emergence from bankruptcy, we acquired the assets and uncompromised liabilities of Legendary Baking and VIBSQ in exchange for $15.5 million of the outstanding balance under the DIP Loan with Blue Ribbon. Subsequent to Blue Ribbon's emergence from bankruptcy, we own 100% of the equity of VIBSQ and Legendary Baking. Our consolidated results of operations for the year ended December 31, 2020 include the consolidated results of operations of Blue Ribbon from January 1, 2020 through January 27, 2020 and of Legendary Baking and VIBSQ from October 2, 2020 through December 31, 2020.

On December 31, 2019, we completed the contribution of T-System Holdings, Inc. ("T-System") to Corrohealth. As a result, we reclassified the results of operations of T-System as discontinued operations for years ended December 31, 2019, 2018 and 2017 and for all quarterly periods within those years.

On June 6, 2017, we closed on the sale of Digital Insurance, Inc. ("OneDigital") for $560.0 million in an all-cash transaction. The operations of One Digital are included in discontinued operations for the years ended December 31, 2017 and 2016. We recognized a pre-tax gain of $276.0 million on the sale and $126.3 million in income tax expense, which are included in Net earnings from discontinued operations on the Consolidated Statement of Operations for the year ended December 31, 2017.

Summary Balance Sheet Data:

	As of December 31,				
	2020	2019	2018	2017	2016
	(in millions)				
Balance Sheet Data:					
Cash and cash equivalents	$ 724.7	$ 533.7	$ 315.7	$ 243.5	$ 141.7
Total assets	4,613.4	2,092.2	1,459.5	1,487.2	1,473.3
Notes payable, long term	52.2	120.1	42.2	12.7	93.3
Equity	3,785.2	1,529.8	1,199.7	1,153.1	1,009.8

Summary Statement of Operations Data:

	Year Ended December 31, 2020	2019	2018	2017	2016
	(in millions, except per share amounts)				
Operating Data:					
Operating revenue	$ 585.7	$ 1,070.0	$ 1,147.5	$ 1,156.6	$ 1,178.4
Expenses:					
Operating Expenses:					
Cost of restaurant revenues	524.3	912.8	991.3	991.0	984.1
Personnel costs	94.8	90.3	137.2	95.6	68.3
Depreciation and amortization	30.7	40.7	46.3	46.2	44.7
Other operating expenses, including asset impairments	116.6	133.4	91.8	101.3	83.5
Goodwill impairment	7.8	10.4	26.7	—	—
Total operating expenses	774.2	1,187.6	1,293.3	1,234.1	1,180.6
Operating loss	(188.5)	(117.6)	(145.8)	(77.5)	(2.2)
Total other income, net	2,370.4	355.5	168.4	3.2	7.4
Earnings (loss) before income taxes, equity in (loss) earnings of unconsolidated affiliates, and noncontrolling interest	2,181.9	237.9	22.6	(74.3)	5.2
Income tax expense (benefit)	481.2	24.2	15.0	(14.2)	(10.4)
Earnings (loss) before equity in earnings (loss) of unconsolidated affiliates	1,700.7	213.7	7.6	(60.1)	15.6
Equity in earnings (loss) of unconsolidated affiliates	59.1	(115.1)	(16.1)	3.4	(29.5)
Earnings (loss) from continuing operations, net of tax	1,759.8	98.6	(8.5)	(56.7)	(13.9)
(Loss) earnings from discontinued operations, net of tax	—	(51.8)	(2.1)	149.2	2.0
Net earnings (loss)	1,759.8	46.8	(10.6)	92.5	(11.9)
Less: Net (loss) earnings attributable to noncontrolling interests	(26.4)	(30.5)	(38.2)	(16.3)	0.5
Net earnings (loss) attributable to Cannae Holdings	$ 1,786.2	$ 77.3	$ 27.6	$ 108.8	$ (12.4)
Per Share Data:					
Basic					
Net earnings (loss) from continuing operations attributable to Cannae Holdings common shareholders (1)	$ 20.84	$ 1.77	$ 0.42	$ (0.57)	$ (0.21)
Net (loss) earnings from discontinued operations attributable to Cannae Holdings common shareholders (1)	—	(0.70)	(0.03)	2.11	0.03
Net earnings (loss) per share attributable to Cannae Holdings common shareholders (1)	$ 20.84	$ 1.07	$ 0.39	$ 1.54	$ (0.18)
Weighted average shares outstanding Cannae Holdings, basic basis (1)	85.7	72.2	71.2	70.6	70.6
Diluted					
Net earnings (loss) from continuing operations attributable to Cannae Holdings common shareholders (1)	$ 20.79	$ 1.76	$ 0.42	$ (0.57)	$ (0.21)
Net (loss) earnings from discontinued operations attributable to Cannae Holdings common shareholders (1)	—	(0.69)	(0.03)	2.11	0.03
Net earnings (loss) per share attributable to Cannae Holdings common shareholders (1)	$ 20.79	$ 1.07	$ 0.39	$ 1.54	$ (0.18)
Weighted average shares outstanding Cannae Holdings, diluted basis (1)	85.9	72.4	71.3	70.6	70.6
Cash dividends paid per share Cannae Holdings common stock	$ —	$ —	$ —	$ —	$ —
Book value per share Cannae Holdings (1)(2)	$ 41.28	$ 19.24	$ 16.61	$ 16.33	$ 14.30

(1) On November 17, 2017, the date of the consummation of the Split-Off, 70.6 million shares of our common stock were distributed to FNFV Group shareholders. For comparative purposes, the weighted average number of common shares outstanding and basic and diluted earnings per share for the year ended December 31, 2016 was calculated using the number of shares distributed as if those shares were issued and outstanding beginning January 1, 2016.

(2) Book value per share is calculated as total equity at December 31 of each year presented divided by actual shares outstanding at December 31 of each year presented.

Summary Quarterly Financial Data (Unaudited):

	Quarter Ended			
	March 31,	June 30,	September 30,	December 31,
	(in millions, except per share amounts)			
2020:				
Operating revenue	$ 173.0	$ 102.6	$ 139.7	$ 170.4
Earnings before income taxes, equity in earnings of unconsolidated affiliates, and noncontrolling interest	860.2	539.7	164.3	617.7
Net earnings	638.1	466.1	128.0	527.6
Less: Net loss attributable to noncontrolling interests	(9.6)	(9.2)	(3.9)	(3.7)
Net earnings attributable to Cannae Holdings	$ 647.7	$ 475.3	$ 131.9	$ 531.3
Per Share Data:				
Basic				
Basic earnings per share attributable to Cannae Holdings common shareholders	$ 8.19	$ 5.88	$ 1.44	$ 5.81
Diluted				
Diluted earnings per share attributable to Cannae Holdings common shareholders	$ 8.17	$ 5.87	$ 1.44	$ 5.80
Cash dividends paid per share Cannae Holdings common stock	$ —	$ —	$ —	$ —
2019:				
Operating revenue	$ 262.3	$ 272.2	$ 257.0	$ 278.5
(Loss) earnings before income taxes, equity in losses of unconsolidated affiliates, and noncontrolling interest	(2.2)	49.6	67.5	123.0
(Loss) earnings from continuing operations, net of tax	(17.6)	21.4	44.1	50.7
Loss from discontinued operations, net of tax	(2.3)	(2.5)	(2.5)	(44.5)
Net (loss) earnings	(19.9)	18.9	41.6	6.2
Less: Net loss attributable to noncontrolling interests	(3.1)	(4.5)	(4.6)	(18.3)
Net (loss) earnings attributable to Cannae Holdings	$ (16.8)	$ 23.4	$ 46.2	$ 24.5
Per Share Data:				
Net (loss) earnings from continuing operations attributable to Cannae Holdings common shareholders	$ (0.20)	$ 0.36	$ 0.69	$ 0.92
Net loss from discontinued operations attributable to Cannae Holdings common shareholders	$ (0.04)	$ (0.03)	$ (0.04)	$ (0.59)
Basic (loss) earnings per share attributable to Cannae Holdings common shareholders	$ (0.24)	$ 0.33	$ 0.65	$ 0.33
Diluted				
Net (loss) earnings from continuing operations attributable to Cannae Holdings common shareholders	$ (0.20)	$ 0.36	$ 0.69	$ 0.91
Net loss from discontinued operations attributable to Cannae Holdings common shareholders	$ (0.04)	$ (0.03)	$ (0.04)	$ (0.58)
Diluted (loss) earnings per share attributable to Cannae Holdings common shareholders	$ (0.24)	$ 0.33	$ 0.65	$ 0.33
Cash dividends paid per share Cannae Holdings common stock	$ —	$ —	$ —	$ —

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

The following discussion should be read in conjunction with the Consolidated Financial Statements and the Notes thereto and Selected Financial Data included elsewhere in this Form 10-K.

Overview

For a description of our business, including descriptions of segments and recent business trends, see the discussion under Business in Item 1 of Part I of this Annual Report, which is incorporated by reference into this Part II, Item 7 of this Annual Report.

Recent Developments

Dun & Bradstreet

On July 6, 2020, Dun & Bradstreet closed its previously announced initial public offering of 90,047,612 shares of common stock, which includes 11,745,340 shares of common stock issued pursuant to the exercise by the underwriters of their option to purchase additional shares in full (the "D&B IPO"). The D&B IPO was priced at $22.00 per share, resulting in gross proceeds to Dun & Bradstreet of $2.4 billion when combined with $400.0 million of aggregate proceeds from a concurrent private placement offering (the "D&B Private Placement") and before deducting underwriting discounts and commissions and other offering expenses payable by Dun & Bradstreet. Shares of Dun & Bradstreet common stock began trading on the New York Stock Exchange ("NYSE") under the ticker symbol "DNB" on July 1, 2020. Dun & Bradstreet used a portion of the net proceeds from the D&B IPO to redeem all of its outstanding Series A Preferred Stock and repay a portion of its 10.250% Senior Unsecured Notes outstanding due 2027.

On July 6, 2020, we invested $200.0 million in the D&B Private Placement. Subsequent to the D&B IPO and the D&B Private Placement, we own 76.6 million shares of Dun & Bradstreet, which represented approximately 18.1% of its outstanding common stock as of December 31, 2020.

As a result of the D&B IPO, we recorded a net gain of $117.0 million (net of $2.3 million of before-tax losses reclassified from other comprehensive earnings) which is included in Recognized gains and losses, net on the Consolidated Statement of Operations for the year ended December 31, 2020.

Ceridian

During the year ended December 31, 2020, we completed the sale of an aggregate of 9.7 million shares of common stock of Ceridian (the "Ceridian Share Sales") to brokers pursuant to Rule 144 promulgated under the Securities Act of 1933, as amended. In connection with the Ceridian Share Sales, we received aggregate proceeds of $720.9 million. As of December 31, 2020, we owned approximately 9.5% of the outstanding common stock of Ceridian.

As of March 31, 2020 our voting agreement with Ceridian was terminated and, as a result, we are no longer able to exert influence over the composition and quantity of Ceridian's board of directors. In combination with the reduction in our ownership of Ceridian resulting from the sale of shares in February 2020, we no longer exercise significant influence over Ceridian. As of March 31, 2020, we account for our investment in Ceridian at fair value pursuant to the investment in equity security guidance of Accounting Standards Codification ("ASC") 321. The change resulted in the revaluation of our investment in Ceridian to its fair value of $993.4 million as of March 31, 2020 and recording a non-cash gain on such revaluation of $684.9 million (net of $47.1 million of before-tax losses reclassified from other comprehensive earnings), which is included in Recognized gains and losses, net on the Consolidated Statement of Operations for the year ended December 31, 2020.

Restaurant Group

On January 27, 2020, Blue Ribbon and its wholly-owned subsidiaries, filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware in connection with the Blue Ribbon Reorganization. The Blue Ribbon Reorganization does not involve or affect the operations of O'Charley's or 99 Restaurants, which are not part of Blue Ribbon. As a result of the Blue Ribbon Reorganization, we deconsolidated Blue Ribbon as of January 27, 2020 because the bankruptcy court and committee of creditors were deemed to have control of Blue Ribbon.

We recorded a non-cash gain of $26.5 million on January 27, 2020 as a result of the deconsolidation of Blue Ribbon, which is included in Recognized gains and losses, net on the Consolidated Statement of Operations for the year ended December 31, 2020. The recorded gain was measured as the excess of the fair value of our retained equity investment in Blue Ribbon over our book value of Blue Ribbon as of January 27, 2020.

During the Blue Ribbon Reorganization, we accounted for our retained equity interest in Blue Ribbon under the equity method of accounting because (1) we continued to exert significant influence over Blue Ribbon through our majority equity ownership and position as the single largest post-petition creditor of Blue Ribbon through the DIP Loan, (2) the Blue Ribbon Reorganization was limited in scope and expected to be short in duration, and (3) we expected to retain a majority equity interest upon completion of the Blue Ribbon Reorganization. We recorded an investment of $33.6 million as of January 27,

2020. The fair value of the investment was determined by performing a combination of discounted cash flow and market approaches.

As a result of unprecedented social restrictions imposed by state and local government authorities related to the COVID-19 pandemic, our Restaurant Group brands experienced a significant reduction in guest counts beginning in the last two weeks of March 2020. In response to the outbreak and these changing conditions, our Restaurant Group brands initially closed the dining rooms in substantially all of our restaurants. Due to increased uncertainty in the operating environment for restaurants and a significant reduction in forecasted cash flows for Blue Ribbon, we recorded an other-than-temporary impairment of our investment of $18.6 million as of March 31, 2020.

On July 10, 2020, Blue Ribbon filed its Chapter 11 Plan with the Bankruptcy Court.

On October 2, 2020, the Chapter 11 Plan became effective and Blue Ribbon emerged from bankruptcy as a set of reorganized companies. Upon Blue Ribbon's emergence from bankruptcy, we acquired the assets and uncompromised liabilities of Legendary Baking and VIBSQ in exchange for $15.5 million of the outstanding balance under the DIP Loan with Blue Ribbon. Subsequent to Blue Ribbon's emergence from bankruptcy, we own 100% of the equity of VIBSQ and Legendary Baking. Refer to Note I to our Consolidated Financial Statements included in Item 8 of Part II of this Annual Report for further discussion of our accounting for our acquisition of VIBSQ and Legendary Baking upon their emergence from bankruptcy.

AmeriLife

On March 18, 2020, we closed on the previously announced $125.0 million investment in a partnership (the “AmeriLife Joint Venture”) that invested in the recapitalization of AmeriLife. Cannae and other investors provided an aggregate of $617.0 million in equity financing to the AmeriLife Joint Venture to acquire AmeriLife. AmeriLife is a leader in marketing and distributing life, health, and retirement solutions. We account for our investment in the AmeriLife Joint Venture under the equity method of accounting and the investment is included in Investments in unconsolidated affiliates on our Condensed Consolidated Balance Sheet as of December 31, 2020.

CoreLogic

On December 12, 2019, we entered into the Senator JV with affiliates of Senator designed to provide a mechanism to allow us and Senator to jointly invest in CoreLogic. In December 2019, we initially contributed $90.9 million of cash in exchange for a 49.0% in the Senator JV and a deposit on hand. Affiliates of Senator are the general partner and hold the balance of the limited partnership interests of the Senator JV. In the year ended December 31, 2020, we invested an additional $201.2 million in the Senator JV. We account for our investment in the Senator JV under the equity method of accounting and the investment is included in Investments in unconsolidated affiliates on our Condensed Consolidated Balance Sheet as of December 31, 2020.

During the year ended December 31, 2020, we received from the Senator JV a distribution of 2.3 million shares of common stock of CoreLogic and the Senator JV distributed $232.4 million of securities to other limited partners affiliated with Senator.

On June 26, 2020, Cannae and Senator submitted a jointly signed letter to CoreLogic’s board of directors pursuant to which Cannae and Senator proposed to acquire CoreLogic for $65.00 per share in cash. On July 7, 2020, CoreLogic announced that its board of directors unanimously rejected the proposal.

On July 29, 2020, Cannae and Senator sent an open letter to CoreLogic shareholders announcing that we initiated the process to call a special meeting of CoreLogic's shareholders to elect nine independent directors to the CoreLogic board of directors.

On September 14, 2020, Senator and Cannae informed the board of directors of CoreLogic of the decision by Senator and Cannae to increase the proposed purchase price to $66.00 per share in cash. On September 15, 2020, the CoreLogic board of directors delivered to Senator and Cannae a letter in which CoreLogic's board of directors rejected the revised offer and again rejected Senator’s and Cannae’s request for access to targeted due diligence information regarding CoreLogic.

On October 30, 2020, we distributed the 2.3 million shares of CoreLogic previously held directly by us back to the Senator JV.

In November 2020 and December 2020, we received an aggregate of $198.6 million of distributions from the Senator JV resulting from the Senator JV's sales of CoreLogic shares.

Subsequent to December 31, 2020 through the date of this Annual Report, we have received distributions of $280.6 million from the Senator JV, the Senator JV has exited our investment in CoreLogic completely and we have no further material interest in the Senator JV.

Optimal Blue

On September 15, 2020, Black Knight closed on its acquisition of Optimal Blue, a leading provider of secondary market solutions and actionable data services. Cannae, in connection with the closing of the acquisition by Black Knight, funded its previously announced commitment to purchase 20% of the equity of Optimal Blue for $289.0 million. We account for our investment in Optimal Blue under the equity method of accounting and the investment is included in Investments in unconsolidated affiliates on our Condensed Consolidated Balance Sheet as of December 31, 2020.

Forward Purchases of Equity of Special Purpose Acquisition Companies

On May 8, 2020, we entered into the FTAC FPA with FTAC, a newly incorporated blank check company whose business purpose is to effect a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses or entities. FTAC is co-sponsored by entities affiliated with the chairman of our Board of Directors, Bill Foley. Under the FTAC FPA, we will purchase an aggregate of 15,000,000 shares of FTAC’s Class A common stock, plus an aggregate of 5,000,000 redeemable warrants to purchase one share of FTAC's Class A common stock at $11.50 per share for an aggregate purchase price of $150.0 million in a private placement to occur concurrently with the closing of the FTAC Alight Business Combination. The forward purchase is contingent upon the closing of the FTAC Alight Business Combination.

On June 5, 2020, we entered into a forward purchase agreement (the "Trebia FPA") with Trebia Acquisition Corp. (“Trebia”), a newly incorporated blank check company incorporated as a Cayman Islands exempted company for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses or entities (the "Trebia Initial Business Combination"). Trebia is co-sponsored by entities affiliated with the chairman and a member of our Board of Directors, Bill Foley and Frank R. Martire, respectively. Under the Trebia FPA, we will purchase an aggregate of 7,500,000 Class A ordinary shares of Trebia, plus an aggregate of 2,500,000 redeemable warrants to purchase one Class A ordinary share of Trebia at $11.50 per share for an aggregate purchase price of $75.0 million in a private placement to occur concurrently with the closing of the Trebia Initial Business Combination. The forward purchase is contingent upon the closing of the Trebia Initial Business Combination.

On July 31, 2020, we entered into the FTAC II FPA (together with the FTAC FPA and Trebia FPA, the "Forward Purchase Agreements") with FTAC II, a newly incorporated blank check company whose business purpose is to effect a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses or entities. FTAC II is sponsored by an entity affiliated with the chairman of our Board of Directors, Bill Foley. Under the FTAC II FPA, we will purchase an aggregate of 15,000,000 shares of FTAC II’s Class A common stock, plus an aggregate of 5,000,000 redeemable warrants to purchase one share of FTAC II's Class A common stock at $11.50 per share for an aggregate purchase price of $150.0 million in a private placement to occur concurrently with the closing of the FTAC II Paysafe Merger. The forward purchase is contingent upon the closing of the FTAC II Paysafe Merger.

On December 7, 2020, FTAC II entered into a definitive agreement and plan of merger with Paysafe, a leading integrated payments platform in connection with the contemplated FTAC II Paysafe Merger. Upon closing of the FTAC II Paysafe Merger, the newly combined company will operate as Paysafe and plans to list on the New York Stock Exchange under the symbol PSFE. The FTAC II Paysafe Merger reflects an implied pro-forma enterprise value for Paysafe of approximately $9.0 billion. The FTAC II Paysafe Merger will be funded with the cash held in trust at FTAC II, forward purchase commitments, PIPE commitments and equity of Paysafe. Completion of the FTAC II Paysafe Merger is subject to approval by FTAC II stockholders, the effectiveness of a registration statement to be filed with the SEC in connection with the FTAC II Paysafe Merger, and other customary closing conditions, including the receipt of certain regulatory approvals. The FTAC II Paysafe Merger is expected to close in the first half of 2021.

In conjunction with the FTAC II Paysafe Merger, Cannae entered into the Paysafe Subscription Agreement to purchase 35,000,000 shares of Paysafe for $350.0 million as part of a subscription to the PIPE. Paysafe has agreed to pay us a placement fee of $5.6 million as consideration for our subscription. Upon consummation of the FTAC II Paysafe Merger, our aggregate investment in Paysafe is expected to be $504.7 million, inclusive of Cannae's investment commitments under the FTAC II FPA and Paysafe Subscription Agreement and our prior $4.7 million investment in the sponsor of FTAC II, and we are expected to receive 54,290,000 shares of common stock of Paysafe which represents approximately 7.5% of the pro forma outstanding common equity of Paysafe and 8,134,067 warrants to purchase one share of Paysafe common stock at $11.50 per share.

On January 25, 2021, FTAC entered into a business combination agreement with Alight, a leading cloud-based provider of integrated digital human capital and business solutions in connection with the contemplated FTAC Alight Business Combination. Under the terms of the FTAC Alight Business Combination, FTAC will combine with Alight and Alight will become a publicly traded entity under the name “Alight, Inc.” and symbol ALIT. The FTAC Alight Business Combination reflects an implied pro-forma enterprise value for Alight of approximately $7.3 billion at closing. The FTAC Alight Business Combination will be funded with the cash held in trust at FTAC, forward purchase commitments, PIPE commitments and equity of Alight. Completion of the FTAC Alight Business Combination is subject to approval by FTAC stockholders, the effectiveness of a registration statement to be filed with the SEC in connection with the FTAC Alight Business Combination, and other customary closing conditions of SPAC business combinations, including the receipt of certain regulatory approvals.

In conjunction with the FTAC Alight Business Combination, Cannae entered into the Alight Subscription Agreement to purchase 25,000,000 shares of Alight for $250.0 million as part of a subscription to the PIPE. Alight has agreed to pay us a placement fee of $6.3 million as consideration for our subscription. Upon consummation of the FTAC Alight Business Combination, our aggregate investment in Alight is expected to be $404.5 million, inclusive of Cannae's investment commitments under the FTAC FPA and Alight Subscription Agreement and our previous $4.5 million investment in a sponsor of FTAC, and we are expected to receive 44,639,500 shares of common stock of Alight which represents approximately 8.6% of the pro forma outstanding common equity of Alight and 8,026,666 warrants to purchase one share of Alight common stock at $11.50 per share.

Other Developments

In June 2020, we completed an underwritten public offering of an aggregate of 12,650,000 shares of our common stock, including 1,650,000 shares of our common stock pursuant to the full exercise of the underwriter's overallotment option (the "Offering"), pursuant to a prospectus supplement, dated June 10, 2020, and the base prospectus, dated November 27, 2019, included in our registration statement on Form S-3 ASR (File No. 333-235303), which was initially filed with the Securities and Exchange Commission on November 27, 2019. We received net proceeds from the Offering of approximately $455.0 million, after deducting the underwriting discount and capitalized offering expenses payable by us. We intend to use the net proceeds of the Offering to fund future acquisitions or investments, including potential investments in existing portfolio companies, and for general corporate purposes.

Related Party Transactions

Our financial statements for all years presented reflect transactions with FNF and our Manager. See Note R to our Consolidated Financial Statements included in Item 8 of Part II of this Annual Report for further discussion.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with U.S. GAAP. See Note A to our Consolidated Financial Statements included in Item 8 of Part II of this Annual Report for discussion our significant accounting policies.

The accounting policies and estimates described below are those we consider critical in preparing our Consolidated Financial Statements. Management is required to make estimates and assumptions that can affect the reported amounts of assets and liabilities and disclosures with respect to contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

Investments in unconsolidated affiliates. Investments in unconsolidated affiliates are recorded using the equity method of accounting. If an investor does not possess a controlling financial interest over an investee but has the ability to exercise significant influence over the investee’s operating and financial policies, the investor must account for such an investment under the equity method of accounting. For investments in common stock or in-substance common stock of an investee, which an investor does not control, the general but rebuttable presumption exists that an ownership of greater than 20% of the outstanding equity of an investee indicates the investor has significant influence. For investments in partnerships and similar entities for which an investor does not control, equity method of accounting for the investment is generally required unless the investor's interest is so minor that the investor has virtually no influence.

In the ordinary course of our business, we make investments in companies that provide us with varying degrees of control and influence over the underlying investees through our level of ownership of the outstanding equity of the investee, participation in management of the investee, participation on the board of directors of investees, and/or legal agreements with other investors with control implications. As a result, our analysis of the appropriate accounting for our portfolio companies often requires judgment regarding the level of control, significant influence or lack thereof the Company has over each investee. If we are required to account at fair value for certain of our portfolio companies in which we have concluded the Company has significant influence resulting in the application of the equity method of accounting, the impact of such change could significantly impact the Company's Consolidated Financial Statements.

As of March 31, 2020 our voting agreement with Ceridian was terminated and, as a result, we are no longer able to exert influence over the composition and quantity of Ceridian's board of directors. In combination with the reduction in our ownership of Ceridian resulting from the sale of shares in February 2020, we no longer exercise significant influence over Ceridian. As of March 31, 2020, we account for our investment in Ceridian at fair value pursuant to the investment in equity security guidance of ASC 321. The change resulted in the revaluation of our investment in Ceridian to its fair value of $993.4 million as of March 31, 2020 and recording a gain on such revaluation of $684.9 million (net of $47.1 million of before-tax losses reclassified from other comprehensive earnings) which is included in Recognized gains and losses, net on the Consolidated Statement of Operations for the year ended December 31, 2020.

As of December 31, 2020, we hold less than 20% of the outstanding common equity of Dun & Bradstreet but continue to account for our investment under the equity method because we continue to exert significant influence through our 18.1%

ownership, because certain of our senior management and directors serve on Dun & Bradstreet's board of directors, and because we are party to an agreement with other of its equity sponsors, which collectively own greater than 50% of the outstanding voting equity of Dun & Bradstreet, pursuant to which we have agreed to collectively vote together on all matters related to the election of directors to the Dun & Bradstreet board of directors for a period of three years.

As of December 31, 2020, the book value of our investment in D&B accounted for under the equity method of accounting is $653.2 million. Based on quoted market prices, the aggregate fair market value of our ownership of Dun & Bradstreet common stock was approximately $1.9 billion as of December 31, 2020.

Valuation of investments. The fair values of financial instruments presented in the Consolidated Financial Statements are estimates of the fair values at a specific point in time using available market information and appropriate valuation methodologies. Estimates that utilize unobservable inputs are subjective in nature and involve uncertainties and significant judgment in the interpretation of current market data.

The fair value hierarchy established by the accounting standards on fair value measurements includes three levels, which are based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities that are recorded in the Consolidated Balance Sheets are categorized based on the inputs to the valuation techniques as follows:

Level 1. Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that we have the ability to access.

Level 2. Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3. Financial assets and liabilities whose values are based on model inputs that are unobservable.

Recurring Fair Value Measurements

The following table presents our fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2020 and 2019, respectively:

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Fixed-maturity securities available for sale:				
Corporate debt securities	$ —	$ —	$ 35.2	$ 35.2
Equity securities:				
Ceridian	1,491.8	—	—	1,491.8
Forward Purchase Agreements	—	—	136.1	136.1
Paysafe Subscription Agreement	—	—	169.6	169.6
Other	1.6	—	—	1.6
Total assets	$ 1,493.4	$ —	$ 340.9	$ 1,834.3

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Fixed-maturity securities available for sale:				
Corporate debt securities	$ —	$ —	$ 19.2	$ 19.2
Total	$ —	$ —	$ 19.2	$ 19.2

The Forward Purchase Agreements and the Paysafe Subscription Agreement are accounted for at fair value pursuant to ASC 321. We utilized a Monte Carlo Simulation in determining the fair value of these agreements, which is considered to be a Level 3 fair value measurement. The Monte Carlo Simulation model simulates the current security price to a simulated date for the consummation of the underlying initial business combination based on probabilities of consummation. The values of the agreements are then calculated as the difference between the future simulated price and the fixed purchase prices for the underlying securities to be purchased pursuant to the Forward Purchase Agreements and the Paysafe Subscription Agreement. The primary unobservable input utilized in determining the fair value of the Forward Purchase Agreements and Paysafe Subscription Agreement is the probability of consummation of the FTAC Initial Business Combination, Trebia Initial Business Combination and FTAC II Initial Business Combination. The probabilities assigned to the consummation of each of the FTAC Initial Business Combination and the Trebia Initial Business Combination was 90% and the probability assigned to the consummation of the FTAC II Initial Business Combination was 95%. Determination of such probabilities is based on a hybrid approach of both observed success rates of business combinations for special purpose acquisition companies and the sponsors of FTAC, FTAC II and Trebia's track record for consummating similar transactions. The FTAC II Paysafe Merger was also considered in our determination of the probability of the FTAC II Initial Business Combination.

Our Level 3 fair value measurement for our fixed maturity securities are provided by a single third-party pricing service. Depending on security specific characteristics, either an income or a contingent claims approach was utilized in determining fair value of our Level 3 fixed-maturity securities available for sale. Discount rates are the primary unobservable inputs utilized for the securities valued using an income approach. The discount rates used are based on company-specific risk premiums, public company comparable securities, and leveraged loan indices. The discount rates used in our determination of the fair value of our Level 3 fixed-maturity securities available for sale varies by security type and ranged from 7.3% to 17.5% and had a weighted average of 12.1% as of December 31, 2020. Based on the total fair value of our Level 3 fixed-maturity securities available for sale as of December 31, 2020, changes in the discount rate utilized will not result in a fair value significantly different than the amount recorded.

The following table presents a summary of the changes in the fair values of Level 3 assets, measured on a recurring basis.

	Corporate debt securities	Forward Purchase Agreements	Paysafe Subscription Agreement	Total
Fair value, December 31, 2018	$ 17.8	$ —	$ —	$ 17.8
Paid-in-kind dividends (1)	0.2	—	—	0.2
Impairment (2)	(0.4)	—	—	(0.4)
Net valuation gain included in other comprehensive earnings (3)	1.6	—	—	1.6
Fair value, December 31, 2019	$ 19.2	$ —	$ —	$ 19.2
Paid-in-kind dividends (1)	1.3	—	—	1.3
Net valuation gain included in earnings (2)	—	136.1	169.6	305.7
Net valuation gain included in other comprehensive earnings (3)	14.7	—	—	14.7
Fair value, December 31, 2020	$ 35.2	$ 136.1	$ 169.6	$ 340.9

(1) Included in Interest and investment income on the Consolidated Statements of Operations
(2) Included in Recognized gains and losses, net on the Consolidated Statements of Operations
(3) Included in Unrealized gain (loss) on investments and other financial instruments, net (excluding investments in unconsolidated affiliates) on the Consolidated Statements of Comprehensive Earnings

Blue Ribbon Reorganization

During the Blue Ribbon Reorganization, we accounted for our retained equity interest in Blue Ribbon under the equity method of accounting. In conjunction with our accounting for our investment in Blue Ribbon under the equity method of accounting, we initially recorded our investment as of January 27, 2020 at fair value. Due to deteriorating operating results and cash flows resulting from declining same store sales, increased costs, and the impact of COVID-19, we also performed impairment tests quarterly by determining the fair value of our interest in Blue Ribbon during the Blue Ribbon Reorganization. Upon emergence and our acquisition of Legendary Baking and VIBSQ out of bankruptcy, we again determined the fair value of our interest in conjunction with our purchase accounting. Refer to Note I to our Consolidated Financial Statements included in Item 8 of Part II of this Annual Report for discussion our purchase accounting for Legendary Baking and VIBSQ.

To determine the fair value of our interest in Blue Ribbon, Legendary Baking or VIBSQ, we used a combination of discounted cash flow analyses and market approaches. Our discounted cash flow projections include assumptions for growth rates for revenues, costs and earnings, which are based on various long-range financial and operational plans of each reporting unit. Additionally, discount rates used in our analysis are based on weighted-average cost of capital, driven by comparable public companies, the prevailing interest rates, credit ratings, financing abilities and opportunities of each reporting unit, among other factors. Our market-based valuations utilize earnings multiples of comparable public companies, which are reflective of the market in which each respective reporting unit operates, and recent comparable market transactions. Changes in these significant management assumptions and estimates could have a significant impact on the determination of the fair values of Blue Ribbon and the reorganized companies.

Valuation of Goodwill. Goodwill represents the excess of cost over fair value of identifiable net assets acquired and assumed in a business combination. Goodwill and other intangible assets with indefinite useful lives are reviewed for impairment annually or more frequently if circumstances indicate potential impairment, through a comparison of fair value to the carrying amount. We have the option to first assess goodwill for impairment based on a review of qualitative factors to determine if events and circumstances exist that will lead to a determination that the fair value of a reporting unit is greater than its carrying amount, prior to performing a full fair-value assessment. If, after assessing the totality of events or circumstances, we determine it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the quantitative impairment test is unnecessary. However, if we conclude otherwise, then we are required to perform the quantitative impairment test by calculating the fair value of the reporting unit and comparing the fair value with the carrying amount of the reporting unit. Goodwill impairment, if any, is measured as the amount by which a reporting unit's carrying value exceeds its fair value.

We allocate goodwill to reporting units based on the reporting unit expected to benefit from the business combination. We evaluate our reporting units on at least an annual basis and, if necessary, reassign goodwill using a relative fair value allocation approach. Goodwill is tested for impairment at the reporting unit level (operating segment or one level below an operating segment) annually in the fourth quarter (October 1) and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. These events or circumstances could include a significant change in the business climate, legal factors, operating performance indicators, competition, or sale or disposition of a significant portion of a reporting unit.

We use a combination of discounted cash flow analyses and market approaches to determine the fair value of each of our reporting units. Our discounted cash flow projections include assumptions for growth rates for revenues, costs and earnings, which are based on various long-range financial and operational plans of each reporting unit. Additionally, discount rates used in our goodwill analysis are based on weighted-average cost of capital, driven by comparable public companies, the prevailing interest rates, credit ratings, financing abilities and opportunities of each reporting unit, among other factors. Our market-based valuations utilize earnings multiples of comparable public companies, which are reflective of the market in which each respective reporting unit operates, and recent comparable market transactions. Changes in the factors used in our fair value estimates, including declines in industry or company-specific sales, margin erosion, discount rates used, and market multiples could have a significant impact on the fair values of the reporting units.

For the year ended December 31, 2020, we recorded $7.8 million of impairment to goodwill in our Restaurant Group segment. The impairment charge is a result of deteriorating operating results and cash flow resulting from declining same store sales and increased costs at O'Charley's. The impairment recorded was calculated as the deficit between the carrying value of our O'Charley's reporting unit of our Restaurant Group compared to the fair value of the reporting unit determined by performing a combination of discounted cash flow and market approaches.

For the year ended December 31, 2019, we recorded $35.1 million of impairment to goodwill in our former T-System segment and $10.4 million of impairment to goodwill in our Restaurant Group segment as a result of our annual goodwill impairment testing. The impairment charge in our Restaurant Group is a result of deteriorating operating results and cash flow resulting from declining same store sales and increased costs, primarily in our Village Inn and Bakers Square branded stores. As a result of the goodwill impairment in the Restaurant Group, the fair value of this reporting unit approximates its carrying value and relatively small decreases in future forecasts or changes in other assumptions could result in additional goodwill impairment. The impairment in our former T-System segment is primarily a result of a decline in earnings multiples from comparable public companies and lower forecasted cash flows for its reporting units. The impairments recorded were calculated as the deficit between the carrying value of the reporting units of each segment compared to the fair value of the reporting unit determined by performing a combination of discounted cash flow and market approaches.

Impairment to goodwill in our former T-System segment is included in Net loss from discontinued operations on the Consolidated Statement of Operations for the year ended December 31, 2019. See Note N to our Consolidated Financial Statements included in Item 8 of Part II of this Annual Report.

For the year ended December 31, 2018, we recorded $26.7 million of impairment to goodwill in our Restaurant Group segment. The impairment charge was a result of deteriorating operating results and cash flow resulting from declining same store sales and increased costs. The impairment recorded was calculated as the deficit between the carrying value of a reporting unit of the Restaurant Group segment compared to the fair value of the reporting unit determined by performing a combination of discounted cash flow and market approaches.

Valuation of Other Intangible Assets. We have other intangible assets, not including goodwill, which consist primarily of customer relationships and contracts, trademarks and tradenames that are generally recorded in connection with acquisitions at their fair value, franchise rights, the fair value of purchased software and capitalized software development costs. Intangible assets with estimable lives are amortized over their respective estimated useful lives to their estimated residual values and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In general, customer relationships are amortized over their estimated useful lives using an accelerated method, which takes into consideration expected customer attrition rates. Contractual relationships are generally amortized over their respective contractual lives. Useful lives of computer software range from 3 to 10 years. Capitalized software development costs and purchased software are recorded at cost and amortized using the straight-line method over their estimated useful life.

Trademarks and tradenames were generally considered intangible assets with indefinite lives and reviewed for impairment at least annually. In conjunction with our annual testing for impairment of tradenames during the fourth quarter of 2020 and in light of the deteriorating operating environment for restaurants, we changed our estimate of the useful lives of our tradenames for all of our restaurant brands from indefinite to 15 years. The impact of such change on the Company's consolidated income is not considered material.

Tradenames are tested for impairment annually in the fourth quarter (October 1) and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a tradename below its carrying value. We use a relief from royalty method to determine the fair value of our tradenames, which includes assumptions for growth rates for revenues, tax rates, discount rates and royalty rates. Changes in the factors used in our fair value estimates, including declines in industry or company-specific sales, discount rates used, and royalty rates could have a significant impact on the fair values of our tradenames.

We recorded $11.8 million of impairment expense related to the O'Charley's tradename within our Restaurant Group in the year ended December 31, 2020. We recorded $17.1 million of impairment expense related to the Village Inn and Bakers square tradenames within our Restaurant Group in the year ended December 31, 2019. We recorded $5.8 million of impairment expense related to a tradename and an abandoned software project in our Restaurant Group in the year ended December 31, 2018. The impairments are recorded within Other operating expenses on our Consolidated Statement of Operations for the years then ended.

Accounting for Income Taxes. We recognize deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of our assets and liabilities and expected benefits of utilizing net operating loss and credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The impact of changes in tax rates and laws on deferred taxes, if any, is applied to the years during which temporary differences are expected to be settled and reflected in the financial statements in the period enacted.

Refer to Note L to our Consolidated Financial Statements included in Item 8 of Part II of this Annual Report for further discussion of our accounting for income taxes.

Certain Factors Affecting Comparability

Year ended December 31, 2020. On January 27, 2020, Blue Ribbon began the Blue Ribbon Reorganization and we deconsolidated Blue Ribbon. On October 2, 2020, the Chapter 11 Plan became effective and Blue Ribbon emerged from bankruptcy as a set of reorganized companies. Upon Blue Ribbon's emergence from bankruptcy, we acquired the assets and uncompromised liabilities of Legendary Baking and VIBSQ in exchange for $15.5 million of the outstanding balance under the DIP Loan with Blue Ribbon. Subsequent to Blue Ribbon's emergence from bankruptcy, we own 100% of the equity of VIBSQ and Legendary Baking. Our consolidated results of operations for the year ended December 31, 2020 include the consolidated results of operations of Blue Ribbon from January 1, 2020 through January 27, 2020 and of Legendary Baking and VIBSQ from October 2, 2020 through December 31, 2020.

Year ended December 31, 2019. On December 31, 2019, we completed the contribution of T-System to Corrohealth. As a result of the contribution, we reclassified the results of operations of T-System to discontinued operations for the years ended December 31, 2019 and 2018 in our Consolidated Statements of Operations.

Results of Operations

Consolidated Results of Operations

Net earnings. The following table presents certain financial data for the years indicated:

	Year ended December 31,		
	2020	2019	2018
		(In millions)	
Revenues:			
Restaurant revenue	$ 559.7	$ 1,043.3	$ 1,117.8
Other operating revenue	26.0	26.7	29.7
Total operating revenues	585.7	1,070.0	1,147.5
Operating expenses:			
Cost of restaurant revenue	524.3	912.8	991.3
Personnel costs	94.8	90.3	137.2
Depreciation and amortization	30.7	40.7	46.3
Other operating expenses, including asset impairments	116.6	133.4	91.8
Goodwill impairment	7.8	10.4	26.7
Total operating expenses	774.2	1,187.6	1,293.3
Operating loss	(188.5)	(117.6)	(145.8)
Other income (expense):			
Interest, investment and other income	17.2	15.6	6.3
Interest expense	(9.0)	(17.8)	(4.7)
Recognized gains and losses, net	2,362.2	357.7	166.8
Total other income	2,370.4	355.5	168.4
Earnings from continuing operations before income taxes and equity in (losses) earnings of unconsolidated affiliates	2,181.9	237.9	22.6
Income tax expense	481.2	24.2	15.0
Earnings from continuing operations before equity in (losses) earnings of unconsolidated affiliates	1,700.7	213.7	7.6
Equity in earnings (losses) of unconsolidated affiliates	59.1	(115.1)	(16.1)
Earnings (loss) from continuing operations	1,759.8	98.6	(8.5)
Net loss from discontinued operations, net of tax	—	(51.8)	(2.1)
Net earnings (loss)	1,759.8	46.8	(10.6)
Less: Net loss attributable to non-controlling interests	(26.4)	(30.5)	(38.2)
Net earnings attributable to Cannae Holdings, Inc. common shareholders	$ 1,786.2	$ 77.3	$ 27.6

Revenues

Total revenue in 2020 decreased $484.3 million compared to 2019, primarily driven by a decline in revenue in the Restaurant Group segment. Total revenue in 2019 decreased $77.5 million compared to 2018, primarily driven by a decline in revenue in our Restaurant Group segment.

The change in revenues from our segments is discussed in further detail at the segment level below.

Expenses

Our operating expenses consist primarily of personnel costs, cost of restaurant revenue, other operating expenses, and depreciation and amortization.

Personnel costs include base salaries, commissions, benefits, stock-based compensation and bonuses paid to employees, and are one of our most significant operating expenses. Personnel costs that are directly attributable to the operations of the Restaurant Group are included in Cost of restaurant revenue.

Cost of restaurant revenue includes cost of food and beverage, primarily the costs of beef, groceries, produce, seafood, poultry and alcoholic and non-alcoholic beverages, net of vendor discounts and rebates, payroll and related costs and expenses directly relating to restaurant level activities, and restaurant operating costs including occupancy and other operating expenses at the restaurant level.

Other operating expenses include professional fees, advertising costs, travel expenses and impairments of operating assets.

Depreciation and amortization expense consists of our depreciation related to investments in property and equipment as well as amortization of intangible assets.

The change in expenses from our segments is discussed in further detail at the segment level below.

Income tax expense on continuing operations was $481.2 million, $24.2 million, and $15.0 million for the years ended December 31, 2020, 2019, and 2018, respectively. The effective tax rate for the years ended December 31, 2020, 2019, and 2018 was 22.1%, 10.2%, and 66.4%, respectively. The increase in the effective tax rate in 2020 from 2019 is primarily attributable to the decreased impact of earnings from unconsolidated affiliates on pretax income. The increase in the effective tax rate in 2019 from 2018 is primarily attributable to the decreased impact of non-deductible executive compensation on pretax income. Additionally, the impact of the non-controlling interests, permanent items, and tax credits on pretax income was greater in 2018 than the impact of those same items on pretax earnings and losses in 2019. The fluctuation in income tax benefit as a percentage of earnings from continuing operations before income taxes is attributable to our estimate of ultimate income tax liability and changes in the characteristics of net earnings year to year, such as the weighting of operating income versus investment income.

For a detailed breakout of our effective tax rate and further discussion on changes in our taxes, see Note L to our Consolidated Financial Statements included in Item 8 of Part II of this Annual Report.

Other

Recognized gains and losses, net totaled $2,362.2 million, $357.7 million, and $166.8 million for the years ended December 31, 2020, 2019, and 2018, respectively. The net recognized gain for the year ended December 31, 2020 is primarily attributable to gains on equity securities, a gain of $223.1 million on the sale of a portion of our investment in Ceridian in February 2020 and a gain of $117.0 million recorded in conjunction with the D&B IPO. See Note D to our Consolidated Financial Statements included in Item 8 of this Annual Report for further details on gains recognized on equity securities. The $223.1 million gain on sale of Ceridian in February 2020 occurred prior to our change in accounting for our investment in Ceridian as an equity security at fair value in March 2020. The net recognized gain for the year ended December 31, 2019 is primarily attributable to $342.1 million of gains on sales of Ceridian shares and $3.9 million of gains on sales of property in the Restaurant Group. The net recognized gain for the year ended December 31, 2018 is primarily attributable to a $92.6 million gain on the sale of Ceridian shares in the fourth quarter of 2018, $63.2 million of recognized gains associated with Ceridian's initial public offering and a gain of $24.0 million on the sale of LifeWorks, partially offset by impairment losses of $12.5 million recognized on fixed maturity securities in the 2018 period.

Equity in earnings (losses) of unconsolidated affiliates for the periods indicated consisted of the following (in millions):

	Year Ended December 31,		
	2020	2019	2018
Dun & Bradstreet	$ (46.8)	$ (132.8)	$ —
Ceridian (1)	1.5	16.4	(20.5)
Optimal Blue	(9.4)	—	—
AmeriLife	(4.0)	—	—
Other	117.8	1.3	4.4
Total	$ 59.1	$ (115.1)	$ (16.1)

(1) The amount for the year ended December 31, 2020 represents the Company's equity in earnings of Ceridian in the three months ended March 31, 2020 prior to the change in accounting for the investment beginning March 31, 2020.

Net Earnings

Net earnings attributable to Cannae increased $1,708.9 million in the year ended December 31, 2020, compared to 2019. Total net earnings attributable to Cannae increased $49.7 million in the year ended December 31, 2019, compared to 2018.

The change in net earnings is attributable to the factors discussed above and net earnings from the segments is discussed in further detail at the segment level below.

Segment Results of Operations

Restaurant Group

The following table presents the results from operations of our Restaurant Group segment:

	Year Ended December 31,		
	2020	2019	2018
		(In millions)	
Revenues:			
Restaurant revenue	$ 559.7	$ 1,043.3	$ 1,117.8
Operating expenses:			
Cost of restaurant revenue	524.3	912.8	991.3
Personnel costs	31.2	52.1	47.3
Depreciation and amortization	27.7	38.5	44.9
Other operating expenses, including asset impairments	53.1	108.9	86.3
Goodwill impairment	7.8	10.4	26.7
Total operating expenses	644.1	1,122.7	1,196.5
Operating loss	(84.4)	(79.4)	(78.7)
Other expense:			
Interest expense	(8.6)	(5.4)	(16.0)
Recognized gains and losses, net	7.5	3.9	(2.1)
Total other expense	(1.1)	(1.5)	(18.1)
Loss from continuing operations before income taxes and equity in losses of unconsolidated affiliates	(85.5)	(80.9)	(96.8)

Total revenues for the Restaurant Group segment decreased $483.6 million, or 46.4%, in the year ended December 31, 2020 from 2019. The decrease was primarily driven by: (1) decreased revenue related to the Blue Ribbon Reorganization, which resulted in the deconsolidation of Blue Ribbon for the period from January 27, 2020 through October 2, 2020, (2) the closing or sale of company-owned restaurants primarily associated with our O'Charley's, Village Inn and Bakers Square concepts subsequent to December 31, 2019 and (3) a decrease in comparable store sales driven by social restrictions imposed by state and local governments in connection with COVID-19 in March 2020, which resulted in the closing of dining rooms for substantially all of our restaurants from late March 2020 and into May 2020. The decrease was partially offset by an overall increase in the average guest check in the year ended December 31, 2020 compared to 2019. Total revenues for the Restaurant Group segment decreased $74.5 million, or 6.7%, in the year ended December 31, 2019 from 2018. The decrease was primarily driven by decreased revenue related to the closing or sale of 48 company-owned restaurants primarily associated with our O'Charley's, Village Inn and Bakers Square concepts in the year ended December 31, 2019 and to a lesser extent a decrease in comparable store sales. The decrease was partially offset by increases in the average guest check.

Revenue of $183.4 million is recorded in the year ended December 31, 2019 associated with stores across all brands that closed subsequent to December 31, 2019. Revenue associated with our Blue Ribbon brands was $312.5 million and $347.7 million, respectively, in the years ended December 31, 2019 and 2018. Revenue recorded for Blue Ribbon, Legendary Baking and VIBSQ in the year ended December 31, 2020 was $53.1 million and represents Blue Ribbon's revenue for the period from January 1, 2020 through January 27, 2020, the date of Blue Ribbon's filing for bankruptcy, and Legendary Baking and VIBSQ's revenue for the period from October 2, 2020 through December 31, 2020.

Our Restaurant Group ended the years December 31, 2020 and 2019 with 34 and 130 Village Inn and Bakers Square company-owned stores, respectively. The decrease primarily relates to stores closed in conjunction with the Blue Ribbon Reorganization as well as 38 Village Inn stores which were converted from company-owned locations to franchises.

Comparable Store Sales. One method we use in evaluating the performance of our restaurants is to compare sales results for restaurants period over period. A new restaurant is included in our comparable store sales figures starting in the first period following the restaurant's first seventy-eight weeks of operations. Changes in comparable store sales reflect changes in sales for the comparable store group of restaurants over a specified period of time. This measure highlights the performance of existing restaurants, as the impact of new restaurant openings is excluded. Comparable store sales for our 99 Restaurants brand changed (32.8)%, (0.4)% and 2.6% in the years ended December 31, 2020, 2019 and 2018, respectively, from the prior fiscal years. The decrease in 2020 is primarily attributable to lower guest counts resulting from COVID-19. The decrease in 2019 is primarily attributable to lower guest counts partially offset by an increase in the average guest check. Comparable store sales for our

O'Charley's brand decreased 22.5%, 2.5% and 2.9% in the years ended December 31, 2020, 2019 and 2018, respectively, from the prior fiscal years. The decrease in 2020 is primarily attributable to lower guest counts resulting from COVID-19. The decrease in 2019 and 2018 from the previous year is primarily attributable to decreased guest counts partially offset by an increase in the average guest check.

Cost of restaurant revenue decreased $388.5 million, or 42.6%, in the year ended December 31, 2020 from 2019. Cost of restaurant revenue decreased $78.5 million, or 7.9%, in the year ended December 31, 2019 from 2018. Cost of restaurant revenue as a percentage of restaurant revenue was approximately 93.7%, 87.5%, and 88.7% in the years ended December 31, 2020, 2019 and 2018, respectively. The increase in cost of restaurant revenue as a percentage of restaurant revenue in 2020 compared to 2019 is primarily attributable to the impact of unavoidable costs on the substantial decrease in revenue discussed above. The decrease in cost of restaurant revenue as a percentage of restaurant revenues in 2019 compared to 2018 was primarily driven by the closure of underperforming stores with lower margins and higher operating expenses in 2019.

Personnel costs decreased by $20.9 million, or 40.1%, in the year ended December 31, 2020 from 2019. The decrease is primarily attributable to the Blue Ribbon Reorganization.

Other operating expenses decreased by $55.8 million, or 51.2%, in the year ended December 31, 2020 from 2019. The decrease is primarily attributable to the Blue Ribbon Reorganization. Other operating expenses increased by $22.6 million, or 26.2%, in the year ended December 31, 2019 from 2018. The increase is primarily attributable to impairments of other intangible assets and lease assets.

See Note A to our Consolidated Financial Statements included in Item 8 of Part II of this Annual Report for further discussion of goodwill impairments in our Restaurant Group.

Loss from continuing operations before income taxes decreased $4.6 million in the year ended December 31, 2020 from 2019. Loss from continuing operations before income taxes increased $15.9 million in the year ended December 31, 2019 from 2018. The change in losses is primarily attributable to the factors discussed above.

Dun & Bradstreet

We own an approximate 18.1% interest in Dun & Bradstreet and account for our investment in D&B under the equity method of accounting; therefore, its results of operations do not consolidate into ours.

Summarized financial information for Dun & Bradstreet and Star Parent, L.P. ("Star Parent"), the former parent of D&B through which the Company was invested prior to the D&B IPO, for the relevant dates and time periods included in Investments in unconsolidated affiliates and Equity in earnings (losses) of unconsolidated affiliates in our Consolidated Balance Sheets and Statements of Operations, respectively, is presented below.

We acquired our initial interest in Star Parent on February 8, 2019. The results of operations for the year ended December 31, 2019 presented below represent Star Parent's results of operations subsequent to our acquisition.

	December 31, 2020	December 31, 2019
	(In millions)	
Total current assets	$ 874.0	$ 417.9
Goodwill and other intangible assets, net	7,668.2	8,091.5
Other noncurrent assets	677.2	603.4
Total assets	$ 9,219.4	$ 9,112.8
Current liabilities	$ 825.3	$ 1,090.4
Long-term debt	3,255.8	3,818.9
Other non-current liabilities	1,560.6	1,594.0
Total liabilities	5,641.7	6,503.3
Preferred equity	—	1,030.6
Total equity	3,577.7	1,578.9
Total liabilities and equity	$ 9,219.4	$ 9,112.8

	Year ended December 31, 2020	Year ended December 31, 2019
	(In millions)	
Total revenues	$ 1,738.1	$ 1,413.9
Loss before income taxes	(219.3)	(540.0)
Net loss	(106.5)	(425.8)
Dividends attributable to preferred equity and noncontrolling interest expense	(69.1)	(120.5)
Net loss attributable to Dun & Bradstreet	(175.6)	(546.3)

The D&B IPO was completed on July 6, 2020. Details relating to the results of operations of Dun & Bradstreet (NYSE: "DNB") can be found in its periodic reports filed with the SEC.

Optimal Blue

On September 15, 2020, we completed our investment in Optimal Blue. We account for our investment in Optimal Blue under the equity method of accounting; therefore, its results of operations do not consolidate into ours.

Summarized financial information for Optimal Blue for the relevant dates and time periods included in Equity in earnings (losses) of unconsolidated affiliates in our Consolidated Statements of Operations is presented below. Our net earnings for the year ended December 31, 2020 include our equity in the Optimal Blue's losses for the period from September 15, 2020, the date we made our investment in Optimal Blue, through December 31, 2020.

	December 31, 2020
	(In millions)
Total current assets	$ 38.0
Goodwill and other intangible assets, net	1,831.3
Other assets	100.1
Total assets	$ 1,969.4
Current liabilities	$ 28.9
Long-term debt	493.0
Other non-current liabilities	105.0
Total liabilities	626.9
Redeemable member's interest	578.0
Additional paid-in capital	813.0
Retained deficit	(48.5)
Total redeemable member's interest and equity	1,342.5
Total liabilities, redeemable member's interest and equity	$ 1,969.4

	Year ended December 31, 2020
	(In millions)
Total revenues	$ 45.4
Operating loss	(38.1)
Net loss	(45.9)

Corporate and Other

The Corporate and Other segment consists of our share in the operations of certain controlled portfolio companies and other equity investments, activity of the corporate holding company and certain intercompany eliminations and taxes.

The following table presents the results from operations of our Corporate and Other segment:

	Year ended December 31,		
	2020	**2019**	**2018**
		(In millions)	
Revenues:			
Other operating revenue	$ 26.0	$ 26.7	$ 29.7
Operating expenses:			
Personnel costs	63.6	38.2	89.9
Depreciation and amortization	3.0	2.2	1.4
Other operating expenses	63.5	24.5	5.5
Total operating expenses	130.1	64.9	96.8
Operating loss	(104.1)	(38.2)	(67.1)
Other income (expense):			
Interest, investment and other income	17.2	15.6	6.3
Interest (expense) income	(0.4)	(12.4)	11.3
Recognized gains and losses, net	2,354.7	353.8	168.9
Total other income	2,371.5	357.0	186.5
Earnings from continuing operations before income taxes and equity in losses of unconsolidated affiliates	2,267.4	318.8	119.4

Personnel costs increased $25.4 million, or 66.5%, in the year ended December 31, 2020 compared to 2019, and decreased $51.7 million, or 57.5%, in the year ended December 31, 2019 compared to 2018. The change in both periods is primarily driven by a change in investment success bonuses paid related to investment monetization events.

Other operating expenses increased $39.0 million, or 159.2%, in the year ended December 31, 2020 compared to 2019 and increased $19.0 million in the year ended December 31, 2019 compared to 2018. The increase in 2020 from 2019 is primarily attributable to $20.8 million of management fee expenses and $11.3 million of carried interest on distributions from the Senator JV and sales of other investments incurred with our Manager. The increase in 2019 from 2018 is primarily attributable to the inclusion of a $14.8 million elimination of intercompany fees charged to the Restaurant Group in 2018.

Interest and investment income increased $9.3 million, or 147.6%, in the year ended December 31, 2019 compared to 2018. The increase was primarily attributable to $9.1 million of syndication fees earned in relation to our organization of investors for the D&B Acquisition.

Interest expense decreased $12.0 million in the year ended December 31, 2020 from 2019. The decrease was attributable to the decrease in corporate debt. Interest expense in the year ended December 31, 2019 consists primarily of interest on our corporate debt instruments. See Note K to our Consolidated Financial Statements included in Item 8 of Part II of this Annual Report for further discussion of our outstanding debt. Interest expense in the year ended December 31, 2018 consists primarily of eliminations of previously outstanding intercompany debt with our Restaurant Group and T-System.

The net recognized gain for the year ended December 31, 2020 is primarily attributable to gains on equity securities, a gain of $223.1 million on the sale of a portion of our investment in Ceridian in February 2020 and a gain of $117.0 million recorded in conjunction with the D&B IPO. See Note D to our Consolidated Financial Statements included in Item 8 of this Annual Report for further details on gains recognized on equity securities. The $223.1 million gain on sale of Ceridian in February 2020 occurred prior to our change in accounting for our investment in Ceridian as an equity security at fair value in March 2020. Net recognized gains for the year ended December 31, 2019 is primarily attributable to $342.1 million of gains on sales of Ceridian shares. Net recognized gain for the year ended December 31, 2018 is primarily attributable to a $92.6 million gain on the sale of Ceridian shares in the fourth quarter of 2018, $63.2 million of recognized gains associated with Ceridian's initial public offering and the gain of $24.0 million on the sale of LifeWorks, partially offset by impairment losses of $12.5 million recognized on fixed maturity securities in 2018.

Discontinued Operations

As a result of the T-System Contribution, the financial results of T-System have been reclassified to discontinued operations. See Note N to our Consolidated Financial Statements included in Item 8 of Part II of this Annual Report for further details on amounts included in discontinued operations for the periods ended December 31, 2019 and 2018.

Liquidity and Capital Resources

Cash Requirements. Our current cash requirements include the SPAC Commitments, personnel costs, operating expenses, taxes, payments of interest and principal on our debt, capital expenditures, and business acquisitions. There are no restrictions on our retained earnings regarding our ability to pay dividends to stockholders, although there are limits on the ability of certain subsidiaries to pay dividends to us, as a result of provisions in certain debt agreements. The declaration of any future dividends is at the discretion of our Board of Directors. Additional uses of cash flow are expected to include stock repurchases, acquisitions, and debt repayments.

As of December 31, 2020, we had cash and cash equivalents of $724.7 million, of which $666.0 million was cash held by the corporate holding company, and $200.0 million of available borrowing capacity under our existing holding company credit facilities with the ability to add an additional $400.0 million of borrowing capacity by amending our 2020 Margin Facility.

Subsequent to December 31, 2020 through the date of this Annual Report, we have received distributions of $280.6 million from the Senator JV. As of February 24, 2020, our corporate holding company had cash of $951.3 million.

We continually assess our capital allocation strategy, including decisions relating to reducing debt, repurchasing our stock, and/or conserving cash. We believe that all anticipated cash requirements for current operations will be met from internally generated funds, cash dividends from subsidiaries, cash generated by investment securities, potential sales of non-strategic assets, and borrowings on existing credit facilities. Our short-term and long-term liquidity requirements are monitored regularly to ensure that we can meet our cash requirements. We forecast the needs of all of our subsidiaries and periodically review their short-term and long-term projected sources and uses of funds, as well as the asset, liability, investment and cash flow assumptions underlying such forecasts.

We are focused on evaluating our assets and investments as potential vehicles for creating liquidity. Our intent is to use that liquidity for general corporate purposes, including, funding future investments, other strategic initiatives and/or conserving cash.

Operating Cash Flows. Our cash flows used in operations for the years ended December 31, 2020, 2019, and 2018 were $113.9 million, $84.2 million and $22.9 million, respectively. The increase in cash used in operations of $29.7 million from 2020 to 2019 is primarily attributable to increased payments for income taxes of $59.0 million and increased losses in our Restaurant Group, excluding non-cash impairments, partially offset by a decrease in operating lease payments of $21.3 million. The remainder of the variance is attributable to the timing of payment and receipt of accounts payable and receivable. The decrease in cash provided by operations of $61.3 million from 2019 to 2018 is primarily attributable to the cash outflow related to amounts previously on deposit with the Senator JV. The remainder of the variance is attributable to the timing of payment and receipt of accounts payable and receivable.

Investing Cash Flows. Our cash flows (used in) provided by investing activities for the years ended December 31, 2020, 2019, and 2018 were $(74.2) million, $(24.2) million and $186.7 million, respectively. The decrease in cash provided by investing activities of $50.0 million from 2020 to 2019 is primarily attributable to an increase in investments in unconsolidated investments, including our investments in AmeriLife, Optimal Blue and the D&B Private Placement, and funding of the DIP Loan, partially offset by an increase in proceeds from sales of Ceridian stock in 2020 compared to 2019. The decrease in cash provided by (increase in cash used in) investing activities of $210.9 million from 2019 to 2018 is primarily attributable to our initial investment in D&B, partially offset by proceeds from sales of Ceridian shares and net sales of short term investments.

Capital Expenditures. Total capital expenditures for property and equipment and other intangible assets were $22.3 million, $28.3 million and $15.9 million for the years ended December 31, 2020, 2019, and 2018, respectively. Capital expenditures in 2020 and 2019 primarily consisted of purchases of property and equipment in our Restaurant Group segment and property improvements at our real estate operations. Expenditures in 2020 also includes the Company's purchase of our corporate headquarters for $9.3 million. The increase in expenditures in 2019 compared to 2018 is reflective of an increase in expenditures in our real estate operations, capital expenditures for new stores and maintenance at 99 Restaurants and store maintenance expenditures at O'Charley's, partially offset by a decrease in capital expenditures at Blue Ribbon.

Financing Cash Flows. Our cash flows provided by (used in) financing activities for the years ended December 31, 2020, 2019, and 2018 were $379.1 million, $319.1 million and $(86.4) million, respectively. The increase in cash provided by financing activities of $60.0 million from 2020 compared to 2019 is primarily attributable to $455.0 million of net proceeds from the Offering compared to $236.0 million from our 2019 equity offering, partially offset by a net decrease in debt proceeds net of service payments of $140.1 million in 2020 compared to 2019, and a $9.5 million increase in cash paid for purchases of

Treasury stock in 2020 compared to 2019. The increase in cash provided by (decrease in cash used in) financing activities of $405.5 million from 2019 compared to 2018 is primarily attributable to proceeds from our registered offering of shares of our common stock in December 2019 and an increase in net borrowings (net of repayments) in 2019.

Financing Arrangements. In our Restaurant Group, financing arrangements are used both as part of its companies' overall capitalization structure as well as to fund purchases of seasonal inventory in advance of sales. For a description of our historical financing arrangements see Note K to our Consolidated Financial Statements included in Item 8 of Part II of this Annual Report.

Contractual Obligations. Our long term contractual obligations generally include our credit agreements and other debt facilities, lease payments on certain of our premises and equipment and purchase obligations of the Restaurant Group.

See Note B to our Consolidated Financial Statements included in Item 8 of Part II of this Annual Report for further discussion of our leasing arrangements.

Pursuant to the terms of the Management Services Agreement between Cannae LLC and our Manager, Cannae LLC is obligated to pay our Manager a quarterly management fee equal to 0.375% (1.5% annualized) of the Company’s cost of invested capital (as defined in the Management Services Agreement) as of the last day of each fiscal quarter, payable in arrears in cash, as may be adjusted pursuant to the terms of the Management Services Agreement. Management fees payable to our Manager are included for the initial 5-year term of the Management Services Agreement that began in September 2019 and are based on our cost of invested capital of $1,613.5 million as of December 31, 2020.

Purchase obligations include agreements to purchase goods or services that are enforceable, are legally binding and specify all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. The Restaurant Group has unconditional purchase obligations with various vendors, primarily related to food and beverage obligations with fixed commitments in regards to the time period of the contract and the quantities purchased with annual price adjustments that can fluctuate. Future purchase obligations are estimated by assuming historical purchase activity over the remaining, non-cancellable terms of the various agreements. For agreements with minimum purchase obligations, at least the minimum amounts we are legally required to purchase are included. These agreements do not include fixed delivery terms. We used both historical and projected volume and pricing as of December 31, 2020 to determine the amount of the obligations.

Restaurant Group financing obligations include its agreements to lease its corporate office and certain O'Charley's restaurant locations that are accounted for as failed sale and leaseback transactions.

As of December 31, 2020, our required annual payments relating to these contractual obligations were as follows:

	2021	2022	2023	2024	2025	Thereafter	Total
Unconditional purchase obligations	$ 99.2	$ 13.3	$ 7.8	$ 7.1	$ 5.9	$ 6.8	$ 140.1
Operating lease payments	40.7	39.2	35.4	26.5	23.0	151.0	315.8
Notes payable	12.5	6.9	33.3	0.8	0.8	11.0	65.3
Management fees payable to Manager	23.7	23.7	23.7	23.7	19.8	—	114.6
Restaurant Group financing obligations	3.3	3.4	3.4	3.4	3.5	24.2	41.2
Total	$ 179.4	$ 86.5	$ 103.6	$ 61.5	$ 53.0	$ 193.0	$ 677.0

Capital Stock Transactions. For information on our 2019 Repurchase Program, see discussion under the header *Purchases of Equity Securities by the Issuer* included in Item 5 of Part II of this Annual Report.

Off-Balance Sheet Arrangements. We do not engage in off-balance sheet activities.

Recent Accounting Pronouncements

For a description of recent accounting pronouncements, see Note S to our Consolidated Financial Statements included in Item 8 of Part II of this Annual Report.

Item 7A. *Quantitative and Qualitative Disclosure about Market Risk*

Equity Price Risk

We are exposed to market price fluctuations associated with the Company's equity securities holdings. Equity price risk is the risk that we will incur economic losses due to adverse changes in equity prices. At December 31, 2020, we held $1,799.1 million in equity securities which are recorded at fair value. The carrying values of investments subject to equity price risks are directly derived from, or valued in part using, quoted market prices. See Note C to our Consolidated Financial Statements for further discussion of our fair value measurements for equity securities. Market prices are subject to fluctuation and, consequently, the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amounts realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

For purposes of this Annual Report, we perform a sensitivity analysis to determine the effects that market risk exposures may have on the fair values of our equity securities. At December 31, 2020, a 20% increase (decrease) in market prices, with all other variables held constant, would result in an increase (decrease) in the fair value of our equity securities portfolio of $359.8 million.

Commodity Price Risk

In our Restaurant Group segment, we are exposed to market price fluctuations in beef, seafood, produce and other food product prices. Given the historical volatility of beef, seafood, produce and other food product prices, these fluctuations can materially impact the food and beverage costs incurred in our Restaurant Group segment. While our Restaurant Group companies have taken steps to qualify multiple suppliers who meet our standards as suppliers for our restaurants and have entered into agreements with suppliers for some of the commodities used in our restaurant operations, there can be no assurance that future supplies and costs for such commodities will not fluctuate due to weather and other market conditions outside of our control. Consequently, such commodities can be subject to unforeseen supply and cost fluctuations. Dairy costs can also fluctuate due to government regulation. Because we typically set our menu prices in advance of our food product prices, our menu prices cannot immediately take into account changing costs of food items. To the extent that we are unable to pass the increased costs on to our guests through price increases, our results of operations would be adversely affected. We do not use financial instruments to hedge our risk to market price fluctuations in beef, seafood, produce and other food product prices at this time.

Item 8. ***Financial Statements and Supplementary Data***

CANNAE HOLDINGS, INC.

INDEX TO FINANCIAL INFORMATION

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Cannae Holdings, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Cannae Holdings, Inc. and subsidiaries (the "Company") as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements as of and for the year ended December 31, 2020, of the Company and our report dated February 25, 2021, expressed an unqualified opinion on those financial statements and included an explanatory paragraph related to a change in accounting principle for leases due to the adoption of FASB ASC 842, *Leases*, on January 1, 2019.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

/s/ Deloitte & Touche LLP

Las Vegas, Nevada
February 25, 2021

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Cannae Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Cannae Holdings, Inc. and subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive earnings, equity, and cash flows, for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2021, expressed an unqualified opinion on the Company's internal control over financial reporting.

Change in Accounting Principle

As discussed in Notes B and S to the financial statements, the Company has changed its method of accounting for leases due to the adoption of FASB ASC 842, *Leases*, on January 1, 2019.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Acquisitions — Refer to Note I to the financial statements

Critical Audit Matter Description

On January 27, 2020, American Blue Ribbon Holdings, LLC ("Blue Ribbon") and its wholly-owned subsidiaries, which own the Village Inn, Bakers Square, and Legendary Baking concepts, filed for Chapter 11 bankruptcy (the "Blue Ribbon Reorganization"). As a result of the Blue Ribbon Reorganization, the Company deconsolidated Blue Ribbon as of January 27, 2020, which resulted in a deconsolidation gain of $26.5 million.

During the Blue Ribbon Reorganization, the Company accounted for their equity interest in Blue Ribbon under the equity method of accounting and as a result of the unprecedented social restrictions imposed by state and local governments related to the novel coronavirus (“COVID-19") pandemic the Company recorded an other-than-temporary impairment of $18.6 million as of March 31, 2020.

On July 10, 2020, Blue Ribbon filed its Chapter 11 plan with the U.S. Bankruptcy Court which became effective on October 2, 2020. Subsequent to Blue Ribbon's emergence from bankruptcy, the Company received 100% of the equity of the reorganized companies, VIBSQ Holdco, LLC and Legendary Baking I, LLC, in exchange for consideration transferred of $49.2 million that included the fair value of the Company's equity method investment in Blue Ribbon and the notes receivable from Blue Ribbon of $15.2 million and $34.0 million, respectively. The consideration transferred was allocated to the net assets acquired of $52.1 million, and the Company recorded a bargain purchase gain of $2.9 million.

The deconsolidation and the related evaluation of the loss of control and the application of the equity method of accounting for the Company's equity interest in Blue Ribbon required significant accounting judgments. Additionally, the Company determined the fair value of Blue Ribbon in connection with the deconsolidation and the other-than-temporary impairment and the fair value of the reorganized companies and the related consideration transferred at emergence using a combination of discounted cash flow analyses and market approaches. The determination of the fair value of Blue Ribbon and the reorganized companies involved significant management assumptions and estimates related to forecasts of future growth rates for revenues, costs, and earnings (collectively the "forecasts") and the selection of discount rates and earnings multiples due to deteriorating operating results and cash flows resulting from declining same store sales, increased costs, and the impact of COVID-19. Changes in these significant management assumptions and estimates could have a significant impact on the determination of the fair values of Blue Ribbon and the reorganized companies.

Therefore, auditing management's deconsolidation accounting judgments as well as the forecasts and the selection of discount rates and earnings multiples used to determine the fair value of Blue Ribbon and the reorganized companies, involved a higher degree of auditor judgment and subjectivity as well as an increased level of audit effort, including the involvement of specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the Company's accounting judgments related to the deconsolidation of Blue Ribbon and the forecasts, discount rates, and earnings multiples used to determine the fair value of Blue Ribbon and the reorganized companies, included the following:

- We tested the effectiveness of the Company's internal controls over management's accounting judgments and the forecasts, discount rates, and earnings multiples for determining the fair value of Blue Ribbon and the reorganized companies.
- With the assistance of specialists in our firm having expertise in deconsolidation accounting, we evaluated management's accounting judgments related to the deconsolidation of Blue Ribbon under accounting principles generally accepted in the United States of America.
- We evaluated the reasonableness of management's forecasts by: (1) evaluating management's ability to accurately forecast by comparing the forecasts to historical results; (2) evaluating evidence for assumptions and estimates related to management's planned operational initiatives, the effects of the Blue Ribbon Reorganization, and the impact of COVID-19 that were incorporated into the forecasts; (3) corroborating assumptions and estimates with management's communications to the Board of Directors; and (4) comparing forecast assumptions and estimates with information included in Company press releases, analyst reports of the Company and companies in its peer group, and restaurant industry reports.
- With the assistance of our valuation specialists, we evaluated the discount rates and earnings multiples selected by management including assessing the impact of the uncertainty in management's forecast due to deteriorating operating results and cash flows on these valuation assumptions, testing the underlying market-based source information and the mathematical accuracy of the valuation assumptions, and developing a range of independent valuation assumptions and comparing those to the discount rates and earnings multiples valuation assumptions and estimates selected by management.

/s/ Deloitte & Touche LLP

Las Vegas, Nevada
February 25, 2021

We have served as the Company's auditor since 2017.

CANNAE HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2020	December 31, 2019
	(in millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 724.7	$ 533.7
Fixed maturity securities available for sale, at fair value	35.2	—
Other current assets	84.3	97.2
Total current assets	844.2	630.9
Equity securities, at fair value	1,799.1	—
Investments in unconsolidated affiliates	1,453.0	836.5
Lease assets	202.3	192.9
Property and equipment, net	145.8	162.6
Other intangible assets, net	51.8	63.1
Goodwill	53.4	66.1
Fixed maturity securities available for sale, at fair value	—	19.2
Deferred tax assets	—	54.5
Other long term investments and noncurrent assets	63.8	66.4
Total assets	$ 4,613.4	$ 2,092.2
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and other accrued liabilities, current	$ 93.2	$ 86.4
Lease liabilities, current	26.2	41.5
Income taxes payable	47.4	37.4
Deferred revenue	23.9	26.4
Notes payable, current	11.3	7.0
Total current liabilities	202.0	198.7
Deferred tax liabilities	325.3	—
Lease liabilities, long-term	195.6	199.7
Notes payable, long-term	52.2	120.1
Accounts payable and other accrued liabilities, long-term	53.1	43.9
Total liabilities	828.2	562.4
Commitments and contingencies - see Note M		
Equity:		
Cannae common stock, $0.0001 par value; authorized 115,000,000 shares as of December 31, 2020 and December 31, 2019; issued of 92,391,965 and 79,727,972 shares as of December 31, 2020 and December 31, 2019, respectively; and outstanding of 91,651,257 and 79,516,833 shares as of December 31, 2020 and December 31, 2019, respectively	—	—
Preferred stock, $0.0001 par value; authorized 10,000,000 shares; issued and outstanding, none as of December 31, 2020 and December 31, 2019	—	—
Retained earnings	1,929.8	143.6
Additional paid-in capital	1,875.8	1,396.7
Less: Treasury stock, 740,708 and 211,139 shares as of December 31, 2020 and December 31, 2019, respectively, at cost	(21.1)	(5.9)
Accumulated other comprehensive loss	(4.9)	(45.9)
Total Cannae shareholders' equity	3,779.6	1,488.5
Noncontrolling interests	5.6	41.3
Total equity	3,785.2	1,529.8
Total liabilities and equity	$ 4,613.4	$ 2,092.2

See Notes to Consolidated Financial Statements

CANNAE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended December 31,		
	2020	2019	2018
		(in millions)	
Revenues:			
Restaurant revenue	$ 559.7	$ 1,043.3	$ 1,117.8
Other operating revenue	26.0	26.7	29.7
Total operating revenues	585.7	1,070.0	1,147.5
Operating expenses:			
Cost of restaurant revenue	524.3	912.8	991.3
Personnel costs	94.8	90.3	137.2
Depreciation and amortization	30.7	40.7	46.3
Other operating expenses, including asset impairments	116.6	133.4	91.8
Goodwill impairment	7.8	10.4	26.7
Total operating expenses	774.2	1,187.6	1,293.3
Operating loss	(188.5)	(117.6)	(145.8)
Other income (expense):			
Interest, investment and other income	17.2	15.6	6.3
Interest expense	(9.0)	(17.8)	(4.7)
Recognized gains and losses, net	2,362.2	357.7	166.8
Total other income	2,370.4	355.5	168.4
Earnings from continuing operations before income taxes and equity in earnings (losses) of unconsolidated affiliates	2,181.9	237.9	22.6
Income tax expense	481.2	24.2	15.0
Earnings from continuing operations before equity in earnings (losses) of unconsolidated affiliates	1,700.7	213.7	7.6
Equity in earnings (losses) of unconsolidated affiliates	59.1	(115.1)	(16.1)
Earnings (loss) from continuing operations	1,759.8	98.6	(8.5)
Net loss from discontinued operations, net of tax - see Note N	—	(51.8)	(2.1)
Net earnings (loss)	1,759.8	46.8	(10.6)
Less: Net loss attributable to non-controlling interests	(26.4)	(30.5)	(38.2)
Net earnings attributable to Cannae Holdings, Inc. common shareholders	$ 1,786.2	$ 77.3	$ 27.6
Amounts attributable to Cannae Holdings, Inc. common shareholders			
Net earnings from continuing operations attributable to Cannae Holdings, Inc. common shareholders	$ 1,786.2	$ 127.6	$ 29.5
Net loss from discontinued operations attributable to Cannae Holdings, Inc. common shareholders	—	(50.3)	(1.9)
Net earnings attributable to Cannae Holdings, Inc. common shareholders	$ 1,786.2	$ 77.3	$ 27.6
Earnings per share			
Basic			
Net earnings per share from continuing operations	$ 20.84	$ 1.77	$ 0.42
Net loss per share from discontinued operations	—	(0.70)	(0.03)
Net earnings per share	$ 20.84	$ 1.07	$ 0.39
Diluted			
Net earnings per share from continuing operations	$ 20.79	$ 1.76	$ 0.42
Net loss per share from discontinued operations	—	(0.69)	(0.03)
Net earnings per share	$ 20.79	$ 1.07	$ 0.39
Weighted average shares outstanding Cannae Holdings common stock, basic basis	85.7	72.2	71.2
Weighted average shares outstanding Cannae Holdings common stock, diluted basis	85.9	72.4	71.3

See Notes to Consolidated Financial Statements

CANNAE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

	Year Ended December 31,		
	2020	2019	2018
	(in millions)		
Net earnings (loss)	$ 1,759.8	$ 46.8	$ (10.6)
Other comprehensive earnings (loss), net of tax:			
Unrealized gain on investments and other financial instruments, net (excluding investments in unconsolidated affiliates) (1)	10.7	0.1	0.9
Unrealized (loss) gain relating to investments in unconsolidated affiliates (2)	(15.9)	7.1	(12.0)
Reclassification of unrealized losses on investments in unconsolidated affiliates, net of tax, included in net earnings (3)	46.2	19.1	24.0
Reclassification of unrealized losses on investments and other financial instruments, net of tax, included in net earnings (4)	—	—	7.0
Other comprehensive earnings	41.0	26.3	19.9
Comprehensive earnings	1,800.8	73.1	9.3
Less: Comprehensive loss attributable to noncontrolling interests	(26.4)	(30.5)	(38.2)
Comprehensive earnings attributable to Cannae	$ 1,827.2	$ 103.6	$ 47.5

(1) Net of income tax expense of $2.9 million, less than $0.1 million and $0.3 million for the years ended December 31, 2020, 2019 and 2018, respectively.

(2) Net of income tax (benefit) expense of $(4.2) million, $1.9 million and $(3.2) million for the years ended December 31, 2020, 2019 and 2018, respectively.

(3) Net of income tax expense of $12.3 million, $5.1 million and $6.4 million for the years ended December 31, 2020, 2019 and 2018, respectively.

(4) Net of income tax benefit of $1.9 million for the year ended December 31, 2018.

See Notes to Consolidated Financial Statements

CANNAE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF EQUITY

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comp (Loss) Earnings	Treasury Stock		Non-controlling Interests	Total Equity
	Shares	$				Shares	$		
					(in millions)				
Balance, December 31, 2017	70.9	$ —	$ 1,130.2	$ 0.2	$ (71.0)	—	$ —	$ 93.7	$ 1,153.1
Adjustment for cumulative effect of adoption of ASC Topic 606	—	—	—	1.9	—	—	—	—	1.9
Adjustment for adoption of ASU 2018-02	—	—	—	16.1	(16.1)	—	—	—	—
Reclassification of unrealized losses on investments in unconsolidated affiliates, net of tax, included in net earnings	—	—	—	—	24.0	—	—	—	24.0
Reclassification of unrealized losses on investments and other financial instruments, net of tax, included in net earnings	—	—	—	—	7.0	—	—	—	7.0
Other comprehensive earnings — unrealized gain on investments and other financial instruments, net of tax	—	—	—	—	0.9	—	—	—	0.9
Other comprehensive earnings — unrealized losses of investments in unconsolidated affiliates, net of tax	—	—	—	—	(12.0)	—	—	—	(12.0)
Stock-based compensation	—	—	2.0	—	—	—	—	—	2.0
Issuance of restricted stock	0.3	—	—	—	—	—	—	—	—
Shares withheld for taxes and in treasury	—	—	—	—	—	—	(0.2)	—	(0.2)
Shares issued for investment success bonuses, net of issuance costs	1.0	—	19.8	—	—	—	—	—	19.8
Contribution of CSA services from FNF	—	—	1.3	—	—	—	—	—	1.3
Ceridian stock-based compensation	—	—	6.5	—	—	—	—	—	6.5
Restaurant Group Restructuring	—	—	(13.6)	—	—	—	—	15.6	2.0
Subsidiary dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(0.1)	(0.1)
Sale of noncontrolling interest in consolidated subsidiary	—	—	—	—	—	—	—	4.1	4.1
Net earnings (loss)	—	—	—	27.6	—	—	—	(38.2)	(10.6)
Balance, December 31, 2018	72.2	$ —	$ 1,146.2	$ 45.8	$ (67.2)	—	$ (0.2)	$ 75.1	$ 1,199.7
Adjustment for cumulative effect of adoption of accounting standards by unconsolidated affiliates, net of tax	—	—	—	20.5	(5.0)	—	—	—	15.5
Other comprehensive earnings — unrealized gain on investments and other financial instruments, net of tax	—	—	—	—	0.1	—	—	—	0.1
Other comprehensive earnings — unrealized earnings of investments in unconsolidated affiliates, net of tax	—	—	—	—	7.1	—	—	—	7.1
Reclassification of unrealized losses on investments in unconsolidated affiliates, net of tax, included in net earnings	—	—	—	—	19.1	—	—	—	19.1
Proceeds from equity offering, net of offering costs	7.5	—	236.0	—	—	—	—	—	236.0
Dun & Bradstreet equity issuance costs	—	—	(1.4)	—	—	—	—	—	(1.4)
Treasury stock repurchases	—	—	—	—	—	0.2	(4.9)	—	(4.9)
Shares withheld for taxes and in treasury	—	—	—	—	—	—	(0.8)	—	(0.8)
Stock-based compensation, consolidated subsidiaries	—	—	4.0	—	—	—	—	0.6	4.6
Contribution of CSA services from FNF	—	—	1.3	—	—	—	—	—	1.3
Stock-based compensation, unconsolidated affiliates	—	—	10.6	—	—	—	—	—	10.6
Deconsolidation of T-System	—	—	—	—	—	—	—	(2.9)	(2.9)
Subsidiary dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(1.0)	(1.0)
Net earnings (loss)	—	—	—	77.3	—	—	—	(30.5)	46.8
Balance, December 31, 2019	79.7	$ —	$ 1,396.7	$ 143.6	$ (45.9)	0.2	$ (5.9)	$ 41.3	$ 1,529.8
Equity offering, net of offering costs	12.7	—	455.0	—	—	—	—	—	455.0
Restaurant Group Reorganization	—	—	6.8	—	—	—	—	(12.3)	(5.5)
Other comprehensive earnings — unrealized gain on investments and other financial instruments, net of tax	—	—	—	—	10.7	—	—	—	10.7
Other comprehensive earnings — unrealized losses of investments in unconsolidated affiliates, net of tax	—	—	—	—	(15.9)	—	—	—	(15.9)
Reclassification adjustments for unrealized gains and losses on unconsolidated affiliates, net of tax, included in net earnings	—	—	—	—	46.2	—	—	—	46.2
Sale of noncontrolling interest in consolidated subsidiary	—	—	—	—	—	—	—	3.7	3.7
Treasury stock repurchases	—	—	—	—	—	0.5	(14.4)	—	(14.4)
Stock-based compensation, consolidated subsidiaries	—	—	4.2	—	—	—	—	—	4.2
Contribution of CSA services from FNF	—	—	1.2	—	—	—	—	—	1.2
Stock-based compensation, unconsolidated affiliates	—	—	11.9	—	—	—	—	—	11.9
Subsidiary dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(0.7)	(0.7)
Shares withheld for taxes and in treasury	—	—	—	—	—	—	(0.8)	—	(0.8)
Net earnings (loss)	—	—	—	1,786.2	—	—	—	(26.4)	1,759.8
Balance, December, 2020	92.4	$ —	$ 1,875.8	$ 1,929.8	$ (4.9)	0.7	$ (21.1)	$ 5.6	$ 3,785.2

See Notes to Consolidated Financial Statements.

CANNAE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31, 2020	2019	2018
	(in millions)		
Cash flows from operating activities:			
Net earnings (loss)	$ 1,759.8	$ 46.8	$ (10.6)
Adjustments to reconcile net earnings (loss) to net cash used in operating activities:			
Depreciation and amortization	30.7	54.5	61.3
Equity in (earnings) losses of unconsolidated affiliates	(59.1)	115.1	16.1
Distributions from investments in unconsolidated affiliates	128.4	2.0	1.4
Recognized gains and losses, net	(2,367.9)	(354.1)	(182.7)
Loss on sale of consolidated subsidiaries	—	6.4	—
Impairments of assets	24.4	90.8	55.2
Lease asset amortization	25.1	38.8	—
Stock-based compensation cost	4.2	4.6	21.8
Changes in assets and liabilities, net of effects from acquisitions:			
Net (increase) decrease in trade receivables	(1.6)	18.2	(7.3)
Net (increase) decrease in other assets	(29.8)	(36.2)	9.5
Net increase in accounts payable, accrued liabilities, deferred revenue and other	26.0	8.4	0.9
Net decrease in lease liabilities	(28.3)	(46.9)	—
Net change in income taxes	374.2	(32.6)	11.5
Net cash used in operating activities	(113.9)	(84.2)	(22.9)
Cash flows from investing activities:			
Proceeds from sales of equity securities	—	—	17.7
Proceeds from sale of Ceridian shares	721.0	477.9	152.5
Proceeds from sale of LifeWorks	—	—	56.2
Additions to property and equipment and other intangible assets	(22.3)	(28.3)	(15.9)
Additions to notes receivable	(37.3)	—	—
Collections of notes receivable	7.2	—	—
Purchases of investment securities	(0.7)	—	(3.5)
Other investments in unconsolidated affiliates	(323.8)	(45.7)	—
Investments in Dun & Bradstreet, net of capitalized syndication fees	(200.0)	(526.1)	—
Investment in Optimal Blue	(289.0)	—	—
Proceeds from the sale of other investments	9.9	4.8	7.8
Proceeds from the sale of property and equipment	4.4	21.4	4.9
Purchases of other long-term investments	—	(30.0)	(7.4)
Distributions from investments in unconsolidated affiliates	48.3	1.0	0.4
Net proceeds from (purchases of) short term investments	0.5	30.9	(31.4)
Net other investing activities	0.1	3.0	0.1
Cash deconsolidated at the inception of the Blue Ribbon Reorganization	(1.1)	—	—
Cash acquired upon acquisition of Legendary Baking and VIBSQ - see Note I	8.6	—	—
Cash proceeds from the contribution of T-System to CorroHealth, net of cash transferred	—	66.9	—
Holdback proceeds received from sale of OneDigital	—	—	4.6
Other acquisitions/disposals of businesses, net of cash acquired/disposed	—	—	0.7
Net cash (used in) provided by investing activities	(74.2)	(24.2)	186.7
Cash flows from financing activities:			
Borrowings, net of debt issuance costs	45.2	367.3	33.9
Debt service payments	(108.8)	(290.8)	(124.1)
Equity offering proceeds, net of capitalized costs	455.0	236.0	—
Sale of noncontrolling interest in consolidated subsidiary	3.7	—	4.1
Subsidiary distributions paid to noncontrolling interest shareholders	(0.8)	(0.9)	(0.1)
Proceeds from Restaurant Group sale and leaseback of corporate office, net of issuance costs	—	13.2	—
Payment for shares withheld for taxes and in treasury	(0.8)	(0.8)	(0.2)
Purchases of treasury stock	(14.4)	(4.9)	—
Net cash provided by (used in) financing activities	379.1	319.1	(86.4)
Net increase in cash and cash equivalents	191.0	210.7	77.4
Cash and cash equivalents at beginning of period, including cash of discontinued operations	533.7	323.0	245.6
Cash and cash equivalents at end of period, including cash of discontinued operations	$ 724.7	$ 533.7	$ 323.0

See Notes to Consolidated Financial Statements

CANNAE HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note A. Business and Summary of Significant Accounting Policies

The following describes the significant accounting policies of Cannae Holdings, Inc. and its subsidiaries (collectively, “we,” “us,” “our,” "Cannae," or the "Company”), which have been followed in preparing the accompanying Consolidated Financial Statements.

Description of Business

We are engaged in actively managing and operating a group of companies and investments, as well as making additional majority and minority equity portfolio investments in businesses, in order to achieve superior financial performance and maximize the value of these assets. Our primary investments as of December 31, 2020 include our minority ownership interests in Dun & Bradstreet Holdings, Inc. ("Dun & Bradstreet" or "D&B"), Ceridian HCM Holding, Inc. ("Ceridian"), Optimal Blue Holdco, LLC ("Optimal Blue") and AmeriLife Group, LLC ("AmeriLife"); majority equity ownership stakes in O'Charley's Holdings, LLC ("O'Charley's") and 99 Restaurants Holdings, LLC ("99 Restaurants"); and various other controlled portfolio companies and minority equity and debt investments.

See Note Q *Segment Information* for further discussion of the businesses comprising our reportable segments.

Split-off of Cannae from FNF

On November 17, 2017, Fidelity National Financial, Inc. (“FNF”) redeemed each outstanding share of its FNF Ventures ("FNFV") Group common stock, par value $0.0001, for one share of common stock, par value $0.0001, of a newly formed entity, Cannae (the "Split-Off"). In conjunction with the Split-Off, FNF contributed to us its portfolio of investments unrelated to its primary insurance and real estate operations, which included majority and minority equity investment stakes in a number of entities and certain fixed income investments. On November 20, 2017, Cannae common stock began “regular-way” trading on The New York Stock Exchange under the “CNNE” stock symbol.

Following the Split-Off, FNF and Cannae operate as separate, publicly-traded companies. In connection with the Split-Off, FNF and Cannae entered into certain agreements in order to govern certain of the ongoing relationships between the two companies after the Split-Off and to provide for an orderly transition. These agreements include a reorganization agreement, a corporate services agreement, a registration rights agreement, a voting agreement and a tax matters agreement.

The reorganization agreement provides for, among other things, the principal corporate transactions (including the internal restructuring) required to effect the Split-Off, certain conditions to the Split-Off and provisions governing the relationship between Cannae and FNF with respect to and resulting from the Split-Off. The tax matters agreement provides for the allocation and indemnification of tax liabilities and benefits between FNF and Cannae and other agreements related to tax matters. The voting and registration rights agreements provide for certain appearance and voting restrictions and registration rights on shares of Cannae owned by FNF after consummation of the Split-Off. Pursuant to the corporate services agreement (the "CSA"), FNF will provide Cannae with certain "back office" services including legal, tax, accounting, treasury and investor relations support. Cannae will reimburse FNF for direct, out-of-pocket expenses incurred by FNF in providing these services.

On October 7, 2020, the Company entered into an Extension of Corporate Services Agreement (the “Extension”) with FNF. Pursuant to the Extension, the term of the CSA is extended for two years until November 17, 2022 (the “Extended Term”). During the Extended Term, FNF will provide certain corporate services to Cannae at FNF’s Standard Allocation (as defined in the CSA), plus 10%, and Cannae agrees to pay or reimburse FNF for any fees, costs or other expenses paid by FNF to third parties in connection with the corporate services. The CSA will automatically renew for successive one-year terms, unless the parties mutually agree to terminate the CSA at least 30 days prior to the applicable termination date. No later than 30 days prior to such termination date, the parties shall negotiate mutually agreeable arm’s length terms for each additional one year term.

Principles of Consolidation and Basis of Presentation

The accompanying Consolidated Financial Statements are prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and include the historical accounts as well as wholly-owned and majority-owned subsidiaries of the Company. The Company is allocated certain corporate overhead and management services expenses from FNF based on the terms of the CSA and our proportionate share of the expense determined on actual usage and our best estimate of management's allocation of time. Both FNF and Cannae believe such allocations are reasonable; however, they may not be indicative of the actual results of operations or cash flows of the Company had the Company been operating as an independent, publicly traded company for the periods presented or the amounts that will be incurred by the Company in the future.

All intercompany profits, transactions and balances have been eliminated. Our investments in non-majority-owned partnerships and affiliates are accounted for using the equity method. Earnings attributable to noncontrolling interests are recorded on the Consolidated Statements of Operations relating to majority-owned subsidiaries with the appropriate noncontrolling interest that represents the portion of equity not related to our ownership interest recorded on the Consolidated Balance Sheets in each period.

Management Estimates

The preparation of these Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by management include the carrying amount and depreciation of property and equipment (Note E), the valuation of acquired intangible assets (Note H and Note I), fair value measurements (Note C), and accounting for income taxes (Note L). Actual results could differ from estimates.

Recent Developments

Dun & Bradstreet

On July 6, 2020, Dun & Bradstreet closed its previously announced initial public offering of 90,047,612 shares of common stock, which includes 11,745,340 shares of common stock issued pursuant to the exercise by the underwriters of their option to purchase additional shares in full (the "D&B IPO"). The D&B IPO was priced at $22.00 per share, resulting in gross proceeds to Dun & Bradstreet of $2.4 billion when combined with $400.0 million of aggregate proceeds from a concurrent private placement offering (the "D&B Private Placement") and before deducting underwriting discounts and commissions and other offering expenses payable by Dun & Bradstreet. Shares of Dun & Bradstreet common stock began trading on the New York Stock Exchange ("NYSE") under the ticker symbol "DNB" on July 1, 2020. Dun & Bradstreet used a portion of the net proceeds from the D&B IPO to redeem all of its outstanding Series A Preferred Stock and repay a portion of its 10.250% Senior Unsecured Notes outstanding due 2027.

On July 6, 2020, we invested $200.0 million in the D&B Private Placement. Subsequent to the D&B IPO and the D&B Private Placement, we own 76.6 million shares of Dun & Bradstreet, which represented approximately 18.1% of its outstanding common stock as of December 31, 2020.

As a result of the D&B IPO, we recorded a net gain of $117.0 million (net of $2.3 million of before-tax losses reclassified from other comprehensive earnings).

See Note D for further discussion of our accounting for our investment in D&B.

On January 8, 2021, D&B completed its acquisition of Bisnode Business Information Group AB (the "Bisnode acquisition"). In connection with the Bisnode acquisition, an additional 6.2 million shares were issued by D&B, which resulted in a decrease in our ownership interest in D&B to approximately 15.6%.

Ceridian

During the year ended December 31, 2020, we completed the sale of an aggregate of 9.7 million shares of common stock of Ceridian to brokers pursuant to Rule 144 promulgated under the Securities Act of 1933, as amended (the "Ceridian Share Sales"). In connection with the Ceridian Share Sales, we received aggregate proceeds of $720.9 million. As of December 31, 2020, we owned 9.5% of the outstanding common stock of Ceridian.

As of March 31, 2020 our voting agreement with Ceridian was terminated and, as a result, we are no longer able to exert influence over the composition and quantity of Ceridian's board of directors. In combination with the reduction in our ownership of Ceridian resulting from the sale of shares in February 2020, we no longer exercise significant influence over Ceridian. As of March 31, 2020, we account for our investment in Ceridian at fair value pursuant to the investment in equity security guidance of Accounting Standards Codification ("ASC") 321. The change resulted in the revaluation of our investment in Ceridian to its fair value of $993.4 million as of March 31, 2020 and recording a gain on such revaluation of $684.9 million (net of $47.1 million of before-tax losses reclassified from other comprehensive earnings), which is included in Recognized gains and losses, net on the Consolidated Statement of Operations for the year ended December 31, 2020.

See Notes C and D for further discussion of our accounting for our investment in Ceridian and other equity securities.

Restaurant Group

On January 27, 2020, American Blue Ribbon Holdings, LLC ("Blue Ribbon") and its wholly-owned subsidiaries, filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware (the "Blue Ribbon Reorganization"). The Blue Ribbon Reorganization does not involve or affect the operations of O'Charley's or 99 Restaurants, which are not part of Blue Ribbon. As a result of the Blue Ribbon Reorganization, we deconsolidated Blue Ribbon as of January 27, 2020 because the bankruptcy court and committee of creditors were deemed to have control of Blue Ribbon.

We recorded a gain of $26.5 million on January 27, 2020 as a result of the deconsolidation of Blue Ribbon, which is included in Recognized gains and losses, net on the Condensed Consolidated Statement of Operations. The recorded gain was measured as the excess of the fair value of our retained equity investment in Blue Ribbon over our book value of Blue Ribbon as of January 27, 2020. In conjunction with the Blue Ribbon Reorganization, we provided debtor-in-possession financing (the "DIP Loan") of $27.5 million to Blue Ribbon and its subsidiaries.

During the Blue Ribbon Reorganization, we accounted for our retained equity interest in Blue Ribbon under the equity method of accounting because (1) we continued to exert significant influence over Blue Ribbon through our majority equity ownership and position as the single largest post-petition creditor of Blue Ribbon through the DIP Loan, (2) the Blue Ribbon Reorganization was limited in scope and expected to be short in duration, and (3) we expected to retain a majority equity interest upon completion of the Blue Ribbon Reorganization. We recorded an investment of $33.6 million as of January 27, 2020. The fair value of the investment was determined by performing a combination of discounted cash flow and market approaches.

As a result of unprecedented social restrictions imposed by state and local government authorities related to the novel coronavirus ("COVID-19") pandemic, our Restaurant Group brands experienced a significant reduction in guest counts beginning in the last two weeks of March 2020. In response to the outbreak and these changing conditions, our Restaurant Group brands initially closed the dining rooms in substantially all of our restaurants. Due to increased uncertainty in the operating environment for restaurants and a significant reduction in forecasted cash flows for Blue Ribbon, we recorded an other-than-temporary impairment of our investment of $18.6 million as of March 31, 2020.

On July 10, 2020, Blue Ribbon filed its Debtor's Chapter 11 Plan (the "Chapter 11 Plan") with the U.S. Bankruptcy Court of Delaware (the "Bankruptcy Court").

On October 2, 2020, the Chapter 11 Plan became effective and Blue Ribbon emerged from bankruptcy as a set of reorganized companies (the "Blue Ribbon Emergence"). Subsequent to Blue Ribbon's emergence from bankruptcy we own 100% of Legendary Baking Holdings I, LLC ("Legendary Baking") and VIBSQ Holdco, LLC ("VIBSQ"), which were formerly part of Blue Ribbon.

See Note I for further discussion of our accounting for our acquisition of Legendary Baking and VIBSQ.

AmeriLife

On March 18, 2020, we closed on the previously announced $125.0 million investment in a partnership (the "AmeriLife Joint Venture") that invested in the recapitalization of AmeriLife. Cannae and other investors provided an aggregate of $617.0 million in equity financing to the AmeriLife Joint Venture to acquire AmeriLife. AmeriLife is a leader in marketing and distributing life, health, and retirement solutions. We account for our investment in the AmeriLife Joint Venture under the equity method of accounting and the investment is included in Investments in unconsolidated affiliates on our Consolidated Balance Sheet as of December 31, 2020.

Refer to Note D for further discussion of our investments in unconsolidated affiliates.

CoreLogic

On December 12, 2019, we entered into a joint venture (the "Senator JV") with affiliates of Senator Investment Group, LP ("Senator") designed to provide a mechanism to allow us and Senator to jointly invest in CoreLogic, Inc. ("CoreLogic"). In December 2019, we initially contributed $90.9 million of cash in exchange for a 49.0% in the Senator JV and a deposit on hand with Senator JV. Affiliates of Senator are the general partner of the Senator JV and hold the balance of the limited partnership interests of the Senator JV. In the year ended December 31, 2020, we invested an additional $201.2 million in the Senator JV. We account for our investment in the Senator JV under the equity method of accounting and the investment is included in Investments in unconsolidated affiliates on our Consolidated Balance Sheet as of December 31, 2020.

During the year ended December 31, 2020, we received from the Senator JV a distribution of 2.3 million shares of common stock of CoreLogic and the Senator JV distributed $232.4 million of securities to other limited partners affiliated with Senator.

On June 26, 2020, Cannae and Senator submitted a jointly signed letter to CoreLogic’s board of directors pursuant to which Cannae and Senator proposed to acquire CoreLogic for $65.00 per share in cash. On July 7, 2020, CoreLogic announced that its board of directors unanimously rejected the proposal.

On July 29, 2020, Cannae and Senator sent an open letter to CoreLogic shareholders announcing that we initiated the process to call a special meeting of CoreLogic's shareholders to elect nine independent directors to the CoreLogic board of directors.

On September 14, 2020, Senator and Cannae informed the board of directors of CoreLogic of the decision by Senator and Cannae to increase the proposed purchase price to $66.00 per share in cash. On September 15, 2020, the CoreLogic board of directors delivered to Senator and Cannae a letter in which CoreLogic's board of directors rejected the revised offer and again rejected Senator’s and Cannae’s request for access to targeted due diligence information regarding CoreLogic.

On October 30, 2020, we distributed the 2.3 million shares of CoreLogic previously held directly by us back to the Senator JV.

In November 2020 and December 2020, we received an aggregate of $198.6 million of distributions from the Senator JV resulting from the Senator JV's sales of CoreLogic Shares.

Subsequent to December 31, 2020 through the date of this Annual Report, we have received distributions of $280.6 million from the Senator JV, the Senator JV has exited our investment in CoreLogic completely and we have no further material interest in the Senator JV.

Refer to Notes C and D for further discussion of our accounting for our investment in the Senator JV.

Optimal Blue

On September 15, 2020, Black Knight, Inc. (“Black Knight”) closed on its acquisition of Optimal Blue, a leading provider of secondary market solutions and actionable data services. Cannae, in connection with the closing of the acquisition by Black Knight, funded its previously announced commitment to purchase 20% of the equity of Optimal Blue for $289.0 million. We account for our investment in Optimal Blue under the equity method of accounting and the investment is included in Investments in unconsolidated affiliates on our Consolidated Balance Sheet as of December 31, 2020.

Refer to Note D for further discussion of our investments in unconsolidated affiliates.

Forward Purchases of Equity of Special Purpose Acquisition Companies

On May 8, 2020, we entered into a forward purchase agreement (the "FTAC FPA") with Foley Trasimene Acquisition Corp. (“FTAC”), a newly incorporated blank check company whose business purpose is to effect a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses or entities (the "FTAC Initial Business Combination"). FTAC is co-sponsored by entities affiliated with the chairman of our Board of Directors ("Board"), William P. Foley II. Under the FTAC FPA, we will purchase an aggregate of 15,000,000 shares of FTAC’s Class A common stock, plus an aggregate of 5,000,000 redeemable warrants to purchase one share of FTAC's Class A common stock at $11.50 per share for an aggregate purchase price of $150.0 million in a private placement to occur concurrently with the closing of the FTAC Initial Business Combination. The forward purchase is contingent upon the closing of the FTAC Initial Business Combination.

On June 5, 2020, we entered into a forward purchase agreement (the "Trebia FPA") with Trebia Acquisition Corp. (“Trebia”), a newly incorporated blank check company incorporated as a Cayman Islands exempted company for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses or entities (the "Trebia Initial Business Combination"). Trebia is co-sponsored by entities affiliated with the chairman and a member of our Board, William P. Foley II and Frank R. Martire, respectively. Under the Trebia FPA, we will purchase an aggregate of 7,500,000 Class A ordinary shares of Trebia, plus an aggregate of 2,500,000 redeemable warrants to purchase one Class A ordinary share of Trebia at $11.50 per share for an aggregate purchase price of $75.0 million in a private placement to occur concurrently with the closing of the Trebia Initial Business Combination. The forward purchase is contingent upon the closing of the Trebia Initial Business Combination.

On July 31, 2020, we entered into a forward purchase agreement (the "FTAC II FPA" and together with the FTAC FPA and Trebia FPA, the "Forward Purchase Agreements") with Foley Trasimene Acquisition Corp. II (“FTAC II”), a newly incorporated blank check company whose business purpose is to effect a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses or entities (the "FTAC II Initial Business Combination"). FTAC II is sponsored by an entity affiliated with the chairman of our Board, William P. Foley II. Under the FTAC II FPA, we will purchase an aggregate of 15,000,000 shares of FTAC II’s Class A common stock, plus an aggregate of 5,000,000 redeemable warrants to purchase one share of FTAC II's Class A common stock at $11.50 per share for an aggregate purchase price of $150.0 million in a private placement to occur concurrently with the closing of the FTAC II Initial Business Combination. The forward purchase is contingent upon the closing of the FTAC II Initial Business Combination.

On December 7, 2020, FTAC II entered into a definitive agreement and plan of merger with Paysafe Limited (“Paysafe”), a leading integrated payments platform (the "FTAC II Paysafe Merger"). Upon closing of the FTAC II Paysafe Merger, the newly combined company will operate as Paysafe and plans to list on the New York Stock Exchange under the symbol PSFE. The FTAC II Paysafe Merger reflects an implied pro-forma enterprise value for Paysafe of approximately $9.0 billion. The FTAC II Paysafe Merger will be funded with the cash held in trust at FTAC II, forward purchase commitments, private investment in public equity ("PIPE") commitments and equity of Paysafe. Completion of the FTAC II Paysafe Merger is subject to approval by FTAC II stockholders, the effectiveness of a registration statement to be filed with the SEC in connection with the transaction, and other customary closing conditions, including the receipt of certain regulatory approvals. The FTAC II Paysafe Merger is expected to close in the first half of 2021.

In conjunction with the FTAC II Paysafe Merger, Cannae entered into an agreement to purchase 35,000,000 shares of Paysafe for $350.0 million as part of a subscription to the PIPE (the "Paysafe Subscription Agreement"). Paysafe has agreed to pay us a placement fee of $5.6 million as consideration for our subscription. Upon consummation of the FTAC II Paysafe Merger, our aggregate investment in Paysafe is expected to be $504.7 million, inclusive of Cannae's investment commitments under the FTAC II FPA and Paysafe Subscription Agreement and our prior $4.7 million investment in the sponsor of FTAC II, and we are expected to receive 54,290,000 shares of common stock of Paysafe which represents approximately 7.5% of the pro forma outstanding common equity of Paysafe and 8,134,067 warrants to purchase one share of Paysafe common stock at $11.50 per share.

Refer to Note C and G for further discussion of our accounting for the Forward Purchase Agreements and Paysafe Subscription Agreement.

On January 25, 2021, FTAC entered into a business combination agreement with Alight Solutions ("Alight"), a leading cloud-based provider of integrated digital human capital and business solutions (the "FTAC Alight Business Combination"). Under the terms of the FTAC Alight Business Combination, FTAC will combine with Alight and Alight will become a publicly traded entity under the name “Alight, Inc.” and symbol ALIT. The FTAC Alight Business Combination reflects an implied pro-forma enterprise value for Alight of approximately $7.3 billion at closing. The FTAC Alight Business Combination will be funded with the cash held in trust at FTAC, forward purchase commitments, PIPE commitments and equity of Alight. Completion of the FTAC Alight Business Combination is subject to approval by FTAC stockholders, the effectiveness of a registration statement to be filed with the SEC in connection with the transaction, and other customary closing conditions of SPAC business combinations, including the receipt of certain regulatory approvals.

On January 25, 2021, Cannae entered into an agreement to purchase 25,000,000 shares of Alight for $250.0 million as part of a subscription to the PIPE (the "Alight Subscription Agreement"). Alight has agreed to pay us a placement fee of $6.3 million as consideration for our subscription. Upon consummation of the FTAC Alight Business Combination, our aggregate investment in Alight is expected to be $404.5 million, inclusive of Cannae's investment commitments under the FTAC FPA and Alight Subscription Agreement and our previous $4.5 million investment in a sponsor of FTAC, and we are expected to receive 44,639,500 shares of common stock of Alight which represents approximately 8.6% of the pro forma outstanding common equity of Alight and 8,026,666 warrants to purchase one share of Alight common stock at $11.50 per share.

Other Developments

In June 2020, we completed an underwritten public offering of an aggregate of 12,650,000 shares of our common stock, including 1,650,000 shares of our common stock pursuant to the full exercise of the underwriter's overallotment option (the "Offering"), pursuant to a prospectus supplement, dated June 10, 2020, and the base prospectus, dated November 27, 2019, included in our registration statement on Form S-3 ASR (File No. 333-235303), which was initially filed with the Securities and Exchange Commission on November 27, 2019. We received net proceeds from the Offering of approximately $455.0 million, after deducting the underwriting discount and capitalized offering expenses payable by the Company. We intend to use the net proceeds of the Offering to fund future acquisitions or investments, including potential investments in existing portfolio companies, and for general corporate purposes.

Cash and Cash Equivalents

Highly liquid instruments, including money market instruments, purchased as part of cash management with original maturities of three months or less, and certain amounts in transit from credit and debit card processors, are considered cash equivalents. The carrying amounts reported in the Consolidated Balance Sheets for these instruments approximate their fair value.

Restricted Cash

The Restaurant Group is required to hold cash collateralizing its outstanding letters of credit. Included in Cash and cash equivalents on our Consolidated Balance Sheets as of December 31, 2020 and 2019 is $12.5 million and $11.4 million, respectively, of such restricted cash.

Investments

Equity securities primarily include our investments in Ceridian, the Forward Purchase Agreements and the Paysafe Subscription Agreement and are carried at fair value.

Investments in unconsolidated affiliates are recorded using the equity method of accounting.

Fixed maturity securities, which may be sold prior to maturity, are carried at fair value and are classified as available for sale as of the balance sheet dates. Fair values for fixed maturity securities are principally a function of current market conditions and are valued based on quoted prices in markets that are not active or model inputs that are unobservable. See Note C. Discount or premium is recorded for the difference between the purchase price and the principal amount. The discount or premium is amortized or accrued using the interest method and is recorded as an adjustment to interest, investment and other income. The interest method results in the recognition of a constant rate of return on the investment equal to the prevailing rate at the time of purchase or at the time of subsequent adjustments of book value.

Recognized gains and losses on the sale of investments are determined on the basis of the cost of the specific investments sold and are credited or charged to income on a trade date basis. Unrealized gains or losses on fixed maturity securities, which are classified as available for sale, net of applicable deferred income tax expenses (benefits), are excluded from earnings and credited or charged directly to a separate component of equity. If any unrealized losses on available for sale fixed maturity securities are determined to be other-than-temporary, such unrealized losses are recognized as realized losses. Unrealized losses are considered other-than-temporary if factors exist that cause us to believe that the value will not increase to a level sufficient to recover our cost basis. Some factors considered in evaluating whether or not a decline in fair value is other-than-temporary include (i) our need and intent to sell the investment prior to a period of time sufficient to allow for a recovery in value; (ii) the duration and extent to which the fair value has been less than cost; and (iii) the financial condition and prospects of the issuer. Such reviews are inherently uncertain and the value of the investment may not fully recover or may decline in future periods resulting in a realized loss.

See Notes C and D for further discussion of our accounting for equity securities and investments in unconsolidated affiliates.

Fair Value of Financial Instruments

The fair values of financial instruments presented in the Consolidated Financial Statements are estimates of the fair values at a specific point in time using available market information and appropriate valuation methodologies. Estimates that use unobservable inputs are subjective in nature and involve uncertainties and significant judgment in the interpretation of current market data. We do not necessarily intend to dispose of or liquidate such instruments prior to maturity. See Note C for further details.

Other Current Assets

Prepaid expenses and other current assets consist of trade receivables, inventory, prepaid operating expenses, the current portion of notes receivable, deposits and other miscellaneous current assets. As of December 31, 2019, Prepaid expenses and other current assets also includes cash on depost with the Senator JV.

Trade receivables are primarily for the Restaurant Group and consist primarily of billings to third-party customers of Legendary Baking, business to business gift card sales, insurance-related reimbursement, rebates, tenant improvement allowances, and billings to franchisees for royalties, initial and renewal fees, equipment sales and rent. Trade receivables are recorded net of an allowance for doubtful accounts, which is our best estimate of the amount of probable credit losses related to existing receivables. The carrying values reported in the Consolidated Balance Sheets for trade receivables approximate their fair value.

Inventory primarily consists of raw materials, finished pies, food, beverages packaging and supplies in our Restaurant Group segment and is stated at the lower of cost or net realizable value. Cost is determined using the first in, first out method for restaurant inventory and standard cost that approximates actual cost on a first in, first out basis for the bakery operations.

Other Long Term Investments and Non-Current Assets

Other long-term investments consist of land held for investment purposes and investments in equity securities without a readily determinable fair value. Land is carried at historical cost. See Note D for further discussion of our accounting for equity securities without a readily determinable fair value.

Other non-current assets include notes receivable from third-parties and other miscellaneous non-current assets.

Leases

Refer to Note B.

Goodwill

Goodwill represents the excess of cost over fair value of identifiable net assets acquired and assumed in business combinations. Goodwill and other intangible assets with indefinite useful lives are reviewed for impairment annually or more frequently if circumstances indicate potential impairment, through a comparison of fair value to the carrying amount. We have the option to first assess goodwill for impairment based on a review of qualitative factors to determine if events and circumstances exist that will lead to a determination that the fair value of a reporting unit is greater than its carrying amount, prior to performing a full fair-value assessment. If, after assessing the totality of events or circumstances, the Company determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the quantitative impairment test is unnecessary. However, if the Company concludes otherwise, then it is required to perform the quantitative impairment test by calculating the fair value of the reporting unit and comparing the fair value with the carrying amount of the reporting unit. Goodwill impairment, if any, is measured as the amount by which a reporting unit’s carrying value exceeds its fair value.

For the year ended December 31, 2020, we recorded $7.8 million of impairment to goodwill in our Restaurant Group segment. The impairment charge is a result of deteriorating operating results and cash flow resulting from declining same store sales and increased costs at O'Charley's. The impairment recorded was calculated as the deficit between the carrying value of our O'Charley's reporting unit of our Restaurant Group compared to the fair value of the reporting unit determined by performing a combination of discounted cash flow and market approaches.

For the year ended December 31, 2019 we recorded $35.1 million of impairment to goodwill in our former T-System segment and $10.4 million of impairment to goodwill in our Restaurant Group segment. The impairment in our former T-System segment is primarily a result of a decline in earnings multiples from comparable public companies and lower forecasted cash flows for its reporting units. The impairment charge in our Restaurant Group is a result of deteriorating operating results and cash flow resulting from declining same store sales and increased costs, primarily in our Village Inn and Bakers Square branded stores. The impairments recorded were calculated as the deficit between the carrying value of the reporting units of each segment compared to the fair value of the reporting unit determined by performing a combination of discounted cash flow and market approaches.

Impairment to goodwill in our former T-System segment is included in Net loss from discontinued operations on the Consolidated Statement of Operations for the year ended December 31, 2019. See Note N.

For the year ended December 31, 2018, we recorded $26.7 million of impairment to goodwill in our Restaurant Group segment. The impairment charge was a result of deteriorating operating results and cash flow resulting from declining same store sales and increased costs. The impairment recorded was calculated as the deficit between the carrying value of a reporting unit of the Restaurant Group segment compared to the fair value of the reporting unit determined by performing a combination of discounted cash flow and market approaches.

Other Intangible Assets

We have other intangible assets, not including goodwill, which consist primarily of customer relationships and contracts, trademarks and tradenames that are generally recorded in connection with acquisitions at their fair value, franchise rights, the fair value of purchased software and capitalized software development costs. Intangible assets with estimable lives are amortized over their respective estimated useful lives to their estimated residual values and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In general, customer relationships are amortized over their estimated useful lives using an accelerated method, which takes into consideration expected customer attrition rates. Contractual relationships are generally amortized over their respective contractual lives. Useful lives of computer software range from three to ten years. Capitalized software development costs and purchased software are recorded at cost and amortized using the straight-line method over their estimated useful life.

Trademarks and tradenames were generally considered intangible assets with indefinite lives and reviewed for impairment at least annually. In conjunction with our annual testing for impairment of tradenames during the fourth quarter of 2020 and in light of the deteriorating operating environment for restaurants, we changed our estimate of the useful lives of our tradenames for all of our restaurant brands from indefinite to 15 years. The impact of such change on the Company's consolidated income is not considered material.

We recorded $11.8 million of impairment expense related to the O'Charley's tradename within our Restaurant Group in the year ended December 31, 2020. We recorded $17.1 million of impairment expense related to the Village Inn and Bakers Square tradenames within our Restaurant Group in the year ended December 31, 2019. We recorded $5.8 million of impairment expense related to a tradename and an abandoned software project in our Restaurant Group in the year ended December 31, 2018. The impairments are recorded within Other operating expenses, including asset impairments, on our Consolidated Statement of Operations for the years then ended.

Property and Equipment, net

Property and equipment, net are recorded at cost, less accumulated depreciation. Depreciation is computed primarily using the straight-line method based on the estimated useful lives of the related assets: thirty to forty years for buildings and three to twenty-five years for furniture, fixtures and equipment. Leasehold improvements are amortized on a straight-line basis over the lesser of the term of the applicable lease or the estimated useful lives of such assets.

In our Restaurant Group, all direct external costs associated with obtaining the land, building and equipment for each new restaurant, as well as construction period interest, are capitalized. Direct external costs associated with obtaining the dining room and kitchen equipment, signage and other assets and equipment are also capitalized. In addition, for each new restaurant and re-branded restaurant, a portion of the internal direct costs of its real estate and construction department are also capitalized.

Property and equipment are reviewed for impairment when events or circumstances indicate that the carrying amounts may not be recoverable. We recorded $3.5 million, $6.6 million, and $8.1 million of impairment expense related to Property and equipment in our Restaurant Group segment in the years ended December 31, 2020, 2019 and 2018, respectively, which is recorded within Other operating expenses, including asset impairments, on our Consolidated Statements of Operations for the years then ended.

Insurance Reserves

Our Restaurant Group companies are currently self-insured for a portion of its workers' compensation, general liability, and liquor liability losses (collectively, casualty losses) as well as certain other insurable risks. To mitigate the cost of the Restaurant Group's exposures for certain property and casualty losses, we make annual decisions to either retain the risks of loss up to a certain maximum per occurrence, aggregate loss limits negotiated with its insurance carriers, or fully insure those risks. Our Restaurant Group companies are also self-insured for healthcare claims for eligible participating employees subject to certain deductibles and limitations. We have accounted for such retained liabilities for casualty losses and healthcare claims, including reported and incurred but not reported claims, based on information provided by third-party actuaries. As of December 31, 2020, our Restaurant Group companies were committed under letters of credit totaling $14.7 million issued primarily in connection with casualty insurance programs.

Income Taxes

We recognize deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of our assets and liabilities and expected benefits of utilizing net operating loss and credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The impact of changes in tax rates and laws on deferred taxes, if any, is applied to the years during which temporary differences are expected to be settled and reflected in the financial statements in the period enacted.

We recognize the benefits of uncertain tax positions in the financial statements only after determining a more likely than not probability that the uncertain tax positions will withstand challenge, if any, from taxing authorities. When facts and circumstances change, we reassess these probabilities and record any changes in the financial statements as appropriate. Uncertain tax positions are accounted for by determining the minimum recognition threshold that a tax position is required to meet before being recognized in the financial statements. This determination requires the use of judgment in assessing the timing and amounts of deductible and taxable items. Tax positions that meet the more likely than not recognition threshold are recognized and measured as the largest amount of tax benefit that is more than 50% likely to be realized upon settlement with a taxing authority that has full knowledge of all relevant information. The Company recognizes interest and penalties accrued related to unrecognized tax benefits as components of income tax expense.

Revenue Recognition

Refer to Note U.

Advertising Costs

The Company expenses advertising and marketing costs as incurred, except for certain advertising production costs that are initially capitalized and subsequently expensed the first time the advertising takes place. During the years ended December 31, 2020, 2019, and 2018, the Company incurred $15.7 million, $30.0 million, and $34.7 million of advertising and marketing costs, respectively, related to advertising in our Restaurant Group and in our real estate operations. These costs are included in Other operating expenses on the Consolidated Statements of Operations.

Comprehensive Earnings

We report comprehensive earnings in accordance with GAAP on the Consolidated Statements of Comprehensive Earnings. Total comprehensive earnings are defined as all changes in shareholders' equity during a period, other than those resulting from investments by and distributions to shareholders. While total comprehensive earnings is the activity in a period and is largely driven by net earnings in that period, accumulated other comprehensive earnings or loss represents the cumulative balance of other comprehensive earnings, net of tax, as of the balance sheet date. Amounts reclassified to net earnings relate to realized losses and are included in Recognized gains and losses, net on the Consolidated Statements of Operations. Our policy is to release income tax effects from accumulated other comprehensive income at such time as the earnings or loss of the related activity are recognized in earnings (e.g., upon sale of an investment).

Changes in the balance of other comprehensive earnings by component are as follows:

	Unrealized gain (loss) on investments and other financial instruments, net (excluding investments in unconsolidated affiliates)	Unrealized (loss) gain relating to investments in unconsolidated affiliates	Total Accumulated Other Comprehensive (Loss) Earnings
		(In millions)	
Balance December 31, 2018	$ (0.6)	$ (66.6)	$ (67.2)
Other comprehensive earnings	0.1	7.1	7.2
Cumulative effect of adoption of accounting standards by unconsolidated affiliates	—	(5.0)	(5.0)
Reclassification adjustments	—	19.1	19.1
Balance December 31, 2019	$ (0.5)	$ (45.4)	$ (45.9)
Other comprehensive earnings	$ 10.7	$ (15.9)	$ (5.2)
Reclassification adjustments	—	46.2	46.2
Balance December 31, 2020	$ 10.2	$ (15.1)	$ (4.9)

Stock-Based Compensation Plans

Stock-based compensation expense includes restricted stock awards granted in Cannae common stock to certain members of management. We account for stock-based compensation plans using the fair value method. Under the fair value method of accounting, compensation cost is measured based on the fair value of the award at the grant date, using quoted market prices of the underlying stock, and recognized over the service period. See Note O.

Earnings Per Share

Basic earnings per share, as presented on the Consolidated Statement of Operations, is computed by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding during the period.

In periods when earnings are positive, diluted earnings per share is calculated by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding plus the impact of assumed conversions of potentially dilutive securities. For periods when we recognize a net loss, diluted earnings per share is equal to basic earnings per share as the impact of assumed conversions of potentially dilutive securities is considered to be antidilutive. We have granted certain shares of restricted stock, which have been treated as common share equivalents for purposes of calculating diluted earnings per share for periods in which positive earnings have been reported.

Instruments that provide the ability to purchase shares of our common stock that are antidilutive are excluded from the computation of diluted earnings per share. For the year ended December 31, 2020, 2019 and 2018, no antidilutive shares were outstanding.

Note B. Leases

We adopted Topic 842 on January 1, 2019 using a modified retrospective approach. Prior years continue to be reported under Accounting Standards Codification ("ASC") Topic 840. See Note S for further discussion of the effects of adoption of Topic 842 in the year ended December 31, 2019.

We are party to operating lease arrangements primarily for leased real estate for restaurants and office space. Right-of-use assets and lease liabilities related to operating leases under ASC 842 are recorded at commencement when we are party to a contract that conveys the right for the Company to control an asset for a specified period of time. We are not a party to any material contracts considered finance leases. Right-of-use assets and lease liabilities related to operating leases are recorded as Lease assets and Lease liabilities, respectively, on the Consolidated Balance Sheets as of December 31, 2020 and 2019.

Our material operating leases range in term from one year to nineteen years. As of December 31, 2020 and 2019, the weighted-average remaining lease term of our operating leases was approximately ten years. Leases with an initial term of twelve months or less are not recorded on the balance sheet and we recognize lease expense for these leases on a straight-line basis over the lease term.

Our operating lease agreements do not contain any material buyout options, residual value guarantees or restrictive covenants.

Most of our leases include one or more options to renew, with renewal terms that can extend the lease term by varying amounts. The exercise of lease renewal options is at our sole discretion. We include options to renew, not to exceed a total lease term of twenty years, in our measurement of right-of-use assets and lease liabilities when they are considered reasonably certain of exercise. We consider a lease probable for renewal when the duration of the lease extensions are in the foreseeable future and related to assets for which continued use is reasonably assured.

Excluding certain immaterial classes of leases in our Restaurant Group, we do not separate lease components from non-lease components for any of our right of use assets.

Our operating lease liabilities are determined by discounting future lease payments using a discount rate that represents our best estimate of the incremental borrowing rate our subsidiaries would have to pay to borrow money to finance the asset over the underlying lease term and for an amount equal to the lease payments. Our discount rate is based on interest rates associated with comparable public company secured debt for companies similar to our operating subsidiaries and of similar duration to the underlying lease. As of December 31, 2020 and 2019, the weighted-average discount rate used to determine our operating lease liabilities was 7.08% and 7.67%, respectively.

Our lease costs are directly attributable to restaurant operations, primarily for real estate and to a lesser extent certain restaurant equipment. $43.2 million and $58.5 million of operating lease costs are included in Cost of restaurant revenue on the Consolidated Statement of Operations for the years ended December 31, 2020 and 2019, respectively.

During the years ended December 31, 2020 and 2019, we recorded impairment expense of $1.5 million and $21.1 million, respectively, related to lease assets in our Restaurant Group, which is recorded within Other operating expenses on our Consolidated Statement of Operations.

We do not have any material short term lease costs, variable lease costs, or sublease income.

Future payments under operating lease arrangements accounted for under ASC Topic 842 as of December 31, 2020 are as follows (in millions):

2021	$	40.7
2022		39.2
2023		35.4
2024		26.5
2025		23.0
Thereafter		151.0
Total lease payments, undiscounted	$	315.8
Less: discount		94.0
Total operating lease liability as of December 31, 2020, at present value	$	221.8
Less: operating lease liability as of December 31, 2020, current		26.2
Operating lease liability as of December 31, 2020, long term	$	195.6

Rent expense incurred under operating leases during the year ended December 31, 2018 recorded pursuant to ASC Topic 840 was $60.8 million. No abandoned lease charges were recorded in the year ended December 31, 2018.

Note C. Fair Value Measurements

The fair value hierarchy established by the accounting standards on fair value measurements includes three levels, which are based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities that are recorded in the Consolidated Balance Sheets are categorized based on the inputs to the valuation techniques as follows:

Level 1. Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that we have the ability to access.

Level 2. Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3. Financial assets and liabilities whose values are based on model inputs that are unobservable.

Recurring Fair Value Measurements

The following table presents our fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2020 and 2019, respectively:

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Fixed-maturity securities available for sale:				
Corporate debt securities	$ —	$ —	$ 35.2	$ 35.2
Equity securities:				
Ceridian	1,491.8	—	—	1,491.8
Forward Purchase Agreements	—	—	136.1	136.1
Paysafe Subscription Agreement	—	—	169.6	169.6
Other	1.6	—	—	1.6
Total assets	$ 1,493.4	$ —	$ 340.9	$ 1,834.3

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Fixed-maturity securities available for sale:				
Corporate debt securities	$ —	$ —	$ 19.2	$ 19.2
Total	$ —	$ —	$ 19.2	$ 19.2

Our Level 3 fair value measurement for our fixed maturity securities available for sale are provided by a single third-party pricing service. Depending on security specific characteristics, either an income or a contingent claims approach was utilized in determining fair value of our Level 3 fixed-maturity securities available for sale. Discount rates are the primary unobservable inputs utilized for the securities valued using an income approach. The discount rates used are based on company-specific risk premiums, public company comparable securities, and leveraged loan indices. The discount rates used in our determination of the fair value of our Level 3 fixed-maturity securities available for sale varies by security type and ranged from 7.3% to 17.5% and had a weighted average of 12.1% as of December 31, 2020. Based on the total fair value of our Level 3 fixed-maturity securities available for sale as of December 31, 2020, changes in the discount rate utilized will not result in a fair value significantly different than the amount recorded.

The Forward Purchase Agreements and the Paysafe Subscription Agreement are accounted for at fair value pursuant to ASC Topic 321. We utilized a Monte Carlo Simulation in determining the fair value of these agreements, which is considered to be a Level 3 fair value measurement. The Monte Carlo Simulation model simulates the current security price to a simulated date for the consummation of the underlying initial business combination based on probabilities of consummation. The values of the agreements are then calculated as the difference between the future simulated price and the fixed purchase prices for the underlying securities to be purchased pursuant to the Forward Purchase Agreements and the Paysafe Subscription Agreement. The primary unobservable input utilized in determining the fair value of the Forward Purchase Agreements and Paysafe Subscription Agreement is the probability of consummation of the FTAC Initial Business Combination, Trebia Initial Business Combination and FTAC II Initial Business Combination. The probabilities assigned to the consummation of each of the FTAC Initial Business Combination and the Trebia Initial Business Combination was 90% and the probability assigned to the consummation of the FTAC II Initial Business Combination was 95%. Determination of such probabilities is based on a hybrid approach of both observed success rates of business combinations for special purpose acquisition companies and the sponsors of FTAC, FTAC II and Trebia's track record for consummating similar transactions. The FTAC II Paysafe Merger was also considered in our determination of the probability of the FTAC II Initial Business Combination.

The following table presents a summary of the changes in the fair values of Level 3 assets, measured on a recurring basis.

	Corporate debt securities	Forward Purchase Agreements	Paysafe Subscription Agreement	Total
Fair value, December 31, 2018	$ 17.8	$ —	$ —	$ 17.8
Paid-in-kind dividends (1)	0.2	—	—	0.2
Impairment (2)	(0.4)	—	—	(0.4)
Net valuation gain included in other comprehensive earnings (3)	1.6	—	—	1.6
Fair value, December 31, 2019	$ 19.2	$ —	$ —	$ 19.2
Paid-in-kind dividends (1)	1.3	—	—	1.3
Net valuation gain included in earnings (2)	—	136.1	169.6	305.7
Net valuation gain included in other comprehensive earnings (3)	14.7	—	—	14.7
Fair value, December 31, 2020	$ 35.2	$ 136.1	$ 169.6	$ 340.9

(1) Included in Interest, investment and other income on the Consolidated Statements of Operations

(2) Included in Recognized gains and losses, net on the Consolidated Statements of Operations

(3) Included in Unrealized gain (loss) on investments and other financial instruments, net (excluding investments in unconsolidated affiliates) on the Consolidated Statements of Comprehensive Earnings

Transfers into or out of the Level 3 fair value category occur when unobservable inputs become more or less significant to the fair value measurement or upon a change in valuation technique. The Company’s policy is to recognize transfers between levels in the fair value hierarchy at the end of the reporting period in which they occur.

All of the unrealized gain on investments and other financial instruments, net (excluding investments in unconsolidated affiliates) on our Consolidated Statements of Comprehensive Income for the years ended December 31, 2020, 2019 and 2018 relate to fixed maturity securities considered Level 3 fair value measures.

Additional information regarding the fair value of our investment portfolio is included in Note D.

The carrying amounts of trade receivables and notes receivable approximate fair value due to their short-term nature. The fair value of our notes payable is included in Note K.

Note D. Investments

Equity Securities

Gains on equity securities included in Recognized gains and losses, net on the Consolidated Statements of Operations consisted of the following for the year ended December 31, 2020 (in millions):

Net gains recognized during the period on equity securities	$	1,991.0
Less: net gains recognized during the period on equity securities sold or transferred during the period		(410.2)
Unrealized gains recognized during the reporting period on equity securities still held at December 31, 2020	$	1,580.8

We recorded no gains or losses on equity securities for the years ended December 31, 2019 or 2018.

Investments in Unconsolidated Affiliates

Investments in unconsolidated affiliates recorded using the equity method of accounting as of December 31, 2020 and 2019 consisted of the following (in millions):

	Ownership at December 31, 2020	2020	2019
Dun & Bradstreet	18.1 %	$ 653.2	$ 385.9
Ceridian (1)	9.5 %	—	309.5
Optimal Blue	20.0 %	279.8	—
AmeriLife	20.0 %	121.1	—
Other	various	398.9	141.1
Total		$ 1,453.0	$ 836.5

(1) The investment in Ceridian was no longer accounted for under the equity method of accounting beginning March 31, 2020.

Equity in earnings (losses) of unconsolidated affiliates for the periods indicated consisted of the following (in millions):

	Year Ended December 31,		
	2020	2019	2018
Dun & Bradstreet	$ (46.8)	$ (132.8)	$ —
Ceridian (1)	1.5	16.4	(20.5)
Optimal Blue	(9.4)	—	—
AmeriLife	(4.0)	—	—
Other	117.8	1.3	4.4
Total	$ 59.1	$ (115.1)	$ (16.1)

(1) The amount for the year ended December 31, 2020 represents the Company's equity in earnings of Ceridian in the three months ended March 31, 2020 prior to the change in accounting for the investment beginning March 31, 2020. See Note A.

Dun & Bradstreet

Based on quoted market prices, the aggregate fair market value of our ownership of Dun & Bradstreet common stock was approximately $1.9 billion as of December 31, 2020.

As of December 31, 2020, we hold less than 20% of the outstanding common equity of Dun & Bradstreet but continue to account for our investment under the equity method because we continue to exert significant influence through our 18.1% ownership, because certain of our senior management and directors serve on Dun & Bradstreet's board of directors, and because we are party to an agreement with other of its equity sponsors, which collectively own greater than 50% of the outstanding voting equity of Dun & Bradstreet, pursuant to which we have agreed to collectively vote together on all matters related to the election of directors to the Dun & Bradstreet board of directors for a period of three years.

Summarized financial information for Dun & Bradstreet and Star Parent, L.P. ("Star Parent"), the former parent of D&B through which the Company was invested prior to the D&B IPO, for the relevant dates and time periods included in

Investments in unconsolidated affiliates and Equity in earnings (losses) of unconsolidated affiliates in our Consolidated Balance Sheets and Statements of Operations, respectively, is presented below.

We acquired our initial interest in Star Parent on February 8, 2019. The results of operations for the year ended December 31, 2019 presented below represent Star Parent's results of operations subsequent to our acquisition.

	December 31, 2020	December 31, 2019
	(In millions)	
Total current assets	$ 874.0	$ 417.9
Goodwill and other intangible assets, net	7,668.2	8,091.5
Other noncurrent assets	677.2	603.4
Total assets	$ 9,219.4	$ 9,112.8
Current liabilities	$ 825.3	$ 1,090.4
Long-term debt	3,255.8	3,818.9
Other non-current liabilities	1,560.6	1,594.0
Total liabilities	5,641.7	6,503.3
Preferred equity	—	1,030.6
Total equity	3,577.7	1,578.9
Total liabilities and equity	$ 9,219.4	$ 9,112.8

	Year ended December 31, 2020	Year ended December 31, 2019
	(In millions)	
Total revenues	$ 1,738.1	$ 1,413.9
Loss before income taxes	(219.3)	(540.0)
Net loss	(106.5)	(425.8)
Dividends attributable to preferred equity and noncontrolling interest expense	(69.1)	(120.5)
Net loss attributable to Dun & Bradstreet and Star Parent	(175.6)	(546.3)

Optimal Blue

On September 15, 2020, we closed on our $289.0 million investment in Optimal Blue. Summarized financial information for Optimal Blue for the relevant dates and time periods included in Investments in unconsolidated affiliates and Equity in earnings (losses) of unconsolidated affiliates in our Consolidated Balance Sheets and Statements of Operations, respectively, is presented below. The results of operations for the year ended December 31, 2020 presented below represent Optimal Blue's results of operations for the period from September 15, 2020 through December 31, 2020.

	December 31, 2020
	(In millions)
Total current assets	$ 38.0
Goodwill and other intangible assets, net	1,831.3
Other assets	100.1
Total assets	$ 1,969.4
Current liabilities	$ 28.9
Long-term debt	493.0
Other non-current liabilities	105.0
Total liabilities	626.9
Redeemable member's interest	578.0
Additional paid-in capital	813.0
Retained deficit	(48.5)
Total redeemable member's interest and equity	1,342.5
Total liabilities, redeemable member's interest and equity	$ 1,969.4

	Year ended December 31, 2020
	(In millions)
Total revenues	$ 45.4
Operating loss	(38.1)
Net loss	(45.9)

AmeriLife

On March 18, 2020, we closed on our $125.0 million investment in the AmeriLife Joint Venture. Summarized financial information for the AmeriLife Joint Venture for the relevant dates and time periods included in Investments in unconsolidated affiliates and Equity in earnings (losses) of unconsolidated affiliates in our Consolidated Balance Sheets and Statements of Operations, respectively, is presented below. We account for our investment in AmeriLife as an equity method investment and report our equity in earnings or loss of the AmeriLife Joint Venture on a three-month lag. Accordingly, our net earnings for the year ended December 31, 2020 includes our equity in AmeriLife's losses for the period from March 18, 2020 through September 30, 2020.

	December 31, 2020
	(In millions)
Total current assets	$ 108.5
Goodwill and other intangible assets, net	1,370.4
Other assets	16.4
Total assets	$ 1,495.3
Current liabilities	$ 53.1
Long-term debt	645.2
Other non-current liabilities	14.7
Total liabilities	713.0
Member's equity	607.4
Noncontrolling interest - nonredeemable	174.9
Total member's equity	782.3
Total liabilities and member's equity	$ 1,495.3

	December 31, 2020
	(In millions)
Total revenues	$ 171.3
Operating income	9.5
Net loss	(10.1)
Income attributable to noncontrolling interests	14.3
Net loss attributable to AmeriLife	(24.4)

Fixed Maturity Securities

The carrying amounts and fair values of our fixed maturity securities at December 31, 2020 and 2019 are as follows:

	December 31, 2020				
	Carrying Value	Cost Basis	Unrealized Gains	Unrealized Losses	Fair Value
	(In millions)				
Fixed maturity securities available for sale:					
Corporate debt securities	$ 35.2	$ 22.0	$ 13.2	$ —	$ 35.2
Total	$ 35.2	$ 22.0	$ 13.2	$ —	$ 35.2

	December 31, 2019				
	Carrying Value	Cost Basis	Unrealized Gains	Unrealized Losses	Fair Value
	(In millions)				
Fixed maturity securities available for sale:					
Corporate debt securities	$ 19.2	$ 19.6	$ 0.7	$ (1.1)	$ 19.2
Total	$ 19.2	$ 19.6	$ 0.7	$ (1.1)	$ 19.2

The cost basis of fixed maturity securities available for sale includes an adjustment for amortized premium or discount since the date of purchase.

As of December 31, 2020, $34.7 million of our fixed maturity securities are corporate debt securities with a maturity of less than one year, and $0.5 million are corporate debt securities with a maturity of greater than one year, but less than five years. Expected maturities may differ from contractual maturities because certain borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

Net unrealized losses on investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2019 were as follows (in millions):

December 31, 2019	Less than 12 Months	
	Fair Value	Unrealized Losses
Corporate debt securities	$ 10.8	$ (1.1)
Total temporarily impaired securities	$ 10.8	$ (1.1)

During the year ended December 31, 2020, we recorded no other-than-temporary impairment charges relating to corporate debt securities. During the years ended December 31, 2019 and 2018, we incurred $0.4 million and $12.5 million, respectively, of other-than-temporary impairment charges relating to corporate debt securities, which is included in Recognized gains and losses, net on the Consolidated Statements of Operations. The impairments recorded relate to a corporate debt holding that has experienced a prolonged period of declining earnings and that were uncertain of our ability to recover our initial investment. The entire loss represents credit loss recognized in earnings and no portion of the loss was included in other comprehensive earnings.

As of December 31, 2020, we held $16.4 million of corporate debt securities for which an other-than-temporary impairment had been previously recognized. It is possible that future events may lead us to recognize potential future impairment losses related to our investment portfolio and that unanticipated future events may lead us to dispose of certain investment holdings and recognize the effects of any market movements in our results of operations.

Equity Security Investments Without Readily Determinable Fair Values

We account for our investment in preferred equity of QOMPLX, Inc. ("QOMPLX"), an intelligent decision and analytics platform used by businesses for modeling and planning, at cost less impairment, if any, plus or minus changes resulting from observable price changes in orderly market transactions. As of December 31, 2020 and 2019, we have $30.0 million and $22.5 million, respectively, recorded for our investment in QOMPLX, which is included in Other long term investments and noncurrent assets on our Consolidated Balance Sheets. We have not recorded any upward or downward adjustments to our investment in QOMPLX.

Note E. Property and Equipment

Property and equipment consists of the following:

	December 31, 2020	December 31, 2019
	(In millions)	
Furniture, fixtures and equipment	$ 118.3	$ 166.0
Leasehold improvements	129.6	158.9
Land	36.7	40.6
Buildings	40.9	28.9
Other	5.1	6.1
	330.6	400.5
Accumulated depreciation and amortization	(184.8)	(237.9)
	$ 145.8	$ 162.6

Depreciation expense on property and equipment was $26.7 million, $35.8 million, and $38.0 million for the years ended December 31, 2020, 2019, and 2018, respectively.

Note F. Goodwill

Goodwill consists of the following:

	Restaurant Group	Corporate and Other	Total
		(in millions)	
Balance, December 31, 2018	$ 76.5	$ —	$ 76.5
Impairment	(10.4)	—	(10.4)
Balance, December 31, 2019	$ 66.1	$ —	$ 66.1
Impairment	(7.8)	—	(7.8)
Deconsolidation of Blue Ribbon	(4.9)	—	(4.9)
Balance, December 31, 2020	$ 53.4	$ —	$ 53.4

Note G. Variable Interest Entities

The Company, in the normal course of business, engages in certain activities that involve variable interest entities ("VIEs"), which are legal entities in which a group equity investors individually lack any of the characteristics of a controlling interest. The primary beneficiary of a VIE is generally the enterprise that has both the power to direct the activities most significant to the economic performance of the VIE and the obligation to absorb losses or receive benefits that could potentially be significant to the VIE. The Company evaluates its interest in certain entities to determine if these entities meet the definition of a VIE and whether the Company is the primary beneficiary and should consolidate the entity based on the variable interests it held both at inception and when there is a change in circumstances that requires a reconsideration. If the Company is determined to be the primary beneficiary of a VIE, it must account for the VIE as a consolidated subsidiary. If the Company is determined not to be the primary beneficiary of a VIE but holds a variable interest in the entity, such variable interests are accounted for under accounting standards as deemed appropriate. As of and for the years ended December 31, 2020, 2019 and 2018, we are not the primary beneficiary of any VIEs.

Unconsolidated VIEs

The table below summarizes select information related to variable interests held by the Company as of December 31, 2020 and 2019, of which we are not the primary beneficiary:

	2020		2019	
	Total Assets	Maximum Exposure	Total Assets	Maximum Exposure
	(in millions)			
Investments in unconsolidated affiliates	299.7	299.7	440.2	440.2
Forward Purchase Agreements and Paysafe Subscription Agreement	305.7	305.7	—	—

Investments in Unconsolidated Affiliates

We hold variable interests in certain unconsolidated affiliates, which are primarily comprised of our investments in the Senator JV; the sponsors of FTAC, Trebia, and FTAC II; and funds that hold minority ownership interests primarily in healthcare-related entities. We do not have the power to direct the activities that most significantly impact the economic performance of these unconsolidated affiliates; therefore, we are not the primary beneficiary.

As of December 31, 2019, total assets in the table above includes the Company's equity method investment in Star Parent. Upon consummation of the D&B IPO on July 6, 2020, our investment in Dun & Bradstreet changed from an investment in a limited partnership to an investment in the common stock of a corporation. The limited partners of Star Parent did not have the ability to unilaterally remove the general partner and as a result, our investment in Star Parent was considered a VIE. As a result of the change in form of our investment from a limited partnership to a corporation, Dun & Bradstreet is no longer considered a VIE subsequent to the D&B IPO.

The principal risk to which these investments and funds are exposed is the credit risk of the underlying investees. We do not provide any implicit or explicit liquidity guarantees or principal value guarantees to these VIEs. The assets are included in Investments in unconsolidated affiliates on the Consolidated Balance Sheets and accounted for under the equity method of accounting.

See Note D for further discussion of our accounting for investments in unconsolidated affiliates.

Forward Purchase Agreements and Paysafe Subscription Agreement

In addition to the Forward Purchase Agreements and Paysafe Subscription Agreement, the Company made investments in the sponsors of FTAC, Trebia and FTAC II, which are considered VIEs for which we are not the primary beneficiary and are included in Investments in unconsolidated affiliates. The assets represented by the Forward Purchase Agreements and Paysafe Subscription Agreement are accounted for as investments in equity securities pursuant to ASC 321 and are included in Equity securities on the Consolidated Balance Sheet as of December 31, 2020. See Notes C and D for further information on our accounting for equity securities.

Note H. Other Intangible Assets

Other intangible assets consist of the following:

	December 31,	
	2020	2019
	(In millions)	
Trademarks and tradenames	$ 37.8	$ 53.9
Software	13.5	17.1
Franchise rights	9.3	7.2
Customer relationships and contracts	5.2	5.2
	65.8	83.4
Accumulated amortization	(14.0)	(20.3)
	$ 51.8	$ 63.1

Amortization expense for amortizable intangible assets was $4.0 million, $4.9 million, and $8.3 million for the years ended December 31, 2020, 2019 and 2018, respectively. Estimated amortization expense for the next five years for assets owned at December 31, 2020, is $5.3 million in 2021, $5.0 million in 2022, $4.1 million in 2023, $3.7 million in 2024 and $3.7 million in 2025.

Note I. Acquisitions

On October 2, 2020, the Chapter 11 Plan became effective and Blue Ribbon emerged from bankruptcy as a set of reorganized companies. We exchanged $15.5 million of the outstanding balance under the DIP Loan prior to October 2, 2020 for 100% of the assets and uncompromised liabilities of Legendary Baking and VIBSQ. The acquisition was accounted for as a business combination pursuant to ASC Topic 805.

The consideration transferred was determined as follows (in millions):

Notes receivable from Blue Ribbon	$	34.0
Fair value of investment in Blue Ribbon immediately prior to Blue Ribbon Emergence		15.2
Total consideration transferred	$	49.2

All notes receivable by the Company from Blue Ribbon prior to the Blue Ribbon Emergence of $34.0 million, inclusive of the $15.5 million exchanged for the assets and uncompromised liabilities of Legendary Baking and VIBSQ, $12.0 million of the remaining balance outstanding under the DIP Loan and converted to an intercompany term loan with us, and $6.5 million provided to Blue Ribbon as exit financing and included in the closing term loan with us upon the Blue Ribbon Emergence, is part of the consideration transferred because subsequent to our acquisition of Legendary Baking and VIBSQ upon the Blue Ribbon Emergence the remaining balance outstanding eliminates in consolidation.

Our interest in Blue Ribbon during the Blue Ribbon Reorganization was accounted for as an equity method investment. In conjunction with our acquisition of Legendary Baking and VIBSQ out of bankruptcy, we revalued our interest in Blue Ribbon to fair value, which resulted in a gain of $9.5 million and is included in Recognized gains and losses, net on the Consolidated Statement of Operations for the year ended December 31, 2020. The fair value was determined by performing a combination of discounted cash flow and market approaches.

The assets acquired and liabilities assumed have been recorded based on our best estimates of their fair values as of the acquisition date. The fair value of assets acquired and liabilities assumed represents a preliminary allocation as our evaluation of facts and circumstances available is ongoing as of December 31, 2020.

The following table summarizes the preliminary fair value amounts recognized for the assets acquired and liabilities assumed as of the acquisition date (dollars in millions):

	Fair Value	
Cash	$	8.6
Other current assets		24.9
Property and equipment		23.2
Lease assets		14.7
Other intangible assets		22.5
Other noncurrent assets		2.6
Total assets acquired	$	96.5
Current liabilities	$	27.6
Lease liabilities		14.5
Other noncurrent liabilities		2.3
Total liabilities assumed	$	44.4
Net assets acquired	$	52.1

We recorded a bargain purchase gain of $2.9 million on our acquisition of Legendary Baking and VIBSQ, which is included in Recognized gains and losses, net on the Consolidated Statement of Operations for the year ended December 31, 2020. The gain is calculated as the difference between the consideration transferred and the net assets acquired. The transaction resulted in a gain because the fair value of the net assets acquired and liabilities assumed exceeded value of notes receivable from Blue Ribbon outstanding and the fair value of our equity investment in Blue Ribbon prior to the Blue Ribbon Emergence.

The gross carrying value and weighted average estimated useful lives of Property and equipment and Other intangible assets acquired consist of the following (dollars in millions):

	Gross Carrying Value	Weighted Average Estimated Useful Life (in years)
Property and equipment	$ 23.2	12
Other intangible assets:		
Tradenames	$ 8.0	15
Franchise agreements	7.7	10
Customer relationships	6.4	4
Software	0.4	5
Total Other intangible assets	$ 22.5	

Revenue and net losses of $36.6 million and $4.0 million, respectively, which represents the combined revenue and loss for Legendary Baking and VIBSQ subsequent to our acquisition on October 2, 2020, are included in our Consolidated Statement of Operations for the year ended December 31, 2020.

Note J. Accounts Payable and Other Accrued Liabilities

Accounts payable and other accrued liabilities, current consist of the following:

	December 31, 2020	December 31, 2019
	(In millions)	
Accrued payroll and employee benefits	$ 21.5	$ 25.3
Trade accounts payable	25.7	19.6
Accrued casualty self insurance expenses	11.5	13.3
Tax liabilities, excluding income taxes payable	9.9	11.9
Other accrued liabilities	24.6	16.3
	$ 93.2	$ 86.4

Accounts payable and other accrued liabilities, long term consist of the following:

	December 31, 2020	December 31, 2019
	(In millions)	
Restaurant Group financing obligations	$ 29.4	$ 27.5
Other accrued liabilities	23.7	16.4
	$ 53.1	$ 43.9

Note K. Notes Payable

Notes payable consists of the following:

	December 31,	
	2020	2019
	(In millions)	
99 Term Loan	$ 16.8	$ 30.9
99 Revolver	5.0	3.0
2020 Margin Facility	—	—
2018 Margin Facility	—	75.0
FNF Revolver	—	—
Brasada Interstate Loans	13.1	13.4
Other	28.6	4.8
Notes payable, total	$ 63.5	$ 127.1
Less: Notes payable, current	11.3	7.0
Notes payable, long term	$ 52.2	$ 120.1

At December 31, 2020, the carrying value of our outstanding notes payable approximated fair value. The respective carrying values of the loans under the 99 Restaurants Credit Facility and the B Note, Development Loan and Line of Credit Loan pursuant to the Interstate Credit Agreement, each as defined below, approximate fair value as they are variable rate instruments with monthly reset periods that reflect current market rates. The revolving credit facilities are considered Level 2 financial liabilities. The fixed-rate A Note, as defined below, pursuant to the Interstate Credit Agreement approximates fair value as of December 31, 2020.

2020 Margin Facility

On November 30, 2020, Cannae Funding C, LLC (“Borrower 1”), an indirect wholly-owned special purpose subsidiary of the “Company, and Cannae Funding D, LLC (“Borrower 2” and, together with Borrower 1, the “Borrowers”), an indirect wholly-owned special purpose subsidiary of the Company, entered into a Margin Loan Agreement (the “2020 Margin Facility”) with the lenders from time to time party thereto and Royal Bank of Canada. The Company concurrently entered into a Guaranty (the “Guaranty Agreement”) for the benefit of each of the lenders to the 2020 Margin Facility pro rata to their loan commitments, pursuant to which the Company absolutely, unconditionally and irrevocably guaranteed all of the Borrowers’ obligations under the 2020 Margin Facility for a period of up to one year after the later of (i) the conditions precedent to the obligations of the lenders under the Loan Agreement being met (the date when such conditions have been met, the “Closing Date”) or (ii) as relevant, additional collateral or additional loan commitments being provided. Under the 2020 Margin Facility, the Borrowers may initially borrow up to $100.0 million in revolving loans and, subject to certain terms and conditions, may enter into an amendment to the 2020 Margin Facility to borrow up to $500.0 million in revolving loans (including the initial revolving loans) from the same initial lender and/or additional lenders on substantially identical terms and conditions as the initial revolving loans. The 2020 Margin Facility matures on the 36-month anniversary of the Closing Date. All outstanding amounts under the 2020 Margin Facility bear interest quarterly at a rate per annum equal to a three-month LIBOR rate plus an applicable margin. Interest will be payable in kind unless the Borrowers elect to pay interest in cash or a cumulative cap is exceeded. The Borrowers’ obligations under the 2020 Margin Facility will be secured by a first priority lien on (i) 6,000,000 shares of common stock, par value $0.01 per share (the “Ceridian Common Stock”), of Ceridian, which the Company contributed to Borrower 1, and (ii) 19,000,000 shares of common stock, par value $0.0001 per share (the “DNB Common Stock”), of D&B, which the Company contributed to Borrower 2. The Borrowers may also, at their discretion, post up to an additional 4,000,000 shares of Ceridian Common Stock and/or 11,000,000 shares of DNB Common Stock as collateral for the revolving loans from time to time after the Closing Date, subject to certain notice, guaranty, average daily trading volume and other requirements. The 2020 Margin Facility requires the Borrowers to maintain a certain loan-to-value ratio (based on the value of Ceridian Common Stock and DNB Common Stock). In the event the Borrowers fail to maintain such loan-to-value ratio, the Borrowers must post additional cash collateral under the Loan Agreement and/or elect to repay a portion of the revolving loans thereunder, or sell the Ceridian Common Stock and/or DNB Common Stock and use the proceeds from such sale to prepay a portion of the revolving loans thereunder.

As of December 31, 2020, there was $100.0 million of capacity under the 2020 Margin Facility with an option to increase the capacity to $500.0 million upon amendment.

99 Restaurants Credit Facility

On December 21, 2018, 99 Restaurants LLC, a direct, wholly-owned subsidiary of 99 Restaurants entered into a credit agreement (the "99 Restaurants Credit Facility"), as amended from time to time, with Fifth Third Bank and other lenders thereto. The 99 Restaurants Credit Facility provides for (i) a maximum revolving loan of $15.0 million (the “99 Revolver”) with a maturity date of December 21, 2023; (ii) a maximum term loan of $37.0 million (the "99 Term Loan") with monthly installment repayments through November 30, 2023 and a maturity date of December 21, 2023 for the outstanding unpaid principal balance; and (iii) a maximum Development Line of Credit loan (the “DLOC Loan”) of up to $10.0 million. Interest on the 99 Credit Facility is based on, at our option, an applicable margin of (x) two and one half percent (2.50%) per annum with respect to Base Rate Loans, as provided therein, and (y) three and one half percent (3.50%) per annum with respect to LIBOR Loans, as provided therein. The 99 Restaurants Credit Facility also allows for 99 Restaurants LLC to request up to $5.0 million of letters of credit commitments and $2.5 million in swingline debt from Fifth Third Bank as the administrative agent. The obligations of the 99 Restaurants LLC under the 99 Restaurants Credit Facility are guaranteed by 99 Restaurants. The 99 Restaurants Credit Facility is subject to affirmative, negative and financial covenants customary for financings of this type, including, among other things, limits on the Borrower’s creation of liens, sales of assets, incurrence of indebtedness, restricted payments and transactions with affiliates. The 99 Restaurants Credit Facility includes customary events of default for facilities of this type (with customary grace periods, as applicable). The 99 Restaurants Credit Facility provides that, upon the occurrence of an event of default, Fifth Third Bank, as administrative agent, may (i) declare the principal of, and any and all accrued and unpaid interest and all other amounts owed in respect of, the loans immediately due and payable, (ii) terminate loan commitments and (iii) exercise all other rights and remedies available to Fifth Third Bank or the lenders under the loan documents. On December 1, 2020, 99 Restaurants LLC entered into a waiver, consent and amendment to the 99 Restaurants Credit Facility pursuant to which a payment was made, and the borrowing capacity under the 99 Revolver was permanently reduced by, $7.5 million, the borrowing capacity under the 99 Revolver will be reduced by another $2.0 million in 2021, the applicable margin was increased by 1.00% with respect to both Base Rate Loans and LIBOR Loans, the lender's commitment to provide the DLOC Loan was terminated, and certain of the financial covenants were added or waived until the second quarter of 2021, among other changes.

As of December 31, 2020, interest on the 99 Term Loan and 99 Revolver is payable monthly at a rate of 4.75% and 6.75%, respectively, and there is $0.5 million of available borrowing capacity under the 99 Revolver.

2018 Margin Facility

On November 7, 2018, Cannae Funding, LLC, a wholly-owned special purpose subsidiary of the Company, entered into a Margin Loan Agreement (the "Original Loan Agreement"), and certain other related agreements, with Credit Suisse AG (in such capacity, "Administrative Agent") and other lenders thereto. On December 18, 2019, Cannae Funding, LLC entered into an Amended and Restated Margin Loan Agreement (the “Amended Loan Agreement”) with the lenders thereto, the Administrative Agent, and others that amended the Original Loan Agreement. Pursuant to the Amended Loan Agreement, we may borrow up to $300.0 million (the "2018 Margin Facility") in term loans at an interest rate of the three-month LIBOR plus an applicable margin. As of December 31, 2019, $75.0 million was outstanding under the 2018 Margin Facility, which accrued interest at a rate of 4.7%. On February 18, 2020, we repaid the remaining $75.0 million outstanding under the Margin Facility and terminated the Amended Loan Agreement. Accordingly, we have no borrowing capacity and all of the Company's holdings of Ceridian common stock have been released from the first priority lien under the 2018 Margin Facility.

Brasada Interstate Loans

On January 29, 2016, FNF NV Brasada, LLC, an Oregon limited liability company and majority-owned subsidiary of Cannae ("NV Brasada"), entered into a credit agreement with an aggregate borrowing capacity of $17.0 million (the "Interstate Credit Agreement") originally with Bank of the Cascades, as lender. The Interstate Credit Agreement provides for a $12.5 million acquisition loan (the "Acquisition Loan"). On June 13, 2018, the Interstate Credit Agreement was modified to add an additional line of credit of $3.6 million the ("C Note") and to assign the loan from the Bank of the Cascades to First Interstate Bank. Pursuant to the Acquisition Loan, NV Brasada executed a $6.25 million "A Note", which accrues interest at a rate of 4.51% per annum and matures on the tenth anniversary of the issuance thereof, and a $6.25 million "B Note", which accrues interest at the rate of LIBOR plus 225 basis points, adjusted monthly, and matures on the tenth anniversary of the issuance thereof. NV Brasada makes equal monthly payments of principal and interest under the Acquisition Loan. The Interstate Loans are secured by certain single-family residential lots that can be sold for construction, owned by NV Brasada, and certain other operating assets owned by NV Brasada. The Company does not provide any guaranty or stock pledge under the Interstate Credit Agreement.

As of December 31, 2020, the B Note and Line of Credit Loan incurred interest at 2.40% and the C Note had $2.1 million outstanding and incurred interest at 2.40%.

FNF Revolver

On November 17, 2017, FNF issued to Cannae a revolver note in aggregate principal amount of up to $100.0 million (the "FNF Revolver"). Pursuant to the FNF Revolver, FNF may make one or more loans to us in increments of $1.0 million, with up to $100.0 million outstanding at any time. The FNF Revolver accrues interest at LIBOR plus 450 basis points and matures on the five-year anniversary of the date of the FNF Revolver. The maturity date is automatically extended for additional five-year terms unless notice of non-renewal is otherwise provided by either FNF or Cannae, in their sole discretion. On February 7, 2019, we drew the $100.0 million available and used the proceeds to fund, in part, our initial investment in Dun & Bradstreet. On June 12, 2019 we repaid to FNF the $100.0 million outstanding under the FNF Revolver. On July 5, 2019, we again drew the $100.0 million available and used the proceeds for general corporate purposes. On September 11, 2019, we again repaid to FNF the $100.0 million outstanding amount under the FNF Revolver. As of December 31, 2020, there was no outstanding balance and $100.0 million of available borrowing capacity under the FNF Revolver.

Gross principal maturities of notes payable at December 31, 2020 are as follows (in millions):

2021	$ 12.5
2022	6.9
2023	33.3
2024	0.8
2025	0.8
Thereafter	11.0
	$ 65.3

Note L. Income Taxes

Income tax expense (benefit) on continuing operations consists of the following:

	Year Ended December 31,		
	2020	2019	2018
	(In millions)		
Current	$ 116.1	$ 64.7	$ 27.3
Deferred	365.1	(40.5)	(12.3)
	$ 481.2	$ 24.2	$ 15.0

A reconciliation of the federal statutory rate to our effective tax rate is as follows:

	Year Ended December 31,		
	2020	2019	2018
Federal statutory rate	21.0 %	21.0 %	21.0 %
State income taxes, net of federal benefit	(0.1)	(0.2)	3.6
Tax credits	(0.1)	(2.6)	(22.7)
Valuation allowance	0.1	0.5	—
Non-deductible expenses and other, net	—	0.1	0.2
Non-deductible executive compensation	0.5	1.8	67.5
Dividends received deduction	—	—	(34.0)
Noncontrolling interests	0.3	2.6	35.5
Basis difference in investments	—	(2.8)	—
Tax Reform	—	—	0.4
Other	(0.2)	(1.0)	3.8
Effective tax rate excluding equity investments	21.5 %	19.4 %	75.3 %
Equity investments	0.6	(9.2)	(8.9)
Effective tax rate	22.1 %	10.2 %	66.4 %

The Company’s effective tax rate at December 31, 2020, 2019, and 2018 is 22.1%, 10.2% and 66.4%, respectively. The increase in the effective tax rate from 2020 to 2019 is primarily attributable to the decreased impact of earnings from unconsolidated affiliates on pretax income. The decrease in the effective tax rate from 2019 to 2018 primarily relates to the decreased impact of non-deductible executive compensation on pretax income. Additionally, the impact of the non-controlling interests, permanent items, and tax credits on pretax income was greater in 2018 than the impact of those same items on pretax earnings and losses in 2019.

The significant components of deferred tax assets and liabilities at December 31, 2020 and 2019 consist of the following:

	December 31,	
	2020	2019
	(In millions)	
Deferred tax assets:		
Partnerships	$ —	$ 54.1
Net operating loss carryforwards	4.1	1.1
Other	1.4	0.4
Total gross deferred tax asset	5.5	55.6
Less: valuation allowance	(3.3)	(1.1)
Total deferred tax asset	$ 2.2	$ 54.5
Deferred tax liabilities:		
Partnerships	$ (327.5)	$ —
Total deferred tax liability	$ (327.5)	$ —
Net deferred tax (liability) asset	$ (325.3)	$ 54.5

The Company's net deferred tax (liability) asset was $(325.3) million and $54.5 million at December 31, 2020, and 2019, respectively. The Company’s deferred taxes are primarily reflected as the book to tax difference in the Company's investment in Cannae LLC. The Company, through its direct and indirect interests, holds a 100% ownership percentage of Cannae LLC.

The increase in our net deferred tax liability (decrease in deferred tax asset) as of December 31, 2020 from 2019 is primarily related to the recognized book gains on the change in fair value of the Company's investment in Ceridian, the Forward Purchase Agreements and the Paysafe Subscription Agreement.

The Company’s gross state NOL carryforwards were $68.5 million and $19.7 million at December 31, 2020 and 2019, respectively. The NOLs expire in various tax years through 2041.

ASC 740 requires that companies assess whether a valuation allowance should be established against their deferred tax assets based on the consideration of all of the available evidence using a “more likely than not” standard. A valuation allowance is established for deferred tax assets if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets may not be realized. Management evaluated the Company’s deferred tax assets for recoverability using a consistent approach that considers the relative impact of negative and positive evidence, in particular, the Company’s historical profitability and any projections of future taxable income or potential future tax planning strategies. As of December 31, 2020 and 2019, the Company recorded a valuation allowance of $3.3 million and $1.1 million, respectively, related to state NOLs, as it is more likely than not that the tax benefit of certain state NOLs will not be realized before the NOLs expire.

Unrecognized tax benefits are recorded for differences between tax positions the Company takes, or expects to take, on its income tax return compared to the benefit recognized for financial statement purposes. The Company does not have any unrecognized tax benefits as of December 31, 2020, 2019 or 2018.

The Company's federal and state income tax returns for the tax years ended December 31, 2020, 2019, 2018 and 2017 remain subject to examination.

Note M. Commitments and Contingencies

Legal Contingencies

In the ordinary course of business, we are involved in various pending and threatened litigation and regulatory matters related to our operations, some of which include claims for punitive or exemplary damages. Our ordinary course litigation includes purported class action lawsuits, which make allegations related to various aspects of our business. From time to time, we also receive requests for information from various state and federal regulatory authorities, some of which take the form of civil investigative demands or subpoenas. Some of these regulatory inquiries may result in the assessment of fines for violations of regulations or settlements with such authorities requiring a variety of remedies. We believe that no actions, other than those discussed below, if any, depart from customary litigation or regulatory inquiries incidental to our business.

Our Restaurant Group companies are a defendant from time to time in various legal proceedings arising in the ordinary course of business, including claims relating to injury or wrongful death under “dram shop” laws that allow a person to sue us based on any injury caused by an intoxicated person who was wrongfully served alcoholic beverages at one of the restaurants; individual and purported class or collective action claims alleging violation of federal and state employment, franchise and other laws; and claims from guests or employees alleging illness, injury or other food quality, health or operational concerns. Our Restaurant Group companies are also subject to compliance with extensive government laws and regulations related to employment practices and policies and the manufacture, preparation, and sale of food and alcohol. We may also become subject to lawsuits and other proceedings, as well as card network fines and penalties, arising out of the actual or alleged theft of our customers' credit or debit card information.

We review lawsuits and other legal and regulatory matters (collectively “legal proceedings”) on an ongoing basis when making accrual and disclosure decisions. When assessing reasonably possible and probable outcomes, management bases its decision on its assessment of the ultimate outcome assuming all appeals have been exhausted. For legal proceedings in which it has been determined that a loss is both probable and reasonably estimable, a liability based on known facts and that represents our best estimate is recorded. As of December 31, 2020 and 2019, our accrual for settlements of legal proceedings was not considered material. Actual losses may materially differ from the amounts recorded and the ultimate outcome of our pending legal proceedings is generally not yet determinable. While some of these matters could be material to our operating results or cash flows for any particular period in the event of an unfavorable outcome, at present, we do not believe that the ultimate resolution of currently pending legal proceedings, either individually or in the aggregate, will have a material adverse effect on our financial condition, results of operations or cash flows.

On September 23, 2020, a stockholder derivative lawsuit styled Oklahoma Firefighters Pension & Retirement System, derivatively on behalf of Cannae Holdings, Inc. v. William P. Foley, II, et al., was filed in the Court of Chancery of the State of Delaware against the Company, certain Board members and officers of the Company, and the Manager, alleging breach of fiduciary duties relating to the Company’s Management Services Agreement. The plaintiff further alleges the Board breached their fiduciary duties by approving bonuses in connection with the initial public offering of Ceridian and the approval of an Investment Success Incentive Plan in August 2018. Along with the Complaint, the plaintiff filed a motion for partial summary judgment as to the count seeking to void the Management Services Agreement. On January 27, 2021, the Company entered into an amendment to the Management Services Agreement and plaintiff withdrew its motion for partial summary judgment as moot. On February 1, 2020, the court ordered the plantiff's summary judgment motion withdrawn and dismissed the related count of the plantiff's complaint. On February 18, 2021, our Board formed a Special Litigation Committee (the "SLC") consisting of two of the Board’s Directors, and has authorized the SLC, among other things, to investigate and evaluate the claims and allegations asserted in the lawsuit. The Board has also given the SLC the sole authority and power to consider and determine whether or not prosecution of the claims asserted in the lawsuit is in the best interest of the Company and its shareholders, and what action the Company should take with respect to the lawsuit. The defendants will contest the remaining claims in the action vigorously.

Blue Ribbon Reorganization

On September 16, 2020, the Bankruptcy Court entered its order in the Blue Ribbon Reorganization confirming the Chapter 11 Plan. Blue Ribbon, which owned the Village Inn, Bakers Square, and Legendary Baking concepts, had initiated its voluntary Chapter 11 bankruptcy case before the Bankruptcy Court on January 27, 2020. The Blue Ribbon Reorganization did not involve or affect the operations of O'Charley's or 99 Restaurants, which are not part of Blue Ribbon.

On October 2, 2020, the Chapter 11 Plan became effective and Blue Ribbon emerged from bankruptcy as a set of reorganized companies. Pursuant to the Chapter 11 Plan, we received 100% of the equity in the reorganized companies in exchange for the satisfaction of a portion equal to $15.5 million of the DIP Loan. In addition, as approved under the Chapter 11 Plan and in connection with Blue Ribbon's emergence from bankruptcy, we provided the reorganized companies with an exit facility that, among other things, converted the balance of the DIP Loan to a term loan and made available to the reorganized companies an additional term loan in the amount of $6.5 million and two revolving lines of credit in the amount of $5.0 million and $2.5 million, respectively. Subsequent to October 2, 2020, all such loans between the reorganized companies and the Company eliminate upon accounting consolidation.

Unconditional Purchase Obligations

We have certain unconditional purchase obligations, primarily in our Restaurant Group segment. These purchase obligations are with various vendors and primarily related to food and beverage obligations with fixed commitments in regards to the time period of the contract and the quantities purchased with annual price adjustments that can fluctuate. We used both historical and projected volume and pricing as of December 31, 2020 to determine the amount of the obligations. Purchase obligations as of December 31, 2020 are as follows (in millions):

2021	$ 99.2
2022	13.3
2023	7.8
2024	7.1
2025	5.9
Thereafter	6.8
Total purchase commitments	$ 140.1

Note N. Discontinued Operations

T-System

On December 31, 2019, we completed the contribution of T-System to CorroHealth. As a result of such contribution, the results of operations of T-System have been reclassified to discontinued operations in our Consolidated Statements of Operations for the years ended December 31, 2019 and 2018. We retained a 22.7% equity interest in CorroHealth, the company to which we contributed our equity in T-System. We recognized a pre-tax loss of $6.4 million on the sale and $1.4 million in income tax benefit which are included in Net loss from discontinued operations on the Consolidated Statement of Operations for the year ended December 31, 2019.

A reconciliation of the operations of T-System included in the Consolidated Statement of Operations is shown below:

	Year Ended December 31,	
	2019	2018
	(in millions)	
Revenues:		
Other operating revenue	$ 50.4	$ 57.9
Total operating revenues	50.4	57.9
Operating expenses:		
Personnel costs	33.1	33.1
Depreciation and amortization	13.7	15.0
Other operating expenses	19.1	13.8
Goodwill impairment	35.1	—
Total operating expenses	101.0	61.9
Operating loss	(50.6)	(4.0)
Other expense:		
Recognized loss	(6.9)	—
Total other expense	(6.9)	—
Loss before income taxes	(57.5)	(4.0)
Income tax benefit	(5.7)	(1.9)
Net loss from discontinued operations	$ (51.8)	$ (2.1)
Cash flow from discontinued operations data:		
Net cash provided by operations	$ 2.7	$ 5.2
Net cash used in investing activities	$ (0.5)	$ (0.1)

Note O. Employee Benefit Plans

Omnibus Plan

In 2017, we established the 2017 Omnibus Incentive Plan (the “Omnibus Plan”) authorizing the issuance of up to 3.9 million shares of common stock, subject to the terms of the Omnibus Plan. The 2017 Omnibus Plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units and performance shares, performance units, other cash and stock-based awards and dividend equivalents. As of December 31, 2020, there were 149,628 shares of Cannae restricted stock outstanding (the "CNNE Awards") under the Omnibus Plan. Awards granted are approved by the Compensation Committee of the Board of Directors of the Company.

Restricted stock transactions under the Omnibus Plan in 2020, 2019 and 2018 are as follows:

	Shares	Weighted Average Grant Date Fair Value
Balance, December 31, 2017	287,059	$ 18.45
Granted	384,281	17.98
Vested	(95,685)	18.45
Balance, December 31, 2018	575,655	$ 18.13
Granted	18,642	34.45
Vested	(223,777)	18.18
Balance, December 31, 2019	370,520	$ 18.93
Granted	13,993	40.53
Vested	(234,885)	18.60
Balance, December 31, 2020	149,628	$ 21.46

Compensation cost relating to share-based payments is recognized in the Consolidated Statements of Operations based on the grant-date fair value of each award. Using the fair value method of accounting, compensation cost is measured based on the fair value of the award at the grant date and recognized over the service period of 3 years. Fair value of restricted stock awards and units is based on the grant date value of the underlying stock derived from quoted market prices. Net earnings attributable to Cannae reflects stock-based compensation expense for the CNNE Awards of $4.2 million, $4.1 million and $2.0 million for the years ended December 31, 2020, 2019 and 2018, respectively, which are included in personnel costs on the Consolidated Statements of Operations. The total fair value of restricted stock awards granted in the years ended December 31, 2020, 2019 and 2018 was $0.6 million, $0.6 million and $6.9 million, respectively.

On May 16, 2018, we issued 991,906 shares of our common stock (unrestricted) under the Omnibus Plan for the stock portion of bonuses paid in conjunction with Ceridian's initial public offering.

Note P. Concentration of Risk

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash equivalents.

We place cash equivalents with high credit quality financial institutions and, by policy, limit the amount of credit exposure with any one financial institution.

Our Restaurant Group companies obtain a majority of their restaurant food products and supplies from four distributors. Although we believe alternative vendors could be found in a timely manner, any disruption of these services could potentially have an adverse impact on operating results.

Note Q. Segment Information

As discussed in Notes A and D, as of March 31, 2020, we no longer account for our investment in Ceridian under the equity method of accounting for equity investments. As a result of our reduction in influence over Ceridian and change in our accounting for our investment, we no longer consider Ceridian a reportable segment.

On September 15, 2020, we completed our investment in Optimal Blue. Optimal Blue exceeds certain of the quantitative thresholds prescribed by ASC 280 Segment Reporting and our chief operating decision maker reviews the financial results of Optimal Blue for purposes of assessing performance and allocating resources. Accordingly, we consider Optimal Blue a reportable segment and have included the results of operation of Optimal Blue subsequent to the date of our investment in Optimal Blue in the tables below. See below for further discussion of Optimal Blue and our accounting for our related investment.

As of and for the year ended December 31, 2020:

	Restaurant Group	Dun & Bradstreet	Optimal Blue	Corporate and Other	Dun & Bradstreet & Optimal Blue Elimination	Total
			(in millions)			
Restaurant revenues	$ 559.7	$ —	$ —	$ —	$ —	**$ 559.7**
Other revenues	—	1,738.1	45.4	26.0	(1,783.5)	**26.0**
Revenues from external customers	559.7	1,738.1	45.4	26.0	(1,783.5)	**585.7**
Interest and investment income, including recognized gains and losses, net	7.5	0.8	—	2,371.9	(0.8)	**2,379.4**
Total revenues and other income	567.2	1,738.9	45.4	2,397.9	(1,784.3)	**2,965.1**
Depreciation and amortization	27.7	536.9	39.3	3.0	(576.2)	**30.7**
Interest expense	(8.6)	(271.1)	(9.3)	(0.4)	280.4	**(9.0)**
(Loss) earnings from continuing operations, before income taxes and equity in earnings (loss) of unconsolidated affiliates	(85.5)	(219.3)	(47.4)	2,267.4	266.7	**2,181.9**
Income tax (benefit) expense	(1.0)	(110.5)	(1.5)	482.2	112.0	**481.2**
(Loss) earnings from continuing operations, before equity in earnings (loss) of unconsolidated affiliates	(84.5)	(108.8)	(45.9)	1,785.2	154.7	**1,700.7**
Equity in (losses) earnings of unconsolidated affiliates	(9.2)	2.3	—	124.5	(58.5)	**59.1**
(Loss) earnings from continuing operations	$ (93.7)	$ (106.5)	$ (45.9)	$ 1,909.7	$ 96.2	**$ 1,759.8**
Assets	$ 520.9	$ 9,219.4	$ 1,969.4	$ 4,092.5	$ (11,188.8)	**$ 4,613.4**
Goodwill	53.4	2,856.2	1,236.8	—	(4,093.0)	**53.4**

As of and for the year ended December 31, 2019:

	Restaurant Group	Dun & Bradstreet	Corporate and Other	Dun & Bradstreet Elimination	Total
			(in millions)		
Restaurant revenues	$ 1,043.3	$ —	$ —	$ —	**$ 1,043.3**
Other revenues	—	1,413.9	26.7	(1,413.9)	**26.7**
Revenues from external customers	1,043.3	1,413.9	26.7	(1,413.9)	**1,070.0**
Interest and investment (loss) income, including recognized gains and losses, net	3.9	2.4	369.4	(2.4)	**373.3**
Total revenues and other income	1,047.2	1,416.3	396.1	(1,416.3)	**1,443.3**
Depreciation and amortization	38.5	482.4	2.2	(482.4)	**40.7**
Interest expense	(5.4)	(303.5)	(12.4)	303.5	**(17.8)**
(Loss) earnings from continuing operations, before income taxes and equity in earnings (loss) of unconsolidated affiliates	(80.9)	(540.0)	318.8	540.0	**237.9**
Income tax expense (benefit)	0.3	(110.0)	23.9	110.0	**24.2**
(Loss) earnings from continuing operations, before equity in earnings of unconsolidated affiliates	(81.2)	(430.0)	294.9	430.0	**213.7**
Equity in earnings of unconsolidated affiliates	—	4.2	1.3	(120.6)	**(115.1)**
(Loss) earnings from continuing operations	$ (81.2)	$ (425.8)	$ 296.2	$ 309.4	**$ 98.6**
Assets	$ 572.8	$ 9,112.8	$ 1,519.4	$ (9,112.8)	**$ 2,092.2**
Goodwill	66.1	2,840.1	—	(2,840.1)	**66.1**

As of and for the year ended December 31, 2018:

	Restaurant Group	Corporate and Other	Total
		(in millions)	
Restaurant revenues	$ 1,117.8	$ —	**$ 1,117.8**
Other revenues	—	29.7	**29.7**
Revenues from external customers	1,117.8	29.7	**1,147.5**
Interest and investment (loss) income, including recognized gains and losses, net	(2.1)	175.2	**173.1**
Total revenues and other income	1,115.7	204.9	**1,320.6**
Depreciation and amortization	44.9	1.4	**46.3**
Interest expense	(16.0)	11.3	**(4.7)**
(Loss) earnings from continuing operations, before income taxes and equity in losses of unconsolidated affiliates	(96.8)	119.4	**22.6**
Income tax expense	0.6	14.4	**15.0**
(Loss) earnings from continuing operations, before equity in losses of unconsolidated affiliates	(97.4)	105.0	**7.6**
Equity in earnings (losses) of unconsolidated affiliates	0.1	(16.2)	**(16.1)**
(Loss) earnings from continuing operations	$ (97.3)	$ 88.8	**$ (8.5)**
Assets	$ 432.3	$ 1,027.2	**$ 1,459.5**
Goodwill	76.5	—	**76.5**

The activities in our segments include the following:

- *Restaurant Group*. This segment consists of the operations of O'Charley's, 99 Restaurants, Legendary Baking, and VIBSQ in which we have 65.4%, 88.5%, 100% and 100% ownership interests, respectively. O'Charley's, 99 Restaurants, Legendary Baking, VIBSQ and their affiliates are the owners and operators of the O'Charley's restaurant concept, Ninety Nine Restaurants restaurant concept, Legendary Baking bakery and the Village Inn and Bakers Square restaurant concepts.
- *Dun & Bradstreet*. This segment consists of our approximate 18.1% ownership interest in Dun & Bradstreet. Dun & Bradstreet is a leading global provider of business decisioning data and analytics. Its mission is to deliver a global network of trust, enabling clients to transform uncertainty into confidence, risk into opportunity and potential into prosperity. Clients embed D&B's trusted, end-to-end solutions into their daily workflows to enhance salesforce productivity, gain visibility into key markets, inform commercial credit decisions and confirm that suppliers are financially viable and compliant with laws and regulations. Dun & Bradstreet's solutions support its clients' mission critical business operations by providing proprietary and curated data and analytics to help drive informed decisions and improved outcomes. Dun & Bradstreet's global commercial database as of December 31, 2020 contained more

than 420 million business records. Our chief operating decision maker reviews the full financial results of Dun & Bradstreet for purposes of assessing performance and allocating resources. Thus, we consider Dun & Bradstreet a reportable segment and have included the full results of Dun & Bradstreet subsequent to our initial investment in the tables above. We account for Dun & Bradstreet using the equity method of accounting, and therefore its results do not consolidate into ours. Accordingly, we have presented the elimination of Dun & Bradstreet's results in the *Dun & Bradstreet and Optimal Blue Elimination* section of the segment presentation above. Our net earnings for the year ended December 31, 2019, includes our equity in Star Parent's losses for the period from February 8, 2019, the date we made our initial investment in Star Parent, to December 31, 2019. See Note D for further discussion of our investment in Dun & Bradstreet and related accounting.

- *Optimal Blue*. This segment consists of our 20.0% ownership interest in Optimal Blue. Optimal Blue is a leading provider of secondary market solutions and actionable data services. They operate a software-as-a-service, subscription-based mortgage marketplace that supports a network of originators and investors in the residential mortgage market. The marketplace provides a broad set of critical functions utilized by banks, credit unions and mortgage brokerage companies throughout the mortgage processing life cycle. Optimal Blue exceeds certain of the quantitative thresholds prescribed by ASC 280 Segment Reporting and our chief operating decision maker reviews the financial results of Optimal Blue for purposes of assessing performance and allocating resources. Thus, we consider Optimal Blue a reportable segment and have included the results of operations of Optimal Blue in the tables above. We account for Optimal Blue using the equity method of accounting, and therefore its results do not consolidate into ours. Accordingly, we have presented the elimination of Optimal Blue's results in the *Dun & Bradstreet and Optimal Blue Elimination* section of the segment presentation above. Our net earnings for the year ended December 31, 2020, includes our equity in Optimal Blue's losses for the period from September 15, 2020, the date we made our initial investment in Optimal Blue, to December 31, 2020. See Note D for further discussion of our investment in Optimal Blue and related accounting.
- *Corporate and Other.* This aggregation of nonreportable segments consists of our share in the operations of certain controlled portfolio companies and other equity investments, activity of the corporate holding company and certain intercompany eliminations and taxes. Total assets for this segment as of December 31, 2018 also include the assets of T-System. See Note N *Discontinued Operations* for further details.

Note R. Related Party Transactions

FNF

The Company is allocated certain corporate overhead and management services expenses from FNF based on the terms of the CSA and our proportionate share of the expense determined on actual usage and our best estimate of management's allocation of time. Total operating expenses allocated from FNF to us was $1.3 million in each of the years ended December 31, 2020, 2019 and 2018.

On January 17, 2020, we completed the purchase of our corporate office headquarters in Las Vegas, Nevada from an affiliate of FNF for $9.3 million.

Trasimene

During the year ended December 31, 2020 we incurred $20.8 million of management fee expenses payable to our Manager, incurred $11.3 million of carried interest expense related to sales and distributions of Company investments, and earned $9.1 million of income related to transaction fees earned by the Manager and allocable to us pursuant to the Management Services Agreement. Such management fees and carried interest expense are recorded in Other operating expenses and transaction fee income is recorded in Interest, investment and other income on our Consolidated Statement of Operations for the year ended December 31, 2020.

Special Purpose Acquisition Company Investments and Commitments

See Note A for discussion of Cannae's investments, and commitments to invest in, FTAC, FTAC II and Trebia, which are sponsored by certain of our directors and affiliates of our Manager.

Note S. Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-02 *Leases (Topic 842)*. The amendments in this ASU introduce broad changes to the accounting and reporting for leases by lessees. The main provisions of the new standard include: clarifications to the definitions of a lease, components of leases, and criteria for determining lease classification; requiring virtually all leased assets, including operating leases and related liabilities, to be reflected on the lessee's balance sheet; and expanding and adding to the required disclosures for lessees. In July 2018, the FASB issued ASU 2018-11 *Leases (Topic 842): Targeted Improvements* that allows entities the option to adopt this standard by recording a cumulative-effect adjustment to opening equity, if necessary, and only include required disclosures for prior periods.

We adopted Topic 842 on January 1, 2019 using a modified retrospective approach prescribed by ASU 2018-11 and recorded an operating lease right-of-use asset (Lease assets) of $246.0 million and an operating lease liability for future discounted lease payment obligations (Lease liabilities) of $279.4 million at the date of adoption. The other material impacts of the adoption of Topic 842 also resulted in a decrease of $9.1 million and $42.3 million to our Other intangible assets, net and Accounts payable and accrued liabilities, respectively. We elected to apply the following package of practical expedients on a consistent basis permitting entities not to reassess: (i) whether any expired or existing contracts are or contain a lease; (ii) lease classification for any expired or existing leases and (iii) whether initial direct costs for any expired or existing leases qualify for capitalization under the amended guidance.

See Note B for further discussion of our leasing arrangements and related accounting.

In December 2019, the FASB issued Accounting Standards Update ("ASU") 2019-12 *Income Taxes - Simplifying the Accounting for Income Taxes (Topic 740)*, which simplifies various aspects of the income tax accounting guidance and will be applied using different approaches depending on what the specific amendment relates to and, for public entities, are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. Early adoption is permitted. We have completed our evaluation of the impact of this guidance on our Consolidated Financial Statements and related disclosures upon adoption and determined that, based on currently prevailing tax laws and rates, the adoption of this ASU is not expected to have a material impact on our Consolidated Financial Statements and related disclosures. Adoption of this ASU could result in a material change to our accounting for taxes in future interim periods if a change in tax laws or rates occurs in a future interim period as this ASU now requires accounting for such changes to occur in the period in which changes to tax laws or rates are enacted. We did not early adopt this standard.

Note T. Supplementary Cash Flow Information

The following supplemental cash flow information is provided with respect to interest and tax payments, as well as certain non-cash investing and financing activities.

	Year Ended December 31,		
	2020	2019	2018
	(In millions)		
Cash paid during the year:			
Interest	$ 5.5	$ 15.6	$ 3.3
Income taxes	107.6	48.6	0.2
Operating leases	41.3	62.6	—
Non-cash investing and financing activities:			
Acquisition of Ceridian HCM common shares through non-cash private placement investment - see Note A	$ —	$ —	$ (33.4)
Non-cash distribution of LifeWorks from Ceridian	—	—	32.5
Investment in CorroHealth received as partial consideration for T-System	—	60.2	—
Non-cash distribution of CoreLogic stock from Senator JV	112.5	—	—
Non-cash contribution of CoreLogic stock to Senator JV	176.3	—	—
Lease assets recognized in exchange for lease liabilities	65.0	8.5	—
Assets acquired in non-cash acquisition of Legendary Baking and VIBSQ	96.5	—	—
Liabilities assumed in non-cash acquisition of Legendary Baking and VIBSQ	44.4	—	—
Financing obligations assumed by O'Charley's in exchange for property	—	14.6	—
Property obtained by O'Charley's in exchange for stores	—	10.5	—

Note U. Revenue Recognition

On January 1, 2018, we adopted ASC Topic 606 by applying the modified retrospective method. Results for reporting periods beginning after January 1, 2018 are presented under ASC Topic 606, while prior period amounts are not adjusted and continue to be reported under the accounting standards in effect for the prior period. The adoption of ASC Topic 606 did not have a significant impact on the timing or amount of recognition of revenue for our primary sources of revenue. Differences between our historical revenue recognition and revenue that would have been recorded had we retrospectively restated prior periods to conform with ASC Topic 606 are not considered material. We recorded a cumulative effect adjustment to opening equity as of January 1, 2018 of $1.9 million as a result of adoption of ASC Topic 606.

Disaggregation of Revenue

Our revenue consists of the following:

		Year ended December 31,		
		2020	2019	2018
Revenue Stream	Segment	Total Revenue		
Restaurant revenue:		(in millions)		
Restaurant sales	Restaurant Group	$ 534.1	$ 958.4	$ 1,023.0
Bakery sales	Restaurant Group	23.4	78.9	88.8
Franchise and other	Restaurant Group	2.2	6.0	6.0
Total restaurant revenue		559.7	1,043.3	1,117.8
Other operating revenue:				
Real estate and resort	Corporate and other	24.7	25.9	23.2
Other	Corporate and other	1.3	0.8	6.5
Total other operating revenue		26.0	26.7	29.7
Total operating revenue		585.7	1,070.0	1,147.5

Restaurant revenue consists of restaurant sales, bakery operations, and, to a lesser extent, franchise revenue and other revenue. Restaurant sales include food and beverage sales and gift card breakage, are net of applicable state and local sales taxes and discounts, and are recognized at a point in time as services are performed and goods are provided.

Revenue from bakery operations is recognized at a point in time in the period during which the products are shipped and control transfers to the customer.

Franchise revenue and other revenue consist of development fees and royalties on sales by franchised units. Initial franchise fees are recognized as income upon commencement of the franchise operation and completion of all material services and conditions by the Company. Royalties are calculated as a percentage of the franchisee sales and recognized in the period in which the sales are generated. Revenue resulting from the sale of gift cards is recognized in the period in which the gift card is redeemed and is recorded as deferred revenue until recognized.

Other operating revenue consists of income generated by our resort operations, which includes sales of real estate, lodging rentals, food and beverage sales, and other income from various resort services offered. Revenue is recognized upon closing of the sale of real estate or once goods and services have been provided and billed to the customer.

Contract Balances

The following table provides information about receivables and deferred revenue:

	December 31, 2020	December 31, 2019
	(In millions)	
Trade receivables, net	$ 17.6	$ 16.0
Deferred revenue (contract liabilities)	23.9	26.4

Trade receivables, net are included in Other current assets on our Consolidated Balance Sheets.

Deferred revenue is recorded primarily for restaurant gift card sales. The unrecognized portion of such revenue is recorded as Deferred revenue in the Consolidated Balance Sheets. Revenue of $17.5 million was recognized in the year ended December 31, 2020 and was included in Deferred revenue at the beginning of the period.

There was no impairment related to contract balances.

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures

As of the end of the year covered by this Annual Report, we carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as such term is defined in Rule 13a-15(e) or 15d-15(e) under the Exchange Act. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Exchange Act is: (a) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms; and (b) accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f) or 15d-15(f). Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting using the criteria set forth under the framework in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our evaluation under this framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2020.

The effectiveness of our internal control over financial reporting as of December 31, 2020 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is included herein.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. ***Other Information***

None.

PART III

Items 10-14.

Within 120 days after the close of our fiscal year, we intend to file with the SEC the matters required by these items.

PART IV

Item 15. ***Exhibits, Financial Statement Schedules and Reports on Form 8-K***

(a) (1) *Financial Statements.* The following is a list of the Consolidated Financial Statements of Cannae Holdings, Inc. and its subsidiaries included in Item 8 of Part II:

All other schedules are omitted because they are not applicable or not required, or because the required information is included in the Consolidated Financial Statements or notes thereto.

(a) (2) The following exhibits are incorporated by reference or are set forth on pages to this Form 10-K:

Exhibit Number	Description
2.1	Reorganization Agreement, dated as of November 17, 2017, between Cannae Holdings, Inc. and Fidelity National Financial, Inc. (filed as Exhibit 2.1 to the Company’s Current Report on Form 8-K, filed November 20, 2017)
3.1	Restated Certificate of Incorporation of Cannae Holdings, Inc. (filed as Exhibit 3.1 to the Company’s Current Report on Form 8-K, filed November 20, 2017)
3.2	Restated Bylaws of Cannae Holdings, Inc. (filed as Exhibit 3.2 to the Company’s Current Report on Form 8-K, filed November 20, 2017)
4.1	Specimen Certificate for shares of Common Stock (incorporated by reference to Exhibit 4.1 to Amendment No. 2 to the Company's Registration Statement on Form S-1 on Form S-4 (File No. 333-217-886), filed July 24, 2017)
4.2	Description of Common Stock (filed as Exhibit 4.2 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2019, filed March 2, 2020)
10.1	Revolver Note, dated as of November 17, 2017, by and between Cannae Holdings, Inc. and Fidelity National Financial, Inc. (filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K, filed November 20, 2017)
10.2	Tax Matters Agreement, dated as of November 17, 2017, by and between Cannae Holdings, Inc. and Fidelity National Financial, Inc. (filed as Exhibit 10.2 to the Company’s Current Report on Form 8-K, filed November 20, 2017)
10.3	Corporate Services Agreement, dated as of November 17, 2017, by and between Cannae Holdings, Inc. and Fidelity National Financial, Inc. (filed as Exhibit 10.3 to the Company’s Current Report on Form 8-K, filed November 20, 2017)
10.4	Voting Agreement, dated as of November 17, 2017, by and between Cannae Holdings, Inc. and Fidelity National Financial, Inc. (filed as Exhibit 10.4 to the Company’s Current Report on Form 8-K, filed November 20, 2017)
10.5	Registration Rights Agreement, dated as of November 17, 2017, by and between Cannae Holdings, Inc. and Chicago Title Insurance Company. (filed as Exhibit 10.5 to the Company’s Current Report on Form 8-K, filed November 20, 2017)
10.6	Registration Rights Agreement, dated as of November 17, 2017, by and between Cannae Holdings, Inc. and Fidelity National Title Insurance Company (filed as Exhibit 10.6 to the Company’s Current Report on Form 8-K, filed November 20, 2017)
10.7	Registration Rights Agreement, dated as of November 17, 2017, by and between Cannae Holdings, Inc. and Commonwealth Land Title Insurance Company (filed as Exhibit 10.7 to the Company’s Current Report on Form 8-K, filed November 20, 2017)
10.8	Master Assignment and Assumption, dated as of March 13, 2018, by and between Cannae Holdings, LLC as the assignee, Wells Fargo Bank, N.A. as assignor, and other assignors party thereto (incorporated by reference to Exhibit 10.9 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017, filed March 26, 2018)
10.9	Agency Succession Agreement, dated as of March 13, 2018, by and between Cannae Holdings, LLC and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.10 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2017, filed March 26, 2018).
10.10	Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Cannae Holdings, Inc. 2017 Omnibus Incentive Plan (time-based vesting) for November 2017 Awards (incorporated by reference to Exhibit 10.11 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2017, filed March 26, 2018). (1)
10.11	Form of Notice of Restricted Stock Grant and Restricted Stock Award Agreement under Cannae Holdings, Inc. 2017 Omnibus Incentive Plan (time-based vesting) for November 2018 Awards (incorporated by reference to Exhibit 10.16 to the Company Annual Report on Form 10-K for the year ended December 31, 2018, filed March 14, 2019) (1)
10.12	Management Services Agreement, dated as of August 27, 2019, with effect September 1, 2019, by and among the Cannae Holdings, Inc., Cannae Holdings, LLC and Trasimene Capital Management, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed August 27, 2019)
10.13	Amended and Restated Operating Agreement of Cannae Holdings, LLC, dated August 27, 2019, with effect September 1, 2019 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed August 27, 2019)

Exhibit Number	Description
10.14	Second Amended and Restated Limited Liability Company Agreement of Optimal Blue Holdco, LLC, dated September 15, 2020, by and among Optimal Blue Holdco, LLC, THL Optimal Blue Blocker Corp., Black Knight Technologies, LLC, Cannae Holdings, LLC and the other Persons who may from time to time become parties thereto in accordance with the terms therein
10.15	Margin Loan Agreement, dated as of November 30, 2020, among Cannae Funding C, LLC, as Borrower 1, Cannae Funding D, LLC, as Borrower 2, the lenders from time to time party thereto and Royal Bank of Canada, as administrative agent and calculation Margin Loan Agreement, dated as of November 30, 2020, among Cannae Funding C, LLC, as Borrower 1, Cannae Funding D, LLC, as Borrower 2, the lenders from time to time party thereto and Royal Bank of Canada, as administrative agent and calculation agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed December 2, 2020).
10.16	Guaranty, dated as of November 30, 2020, of Cannae Holdings, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed December 2, 2020).
10.17	Extension of Corporate Services Agreement, dated October 1, 2020 (executed October 7, 2020), by and between Fidelity National Financial, Inc., and Cannae Holdings, Inc. (incorporated by reference to the Company Quarterly Report on Form 10-Q for the period ended September 30, 2020, filed November 9, 2020).
10.18	Subscription Agreement, dated as of December 7, 2020, by and among Foley Trasimene Acquisition Corp. II, Paysafe Limited and Cannae Holdings, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed December 7, 2020).
10.19	Amended and Restated Sponsor Agreement, dated as of December 7, 2020, by and among Foley Trasimene Acquisition Corp. II, Trasimene Capital FT, LP II, Cannae Holdings, Inc., Cannae Holdings, LLC, and the Insiders (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed December 7, 2020).
10.20	Extension of Corporate Services Agreement, dated October 1, 2020 (executed October 7, 2020), by and between Fidelity National Financial, Inc., and Cannae Holdings, Inc. (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2020, filed November 9, 2020).
10.21	Subscription Agreement, dated as of January 25, 2021, by and among Foley Trasimene Acquisition Corp., Acrobat Holdings, Inc. and Cannae Holdings, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed January 26, 2021).
10.22	Amended and Restated Sponsor Agreement, dated as of January 25, 2021 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed January 26, 2021).
10.23	First Amendment to Management Services Agreement, dated as of January 27, 2021, by and among Cannae Holdings, Inc., Cannae Holdings, LLC and Trasimene Capital Management, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed January 29, 2021.)

Exhibit Number	Description
21.1	List of Subsidiaries
23.1	Consent of Deloitte & Touche LLP.
23.2	Consent of KPMG LLP with respect to report related to Dun & Bradstreet Holdings, Inc. and The Dun & Bradstreet Corporation
23.3	Consent of PricewaterhouseCoopers LLP with respect to reports related to The Dun & Bradstreet Corporation
23.4	Consent of KPMG LLP with respect to report related to Star Parent, L.P.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification by Chief Executive Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350
32.2	Certification by Chief Financial Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.
99.1	Audited Financial Statements of Dun & Bradstreet Holdings, Inc.
99.2	Audited Financial Statements of Star Parent, L.P. for the Period from February 8, 2019 to December 31, 2019 (incorporated by reference to Exhibit 99.2 to the Company's Annual Report on Form 10-K, filed March 25, 2020)
101.INS	Inline XBRL Instance Document (2)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
104	Cover Page Interactive Data File formatted Inline XBRL and contained in Exhibit 101.

(1) A management or compensatory plan or arrangement required to be filed as an exhibit to this report pursuant to Item 15(b) of Form 10-K
(2) The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.

Item 16. ***Form 10-K Summary***

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Cannae Holdings, Inc.
By: */s/ David W. Ducommun*
David W. Ducommun
President

Date: February 25, 2021

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ David W. Ducommun David W. Ducommun	President (Principal Executive Officer)	February 25, 2021
/s/ Bryan D. Coy Bryan D. Coy	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	February 25, 2021
/s/ William P. Foley, II William P. Foley, II	Director and Chairman of the Board	February 25, 2021
/s/ Hugh R. Harris Hugh R. Harris	Director	February 25, 2021
/s/ C. Malcolm Holland C. Malcolm Holland	Director	February 25, 2021
/s/ Mark D. Linehan Mark D. Linehan	Director	February 25, 2021
/s/ Frank R. Martire Frank R. Martire	Director	February 25, 2021
/s/ Richard N. Massey Richard N. Massey	Director	February 25, 2021
/s/ Erika Meinhardt Erika Meinhardt	Director	February 25, 2021
/s/ James B. Stallings, Jr. James B. Stallings, Jr.	Director	February 25, 2021
/s/ Frank P. Willey Frank P. Willey	Director	February 25, 2021

Exhibit 10.14

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
OPTIMAL BLUE HOLDCO, LLC,
A DELAWARE LIMITED LIABILITY COMPANY

Dated November 24, 2020

THE MEMBERSHIP INTERESTS AND UNITS ISSUED PURSUANT TO THIS SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (COLLECTIVELY, THE ***"LLC INTERESTS"***) HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS. THE LLC INTERESTS MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE DISPOSED OF AT ANY TIME WITHOUT EFFECTIVE REGISTRATION UNDER SUCH ACT AND LAWS OR EXEMPTION THEREFROM, AND COMPLIANCE WITH THE OTHER SUBSTANTIAL RESTRICTIONS ON TRANSFER SET FORTH HEREIN.

THE LLC INTERESTS ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER SPECIFIED IN THIS AGREEMENT, AND IN CERTAIN CASES THE 2020 MANAGEMENT INCENTIVE PLAN OF THE COMPANY, AND THE COMPANY RESERVES THE RIGHT TO REFUSE THE TRANSFER OF SUCH INTERESTS UNTIL SUCH CONDITIONS HAVE BEEN FULFILLED WITH RESPECT TO ANY TRANSFER. A COPY OF THIS AGREEMENT SHALL BE PROMPTLY FURNISHED BY THE COMPANY TO A HOLDER OF ANY LLC INTERESTS UPON WRITTEN REQUEST AND WITHOUT CHARGE.

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Schedules

Schedule I – List of Members
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Exhibits

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SECOND AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT
OF
OPTIMAL BLUE HOLDCO, LLC
A DELAWARE LIMITED LIABILITY COMPANY

This Second Amended and Restated Limited Liability Company Agreement (this ***"Agreement"***) **of Optimal Blue Holdco, LLC**, a Delaware limited liability company (the ***"Company"***), is approved and delivered as of November 24, 2020, by the board of managers of the Company (the "***Board***"). **THL Optimal Blue Blocker Corp.**, a Delaware corporation ("***THL Holding Company***", and along with the direct or indirect owners of its equity securities, as applicable, ***"THL"*** or the ***"THL Holders"***), **Cannae Holdings, LLC**, a Delaware limited liability company (***"Cannae"***), **Black Knight Technologies, LLC**, a Delaware limited liability company (***"Parent"***), each member of management who hereafter is granted Class B Units pursuant to the Company Incentive Plan and becomes a party hereto (each, a ***"Management Member"***), and each other Person that is or may become listed on **Schedule I** hereto in accordance with the Agreement are sometimes referred to herein collectively as the ***"Members"*** and individually as a ***"Member."*** Certain capitalized terms used herein are defined in **Section 16.1**.

Whereas, the Company was formed as a Delaware limited liability company under the name "Optimal Blue Holdco, LLC" effective as of September 3, 2020 by the filing of a Certificate of Formation with the Delaware Secretary of State;

Whereas, the Company initially adopted a limited liability company agreement dated as of September 3, 2020 (the ***"Original Agreement"***);

Whereas, on July 26, 2020, Black Knight, Inc., a Delaware corporation ("***Black Knight***"), GTCR Fund XI/C LP, a Delaware limited partnership ("***GTCR Fund XI/C***"), GTCR/OB Blocker Corp., a Delaware corporation ("***GTCR Blocker***"), GTCR/OB Splitter LP, a Delaware limited partnership, OB Holdings I, LLC, a Delaware limited liability company ("***OB Holdings***" and, together with GTCR Fund XI/C, the "***Sellers***"), OB Acquisition, LLC, a Delaware limited liability company ("***OB Acquisition***"), and OB Holdings in its capacity as the Seller Representative, entered into that certain Equity Purchase Agreement (as it may be amended, modified or otherwise supplemented from time to time, the ***"Equity Purchase Agreement"***), pursuant to which the Company and Black Knight Optimal Blue, Inc., a Delaware corporation and wholly-owned subsidiary of the Company ("***Blocker Purchaser***"), as Black Knight's permitted assignees under the Equity Purchase Agreement, will acquire from the Sellers all of the issued and outstanding equity in OB Acquisition and GTCR Blocker (such transaction, the "***Transaction***");

Whereas, on July 26, 2020, Black Knight entered into those certain Forward Purchase Agreements with each of Cannae and THL (the "***Forward Purchase Agreements***"), pursuant to which each of Cannae and THL agreed to purchase Class A Units of the Company subject to the terms and conditions therein;

Whereas, on September 15, 2020, Parent (i) made (or caused to be made) a capital contribution and (ii) contributed (or caused to be contributed) all of the equity interests of Compass Analytics, LLC, a California limited liability company ("***Compass***"), to the Company in exchange for Class A Units, pursuant to that certain Contribution Agreement by and among Black Knight InfoServ, LLC, a Delaware limited liability company, Parent, the Company, Blocker Purchaser, OB Acquisition, Optimal Blue Holdings, LLC, a Delaware limited liability company, and Compass (the "***Contribution Agreement***") subject to the terms and conditions therein;

Whereas, the Company wishes to grant Class B Units to certain members of management from time to time subject to the terms set forth herein, in the Company Incentive Plan and in the Award Agreements;

Whereas, in connection with the transactions contemplated by the Contribution Agreement, the Equity Purchase Agreement and the Forward Purchase Agreements, (i) the Company, (ii) THL Holding Company, (iii) Parent, (iv) Cannae and (v) Black Knight (solely for the purposes of **Article VII**, **Article IX**, **Article XI** and **Article XVI** thereof) entered into that certain Amended and Restated Limited Liability Company Agreement of the Company dated as of September 15, 2020 (the "***A&R LLC Agreement***");

Whereas, pursuant to Section 14.2(b) of the A&R LLC Agreement, the Board has the power to amend the A&R LLC Agreement to reflect changes of an inconsequential nature that do not adversely affect any Member in any respect; and

Whereas, on November 24, 2020, the Board approved this Agreement in its entirety as set forth herein to reflect changes of an inconsequential nature that do not adversely affect any Member in any respect.

Now, Therefore, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Article I.

REPRESENTATIONS AND WARRANTIES OF THE PARTIES

1.1 Representations and Warranties of the Company. The Company hereby represents and warrants to each Member that as of the date of this Agreement:

a. it is a limited liability company duly formed, validly existing and in good standing under the laws of the state of its formation, it has full power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance by it of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary limited liability company action;

b. this Agreement has been duly and validly executed and delivered by it and (assuming the due execution hereof by the Members) constitutes a legal and binding obligation of the Company, enforceable against it in accordance with its terms; and

c. the execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby will not, with or without the giving of notice or lapse of time, or both, (i) violate any provision of law, statute, rule or regulation to which the Company is subject, (ii) violate any order, judgment or decree applicable to the Company or (iii) conflict with, or result in a breach or default under, any term or condition of the Company's organizational documents or any agreement or instrument to which the Company is a party or by which it is bound.

1.1 Representations and Warranties of the Members. Each Member (as to himself, herself or itself only) represents and warrants to the Company and each other Member that, as of the time such Member becomes a party to this Agreement:

a. he or she is a natural person, or it is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation, or it is a limited partnership or a limited liability company duly formed, validly existing, and in good standing under the laws of its state of formation, as the case may be, it has full power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance by it of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate, partnership or limited liability company action, as the case may be;

b. this Agreement (or the separate joinder agreement, in the form attached hereto as **Exhibit B**, executed by such Member) has been duly and validly executed and delivered by such Member, and this Agreement (or such joinder, assuming the due execution hereof or thereof by the Company) constitutes a legal and binding obligation of such Member, enforceable against such Member in accordance with its terms; and

c. the execution, delivery and performance by such Member of this Agreement (or any joinder to this Agreement, if applicable, in the form attached hereto as **Exhibit B**) and the consummation by such Member of the transactions contemplated hereby (and thereby, if applicable) will not, with or without the giving of notice or lapse of time, or both, (i) violate any provision of law, statute, rule or regulation to which such Member is subject, (ii) violate any order, judgment or decree applicable to such Member or (iii) conflict with, or result in a breach or default under, any term or condition of any agreement or other instrument to which such Member is a party or by which such Member is bound.

Article II.

ORGANIZATION

2.1 Formation of Company. The Certificate has heretofore been duly filed with the Secretary of State of the State of Delaware. Upon the execution of this Agreement, each Manager shall be designated as an authorized person within the meaning of the Act. The rights, powers, duties, obligations and liabilities of the Members shall be determined pursuant to the Act and this Agreement. To the extent that the rights, powers, duties, obligations and liabilities of any Member are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the Act, control.

2.2 Name. The name of the Company is Optimal Blue Holdco, LLC. The Company Business shall be conducted under such name or under such other names as the Board may deem appropriate in compliance with applicable law.

2.3 Office; Agent for Service of Process. The address of the Company's registered office in Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company. The Board may change the registered office and the registered agent of the Company from time to time. The Company shall maintain a principal place of business and office(s) at such place or places as the Board may from time to time designate.

2.4 Term. The term of the Company shall continue until the dissolution of the Company in accordance with the provisions of **Article XV** or as otherwise provided by law.

2.5 Purpose and Scope.

a. The purpose and business of the Company (the ***"Company Business"***) is to engage in any lawful act or activity for which limited liability companies may be organized under the Act and to engage in any and all activities necessary or incidental thereto.

b. The Company shall have the power to do any and all acts reasonably necessary, appropriate, proper, advisable, incidental or convenient to or for the furtherance of the Company Business and for the protection and benefit of the Company, and shall have, without limitation, any and all of the powers that may be exercised on behalf of the Company by the Board pursuant to this Agreement, including pursuant to **Section 2.6**.

2.6 Authorized Acts. In furtherance of the Company Business, but subject to all other provisions of this Agreement, the Board, on behalf of the Company, is hereby authorized and empowered:

a. To do any and all things and perform any and all acts necessary or incidental to the Company Business and otherwise in accordance with law;

b. To enter into, and take any action under, any contract, agreement or other instrument as the Board shall determine to be necessary or desirable to further the objects and purposes of the Company, including contracts or agreements with any Member or prospective Member;

c. To open, maintain and close bank accounts and draw checks or other orders for the payment of money and open, maintain and close brokerage, money market fund and similar accounts;

d. To hire, for usual and customary payments and expenses, employees, consultants, brokers, attorneys, accountants and such other agents for the Company as it may deem necessary or advisable, and authorize any such agent to act for and on behalf of the Company;

e. To incur expenses and other obligations on behalf of the Company in accordance with this Agreement, and, to the extent that funds of the Company are available for such purpose, pay all such expenses and obligations;

f. To borrow money or guarantee any obligation, which borrowing or guarantee shall be on such terms as the Board shall determine;

g. To make loans to and investments in Subsidiaries or other Persons;

h. To merge or consolidate with or convert into another limited liability company (organized under the laws of Delaware or any other state), a corporation (organized under the laws of Delaware or any other state) or any other "business entity" (as defined in Section 18-209(a) of the Act), regardless of whether the Company is the survivor of such merger or consolidation;

i. To bring and defend actions and proceedings at law or in equity and before any governmental, administrative or other regulatory agency, body or commission;

j. To establish reserves in accordance with this Agreement or the Act for contingencies and for any other purpose of the Company;

k. To prepare and file all necessary returns and statements, pay all taxes, assessments and other impositions applicable to the assets of the Company, and withhold amounts with respect thereto from funds otherwise distributable to any Member;

l. To determine the accounting methods and conventions to be used in the preparation of any accounting or financial records of the Company; and

m. To act for and on behalf of the Company in all matters incidental to the foregoing.

2.7 Fiscal Year. The fiscal year (the **"Fiscal Year"**) of the Company shall end on December 31st unless, for Federal income tax purposes, another Fiscal Year is required. The Company shall have the same Fiscal Year for United States Federal income tax purposes and for accounting purposes.

Article III.

MEMBERS; CONTRIBUTIONS

3.1 Initial Capital Contributions. The Members have made initial Capital Contributions (the **"Initial Capital Contributions"**) as reflected in **Schedule I** hereto and in the capital accounts on the register of the Company, maintained by the Company in accordance with **Article VII** hereof (the **"Company Register"**). The initial Capital Accounts of the Members shall be equal to the Initial Capital Contributions reflected on **Schedule I** hereto. **Schedule I** hereto shall be amended from time to time in accordance with **Article XIV** to reflect any additional Capital Contributions made by the Members.

3.2 Interest Payments. No interest shall be paid to any Member on any Capital Contributions. The value of all Capital Contributions shall be denominated in U.S. dollars.

3.3 Ownership and Issuance of Units.

a. **(i)** The Company has issued units (the ***"Class A Units"***) to each Class A Member in respect of the Class A Interest of such Member. Each Class A Member owns that number of Class A Units as appears next to its name on the Company Register.

i. The Company has issued units (the ***"Class B Units"***) to each Class B Member in respect of the Class B Interest of such Member. Each Class B Member owns that number of Class B Units as appears next to its name on the Company Register.

b. The ownership of issued and outstanding Class A Units and Class B Units shall initially be set forth on Schedule I hereto, which schedule shall be amended from time to reflect any changes to the ownership of issued and outstanding Class A Units and Class B Units.

c. The Board may issue up to 100,000,000 Class A Units and 11,111,111 Class B Units shall be reserved for issuance in the future to employees and/or Managers of the Company and/or its Subsidiaries in accordance with **Section 3.3(d)** and the terms of this Agreement.

d. The Board shall have the authority to grant Class B Units to employees and/or Managers out of the number of Class B Units reserved for issuance to employees pursuant to **Section 3.3(c)** and to determine the terms and conditions of the Award Agreement to be executed by any such employee in connection with such grant (including terms and conditions relating to vesting, forfeiture, options to purchase and/or sell Class B Units upon termination of employment and purchase prices and terms of sale and purchase with respect thereto, and the like). The Class B Units issued under this **Section 3.3(d)** shall have a Hurdle Amount sufficient in the determination of the Board to cause such Class B Units to be properly treated as Profits Interests; *provided*, that the Class B Unit grant shall protect the Company and the Board from liability if any such Class B Units are not treated as Profits Interests for U.S. federal income tax purposes.

3.4 Vesting of Management Units; Profits Interests.

a. Each Management Member, Manager or Member, in each case, subject to such Person's continued Employment on the applicable vesting date, shall vest in 100% of his or her Management Units on the third anniversary of such Management Member's, Manager's or Member's grant date, provided, however, that each Management Member, Manager or Member shall vest in 100% of his or her Management Units immediately upon the consummation of a Sale of the Company.

b. The Company and each Member agree to treat each Member's Class B Interest (such interest, a ***"Profits Interest"***) as a separate "profits interest" within the meaning of Rev. Proc. 93-27, 1993-2 C.B. 343. Notwithstanding anything to the contrary, distributions to each

Class B Member (including any additional Class B Member, if any) pursuant to **Section 5.3** shall be limited to the extent necessary so that the Profits Interest of such Class B Member qualifies as a "profits interest" under Rev. Proc. 93-27, and this Agreement shall be interpreted accordingly. In accordance with Rev. Proc. 2001-43, 2001-2 CB 191, the Company shall treat a Member holding a Class B Interest as the owner of such Interest from the date it is granted, and shall file its IRS Form 1065, and issue appropriate Schedule K-1s to such Member allocating to such Member its distributive share of all items of income, gain, loss, deduction and credit associated with such Profits Interest as if it were fully vested. Each Class B Member agrees to take into account such distributive share in computing its federal income tax liability for the entire period during which it holds the Interest. The Company and each Member agree not to claim a deduction (as wages, compensation or otherwise) for the fair market value of such Profits Interest issued to a Class B Member, either at the time of grant of the Interest or at the time the Interest becomes substantially vested. The undertakings contained in this **Section 3.4(b)** shall be construed in accordance with Section 4 of Rev. Proc. 2001-43. The provisions of this **Section 3.4(b)** shall apply regardless of whether or not the holder of a Class B Interest files an election pursuant to Section 83(b) of the Code.

c. Safe Harbor Election.

i. The Board is hereby authorized and directed to cause the Company to make an election (the ***"Safe Harbor Election"***) to value any Class B Interests issued by the Company as compensation for services to the Company (collectively, ***"Compensatory Interests"***), on the date of the issuance, at the liquidation value of such Compensatory Interests (i.e., a value equal to the amount that would be distributed under **Section 5.3** with respect to such Compensatory Interests in a Hypothetical Liquidation occurring immediately after the issuance of such Compensatory Interests and assuming for purposes of such Hypothetical Liquidation that all assets of the Company are sold for their fair market values (as reasonably determined by the Board) instead of their values as reflected for capital account purposes), as the same may be permitted pursuant to or in accordance with the finally promulgated successor rules to Proposed Regulations Section 1.83-3(l) and IRS Notice 2005-43 (collectively, the ***"Proposed Rules"***). The Board shall cause the Company to make any allocations of items of income, gain, deduction, loss or credit (including forfeiture allocations and elections as to allocation periods) necessary or appropriate to effectuate and maintain the Safe Harbor Election.

ii. Any such Safe Harbor Election shall be binding on the Company and on all of its Members with respect to all transfers of Compensatory Interests thereafter made by the Company while a Safe Harbor Election is in effect. A Safe Harbor Election once made may be revoked by the Board as permitted by the Proposed Rules or any applicable rule.

iii. Each Member (including any person to whom a Compensatory Interest is transferred in connection with the performance of services), by signing this Agreement or by accepting such transfer, hereby agrees to comply with all requirements of the Safe Harbor Election with respect to all Compensatory Interests transferred while the Safe Harbor Election remains effective.

iv. The Board shall cause the Company to file all returns, reports and other documentation as may be required to perfect and maintain the Safe Harbor Election with respect to transfers of Compensatory Interests covered by such Safe Harbor Election.

v. The Board is hereby authorized and empowered, without further vote or action of the Members, to amend the Agreement as necessary to comply with the Proposed Rules or any rule, in order to provide for a Safe Harbor Election and the ability to maintain or revoke the same, and shall have the authority to execute any such amendment by and on behalf of each Member. Any undertakings by the Members necessary to enable or preserve a Safe Harbor Election may be reflected in such amendments and to the extent so reflected shall be binding on each Member, respectively.

vi. Each Member agrees to cooperate with the Board to perfect and maintain any Safe Harbor Election, and to timely execute and deliver any documentation with respect thereto reasonably requested by the Board.

3.5 Call Rights and Forfeiture.

a. **i.** When used in this Agreement, the term ***"Employment"*** or ***"Employed"*** refers to the employment of the Management Members, Managers or other service relationship with the Company or one of its Subsidiaries. Employment will be deemed to continue so long as the Management Member or a Manager is employed by, or otherwise is providing services to, the Company or its Subsidiaries in any capacity. If a Management Member's or Manager's Employment is with a Subsidiary and that entity ceases to be a Subsidiary, the Management Member's or Manager's Employment will be deemed to have terminated when the entity ceases to be a Subsidiary unless the Management Member or Manager transfers his or her Employment to the Company or one of its remaining Subsidiaries. For the avoidance of doubt, it is intended that the Employment status of the Management Member or Manager that is referred to in this Agreement will continue to refer to the Employment status of the original Management Member or Manager even if such Management Member's or Manager's Units have been transferred to another holder (a ***"Management Units Transferee"***). Upon any Management Member or Manager ceasing to be Employed by the Company or one of its Subsidiaries (a ***"Terminated Employee"***) for any reason (a ***"Termination Event"***), subject to the provisions of **Sections 3.5(a)(ii)**, **3.5(a)(iii)** and **3.5(b)**, except as may be mutually agreed in writing between the Company and such Terminated Employee pursuant to the Terminated Employee's Award Agreement, employment agreement or Manager service agreement or otherwise, the Company may, but shall not be required to, elect to purchase (or elect to have one or more designee(s) purchase, as provided in **Section 3.5(a)(iii)** below) and, if such option is exercised, such Terminated Employee or the Management Units Transferee shall sell to the Company (or the designee(s), if the Company so elects) all or any portion of the vested Management Units owned by such Management Member or such Manager or the Management Units Transferee (the ***"Termination Securities"***) on the date of the occurrence of such Termination Event (the ***"Termination Date"***) at a price per Termination Security equal to the Termination Price (as determined pursuant to **Section 3.5(c)** below) and in connection with such repurchase shall execute a general release in favor of the Company, its officers, employees, members of the Board and Members (which such release shall be in a form reasonably acceptable to the Company) and such Members' respective Affiliates, equityholders, managers, partners, directors, officers and employees.

ii. Except as provided for in an employment, Award Agreement or Manager service agreement, upon the termination of Employment of any Management Member with the Company or any of its Subsidiaries for any reason including death or disability, all unvested

Management Units held by such Management Member or the Management Units Transferee shall be immediately and automatically cancelled and forfeited for no consideration.

iii. The Company may exercise its right to purchase the Termination Securities pursuant to this **Section 3.5** at any time after the Termination Date, provided, that the Calculation Date and the date of closing of such purchase shall not occur earlier than the date that is six (6) months and one (1) day after the date the Termination Securities became vested, unless the Company determines that such delay is not necessary for the award pursuant to which such Class B Units were granted to be classified as an equity award under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, Stock Compensation (or any applicable successor standards). If the Company chooses to exercise its right to purchase any Termination Security pursuant to this Section 3.5, it shall choose the Calculation Date and date of closing of such purchase and shall notify the Terminated Employee in writing at least thirty (30) days before the date of closing of the purchase. The Company shall have the option to assign its right to purchase all or any portion of the Termination Securities under this **Section 3.5** to the Class A Members, *pro rata* (provided that if one or more Class A Members elects not to purchase any Termination Securities, the other Class A Members shall have the right to purchase such Termination Securities *pro rata*), and such Class A Members may exercise the Company's rights under this **Section 3.5** in the same manner in which the Company could exercise such rights.

b. The closing of the purchase by the Company of Termination Securities pursuant to **Section 3.5(a)** shall take place at the principal office of the Company on the date chosen by the Company, which date shall in no event be more than thirty (30) days after determination of the Termination Price. If such date is not a business day, such purchase shall occur on the next succeeding business day. At such closing, (i) the Company shall pay the Terminated Employee or the Management Units Transferee the aggregate Termination Price and (ii) the Terminated Employee or the Management Units Transferee shall transfer the Termination Securities to the Company, free and clear of any lien or encumbrance, with any documentation reasonably requested by the Company to evidence such transfer, which documentation shall require the Terminated Employee or the Management Units Transferee to make the representations and warranties in the immediately succeeding sentence. If the Terminated Employee or the Management Units Transferee fails to execute and deliver all documentation required by the Company on the scheduled closing date of such repurchase, the Company may elect to defer such closing or deposit the consideration representing the Termination Price with a bank or financial institution as escrow holder pending delivery of such documentation. In the event of the foregoing election to deposit the Termination Price into escrow, (i) such Management Units shall be deemed for all purposes to have been transferred to the purchasers thereof on the date such deposit is made; (ii) to the extent that such Management Units are evidenced by certificates, such certificates shall be deemed canceled and the Company shall issue new certificates in the name of the purchaser(s) thereof; (iii) the Company shall make an appropriate notation in its records to reflect the transfer of such Management Units to the purchaser(s) thereof; and (iv) the Person obligated to sell such Management Units shall merely be a creditor with respect to such Management Units with the right only to receive payment of the Termination Price, without interest, from the escrow funds. If, following the one year anniversary of the scheduled closing date for the purchase of such Termination Securities, the proceeds of sale have not been claimed by the Terminated Employee or the Management Units Transferee, the escrow deposit (and any interest earned thereon) shall, subject to the application of any applicable escheat laws, be returned to the Person originally depositing the same, and the Transferors whose Management Units were so purchased shall look solely to the purchaser(s) thereof for payment of the purchase price (subject to reduction for any payments made pursuant to any applicable escheat laws). The transfer of the Termination Securities and acceptance of the aggregate Termination Price by any Person selling such Termination Securities pursuant to this **Section 3.5** shall be deemed accompanied with a representation and warranty by such Person that: (1) such Person has full right, title and interest in and to such Termination Securities; (2) such Person has all necessary power and authority and has taken all necessary action to sell such Termination Securities as contemplated hereby; (3) such Termination Securities are free and clear of any and all liens or encumbrances; and (4) there is no adverse claim with respect to such Termination Securities.

c. For purposes of this **Section 3.5**, unless otherwise provided in an Award Agreement, the ***"Termination Price"*** shall be an amount per Termination Security equal to the Fair Market Value of such Termination Security as of the Calculation Date.

d. The Company shall pay the Termination Price in lump-sum cash, by wire transfer or by check; *provided, however*, if (i) such cash payment would result in a violation of any law, statute, rule, regulation, policy, order, writ, injunction, decree or judgment promulgated or entered by any federal, state, local or foreign court or governmental authority applicable to the Company or any of its Subsidiaries, or (ii) after giving effect thereto such payment would result in a default of a financing covenant, then such payment shall be made by delivery of an unsecured promissory note (the ***"Note"***) bearing interest at the Prime Rate and payable in two equal installments, plus interest, on the first and second anniversaries of the date of repurchase; *provided*, that the Note is subject to mandatory prepayment in full upon a Sale of the Company; *provided, further*, that at such times as any payment under the Note is prohibited under any credit agreement or bond indenture that applies to the Company, no such payment shall be made, and any such payment shall accrue and shall be paid promptly following the date and time that such prohibition no longer exists.

3.6 Voting Rights. Except as otherwise provided in the Act or as otherwise provided herein, Members holding Class A Units shall be entitled to one vote or consent right in respect of each Class A Unit with respect to any matters of the Company on which the holders of Class A Units are entitled to vote. Any action required or permitted to be taken by a vote of the Class A Members may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall have been signed by at least the Class A Members whose consent or authorization would have been required in order to take action with respect to such consent or authorization at a meeting. Notwithstanding any other provision of this Agreement, Members holding Class B Units shall have no right to vote or consent on any matter under this Agreement or the Act, including the merger, consolidation, conversion or dissolution of the Company.

3.7 Withdrawals. Except as explicitly provided elsewhere herein, no Member shall have any right to (a) withdraw as a Member from the Company, (b) withdraw from the Company all or any part of such Member's Capital Contributions, (c) receive property other than cash in return for such Member's Capital Contributions or (d) receive any distribution from the Company, except in accordance with **Article V** and **Article IX**.

3.8 Liability of the Members Generally. Except as explicitly provided elsewhere herein or in the Act, no Member shall be liable for any debts, liabilities, contracts or obligations of the Company whatsoever. Each of the Members acknowledges that its Capital Contributions are subject to the claims of any and all creditors of the Company to the extent provided by the Act and other applicable law.

3.9 Capital Accounts. There shall be established and maintained for each Member a separate capital account **("Capital Account")**. There shall be added to the Capital Account of each Member (a) such Member's Capital Contributions, (b) such Member's distributive share of Net Income and any item in the nature of income or gain that is specially allocated to the Member pursuant to **Section 6.3**, and (c) the amount of any Company liabilities assumed by such Member or which are secured by any property distributed to such Member. There shall be subtracted from the Capital Account of each Member (a) the amount of any money, and the Gross Asset Value of any other property, distributed to such Member, (b) such Member's distributive share of Net Loss and any item in the nature of loss or expense that is specially allocated to such Member pursuant to **Section 6.3**, and (c) to the extent not duplicative of any liabilities calculated pursuant to the definition of "Capital Contribution", the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company. The foregoing provision and other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Regulations. In determining the amount of any liability for purposes of this **Section 3.9**, there shall be taken into account Section 752(c) of the Code and any other applicable provisions of the Code and Regulations. In the event of a Transfer in accordance with **Article VIII**, the transferee shall succeed to the Capital Account of the Transferor to the extent that it relates to the transferred interest.

Article IV.

MANAGEMENT

4.1 Management and Control of the Company.

a. The Members have established the Company as a "managers-managed" limited liability company and have designated a to manage the Company and its business and affairs. The Board shall consist of no more than nine (9) individuals. Each of the individuals appointed to the Board is referred to herein as a ***"Manager."*** The Managers shall be designated, in each case subject to the provisions of subparagraph (b) below, as follows:

i. one (1) Manager designated by Cannae (each, a ***"Cannae Manager"***), who shall initially be David Ducommun, and who shall be such Manager so long as such individual has not duly resigned or been removed as a Manager in accordance with this Agreement and is an officer of Cannae or a managing director of Trasimene Capital Management, LLC (or equivalent or higher ranking employee of Cannae or its Affiliates), provided that any Manager replacing any initial Cannae Manager shall always be an individual designated by Cannae who is at least an officer of Cannae (or equivalent or higher ranking employee of Cannae);

ii. two (2) Managers designated by THL (each, a ***"THL Manager"***), who shall initially be Thomas Hagerty and Ganesh Rao, and who shall be such Manager so long as such individual has not duly resigned or been removed as a Manager in accordance with this Agreement and is a principal of THL or its Affiliates (or equivalent or higher ranking employee of THL or its Affiliates), provided that any Manager replacing any initial THL Manager shall always be an individual designated by THL who is a principal of THL (or equivalent or higher ranking employee of THL);

iii. no less than three (3) nor more than six (6) Managers designated by Parent (each, a ***"Parent Manager"*** and together, the "***Parent Managers***"), who shall be named by Parent following execution of this Agreement; *provided* that, it is acknowledged that any number of the Manager seats to be filled by the Parent at any time may remain vacant until such time as the Parent elects to fill such seats; and

iv. any additional Managers designated as mutually agreed upon by the Parent Managers, the Cannae Manager and the THL Manager; *provided* that, for the avoidance of doubt, the consent of at least one Cannae Manager and at least one THL Manager shall be required for the appointment of any such additional Manager; and *provided further* that, it is acknowledged that any number of Manager seats to be filled by mutual agreement at any time may remain vacant until such time as the Managers mutually agree to fill such seats.

b. If at any time Cannae ceases to own at least 33% of the Class A Units held by it as of the date hereof (subject to adjustment for Unit splits, combinations and similar events), the number of Managers Cannae is entitled to designate shall be decreased to zero, and the ability of Cannae to consent to any increases pursuant to **Section 4.1(a)(iii)** shall terminate and any determinations shall be made solely by Parent. In the event any such decrease results in an undesignated Board seat, the remaining Managers may designate, by majority vote, a successor Manager to fill the vacancy created thereby or decrease the size of the Board by such seats.

c. If at any time THL ceases to own at least 33% of the Class A Units held by it as of the date hereof (subject to adjustment for Unit splits, combinations and similar events), the number of Managers THL is entitled to designate shall be decreased to zero, and the ability of THL to consent to any increases pursuant to **Section 4.1(a)(iii)** shall terminate and any determinations shall be made solely by Parent. In the event any such decrease results in an undesignated Board seat, the remaining Managers may designate, by majority vote, a successor Manager to fill the vacancy created thereby or decrease the size of the Board by such seats.

d. The chairman of the Board (the ***"Chairman"***) shall be elected by a majority vote of the Board; *provided, however,* that a Parent Manager, as designated by Parent, shall serve as the initial Chairman. The vice-chairman of the Board (the ***"Vice Chairman"***) shall be elected by a majority vote of the Board; *provided, however,* that a Parent Manager (distinct from the Chairman), as designated by Parent, shall serve as the initial Vice Chairman. If the Chairman is absent at any meeting of the Board, a majority of the Managers present shall designate another Manager to serve as interim chairman for that meeting.

e. The Board shall hold no less than one (1) meeting per fiscal quarter, unless determined otherwise by the Board. At each meeting of the Board or any Committee at which a

Quorum is present, (i) the Parent Managers shall be entitled to six (6) votes in the aggregate, divided evenly among the number of Parent Managers currently serving on the Board, (ii) each Cannae Manager shall be entitled to two (2) votes, and (iii) each THL Manager shall be entitled to one (1) vote, on each matter to be voted on at such meeting. Regular meetings of the Board may be held at such time and at such place as shall from time to time be determined by the Board and may be held without notice. Special meetings of the Board may be called by the Chairman or by the holders of at least 10% of all of the issued and outstanding Class A Units, or shall be called by the Secretary on the written request (email being sufficient) of at least two Managers. Written notice (email being sufficient) specifying the time and place of any special meeting shall be given to each Manager at least three (3) days before the date of such special meeting. Such notice may, but need not, specify the purpose or purposes of the special meeting.

f. Each Manager shall hold office until a successor has been designated, or until such Person's earlier death, resignation or removal. If at any time any Manager ceases to serve on the Board (whether due to resignation, removal or otherwise), the applicable Member or Members shall designate a successor to fill the vacancy created thereby on the terms and subject to the conditions of paragraphs (a) and (b) above. Each Member agrees to vote, or cause to be voted, all voting Units of the Company over which such Member has the power to vote or direct the voting, and shall take all such other actions as shall be necessary or desirable to cause the designated successor be elected to fill such vacancy.

g. Nothing in this Agreement shall be construed to impair any rights that the Members of the Company may have to remove any Manager for cause under applicable law or this Agreement, as the case may be. No such removal of an individual designated pursuant to this **Section 4.1** for cause shall affect any of the Members' rights to designate a different individual pursuant to this **Section 4.1** to fill the position from which such individual was removed.

h. Each Manager and any authorized Board observer shall be entitled to reimbursement from the Company for his or her reasonable out-of-pocket expenses (including air travel charged at no more than charter equivalent rates) incurred in attending any Board meeting.

i. For so long as a Member has any designees on the Board, the Company shall maintain directors' and officers' liability insurance policies for Managers, directors and officers of Parent and its Subsidiaries (including the Company), with carriers that are "A rated" or better and with limits of at least $100.0 million of "Side A", "Side B" and "Side C" coverage (the ***"ABC Coverage"***), plus an additional $20.0 million of "Side A" coverage. In the event that a material claim or a series of claims are made during a term of coverage under such policies, such that it is reasonable to anticipate that less than $50 million of coverage would remain under such policies once the claim or claims are resolved, the Board may require and the Company agrees to purchase additional ABC Coverage such that there is a minimum of $50 million of ABC Coverage available to Managers, directors and officers of the Parent and its Subsidiaries during the term. The Company shall indemnify the Managers designated by the Members, as applicable, in accordance with this Agreement and each indemnification agreement entered into by the Company and such Manager.

j. The Board may establish any committees of the Board as the Board shall approve (each, a ***"Committee"***), with such authority as the Board shall so determine from time to time.

k. To the fullest extent permitted by the Act, the Board and its duly authorized committees shall have the exclusive right to manage and control the Company, and except as required by any provisions herein requiring the approval of the Members, the Members shall not have any voting or consent rights with respect to the actions of the Board or the Company. Except as otherwise specifically provided herein, the Board shall have the right to perform all actions necessary, convenient or incidental to the accomplishment of the purposes and authorized acts of the Company, as specified in **Sections 2.5** and **2.6**, and each Manager shall possess and may enjoy and exercise all of the rights and powers of a "manager" as provided in and under the Act; and each Manager shall be a "manager" for purposes of the Act; *provided, however*, that no individual Manager shall have the authority or power to act for or on behalf of the Company, to do any act that would be binding on the Company or to make any expenditure or incur any obligations on behalf of the Company or authorize any of the foregoing.

l. Unless expressly provided to the contrary in this Agreement, any action, consent, approval, election, decision or determination to be made by the Board under or in connection with this Agreement (including any act by the Board within its "discretion" under this Agreement and the execution and delivery of any documents or agreements on behalf of the Company) shall be in the sole and absolute discretion of the Board.

m. Subject to **Section 4.2**, the Board, or any committee designated by the Board, may also take action without any meeting of the members of the Board by unanimous written consent of all of the members of the Board or all the members of such committee setting forth the action to be approved. Such consent shall have the same force and effect as a vote at a meeting and may be stated as such in any document or instrument filed with the Secretary of State of the State of Delaware.

n. Each Member hereby consents to the exercise by the Board of the powers conferred upon the Board by the Act and this Agreement with respect to the management and control of the Company. The Members shall not have any authority or right, in their capacities as Members of the Company, to act for or bind the Company.

o. The Secretary shall keep regular minutes of the Board and all committee's proceedings. The minutes shall be placed in the minute book of the Company.

p. Unless otherwise restricted by this Agreement, the Members, the Board, or the members of any Committee of the Board may participate in and hold a meeting of such Members, Board, or Committee, as the case may be, by means of conference telephone or similar communications equipment by means of which all Persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

4.2 Member Consent Required for Action.

The following actions by the Company or any of its Subsidiaries shall require the prior written consent of Parent, Cannae and THL (in the case of Cannae and THL, if and for so long as each of Cannae and THL, as applicable, holds at least fifteen percent (15%) of its initial equity investment in the Company); *provided*, that the Members acknowledge and agree that (i) this **Section 4.2** shall cease to have any effect upon the occurrence of a Significant Transaction, (ii) **Section 4.2(d)** shall only apply to Cannae and (iii) **Section 4.2(e)** shall only apply to THL:

a. amendments to, modifications to, or waivers of the certificate of formation or limited liability company agreement of the Company or to the comparable organizational documents of any of its Subsidiaries (i) if such amendment, modification or waiver would alter or change any rights specifically granted to Parent, Cannae or THL thereunder, (ii) that disproportionately and adversely affects the respective rights of Parent, Cannae or THL, as compared to the rights of the other Members, as applicable or (iii) which adversely affect the indemnification or exculpation of any Manager of the Company; *provided* that the Company shall consult with Cannae and THL, as applicable, before any amendments, modifications or waivers of the certificate of formation or limited liability company agreement of the Company or to the comparable organizational documents of any of its Subsidiaries take effect;

b. entering into any contract or transaction, other than an Exempted Arrangement, which involves payments by any party of more than $1,500,000 annually in the aggregate, between any Member or any of its Affiliates, on the one hand, and the Company or any of its Subsidiaries, on the other hand (excluding any pre-payments (as approved by the Board) of amounts due under any Company Note from time to time using excess cash of the Company);

c. any (A) commencement of a case, proceeding or other action (1) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (2) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or (B) making of a general assignment for the benefit of its creditors;

d. any (A) Sale of the Company or (B) liquidation, dissolution or similar proceeding with respect to the Company, in each case, solely to the extent that the Cannae Threshold Multiple of Investor Capital, assuming consummation of such transaction, would be less than 2.0; or

e. any (A) Sale of the Company or (B) liquidation, dissolution or similar proceeding with respect to the Company, in each case, solely to the extent that the THL Threshold Multiple of Investor Capital, assuming consummation of such transaction, would be less than 2.0.

4.3 Selection Criteria. In the event that the Board determines to appoint a new Chief Executive Officer, Chief Financial Officer or Chief Operating Officer (or equivalent position) at any time or times, the Company shall select persons for such positions who meet criteria agreed to in advance by the Board in consultation with Cannae and THL.

4.4 Certain Rights. Each of the Company and Parent agree that Cannae and the THL Holders shall have the right to enforce on behalf of the Company all of the Company's rights under any agreement to which both of the Company (or any Subsidiary of the Company) and Parent (or any Affiliate of Parent, other than the Company and its Subsidiaries) are parties (regardless of whether there are any other parties thereto).

4.5 Indemnification.

a. Actions other than by or in the Right of the Company. The Company shall indemnify any person who was or is a witness or a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that he or she is or was a Manager, officer, Partnership Representative, "designated individual," employee or agent of the Company, or is or was serving at the request of the Company as a manager, director, officer, Partnership Representative, "designated individual," or employee of another limited liability company, corporation, partnership, joint venture, sole proprietorship, trust or other enterprise or employee benefit plan (including the heirs, executors, administrators or estate of such Person), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if (other than in situations where such person is a witness only) he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal proceedings, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

b. Actions by or in the Right of the Company. The Company shall indemnify any person who was or is a witness, a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that he or she is or was a Manager, Partnership Representative, "designated individual," or officer of the Company, or is or was serving at the request of the Company as a manager, director, Partnership Representative, "designated individual," or officer of another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the action or suit (in the case where such person is a witness only) or the defense or settlement of such action or suit if (other than in the case where such person is a witness only) he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company, except, that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery of the State of Delaware or such other court shall deem proper.

c. Success on the Merits. To the extent that any person described in subclause (a) or (b) of this **Section 4.5** has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in said Sections, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

d. Specific Authorization. Any indemnification under subclause (a) or (b) of this **Section 4.5** (unless ordered by a court or subject to subclause (c) of this **Section 4.5**) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of any person described in said Sections is proper in the circumstances because he or she has met the applicable standard of conduct set forth in said Sections. Such determination shall be made (1) by the Board by a majority vote of a Quorum consisting of Managers who were not parties to such action, suit or proceeding, or (2) if such a Quorum is not obtainable, or, even if obtainable, a Quorum of disinterested Managers so directs, by independent legal counsel in a written opinion, or (3) by the Members of the Company.

e. Advance Payment. Expenses incurred in defending any civil, criminal, administrative, or investigative action, suit or proceeding may be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of any person described in said Sections to repay such amount if it shall ultimately be determined that he or she is not entitled to indemnification by the Company as authorized in this **Section 4.5**.

f. Non-Exclusivity; Primacy of Indemnification by the Company. The indemnification and advancement of expenses provided by, or granted pursuant to, the other provisions of this **Section 4.5** shall not be deemed exclusive of any other rights to which those persons provided indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of Members or disinterested Managers or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. Notwithstanding the foregoing, it is acknowledged that certain persons may have certain rights to indemnification, advancement of expenses and/or insurance provided by the Members of the Company or one or more of the affiliates of such Members of the Company other than the Company and its Subsidiaries (any of such entities, together with their affiliates (other than the Company and its Subsidiaries), the ***"Member Sponsors"***) as an employee of any of such entities (or their respective payroll companies) or pursuant to separate written agreements, which the Company and the Member Sponsors intend to be secondary to the primary obligation of the Company to provide indemnification as provided herein. If any Member Sponsor pays or causes to be paid, for any reason, any amounts otherwise indemnifiable hereunder or under any other indemnification agreement or arrangement (whether pursuant to contract, by-laws or charter) to a person indemnifiable hereunder, then (i) the applicable Member Sponsor entity shall be fully subrogated to all of such person's rights with respect to such payment and (ii) the Company shall indemnify, reimburse and hold harmless the applicable Member Sponsor entity for the payments actually made. The Member Sponsors shall be third-party beneficiaries of this **Section 4.5**, having the rights to enforce this **Section 4.5**.

g. Insurance. The Board may authorize the Company to purchase and maintain insurance on behalf of any person who is or was a Manager or officer of the Company, or is or was serving at the request of the Company as a manager, director or officer of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Company would have the power to indemnify him or her against such liability under the provisions of this **Section 4.5**.

h. Continuation of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this **Section 4.5** shall continue as to a person who has ceased to be a Manager, director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

i. Severability. If any word, clause or provision of this **Section 4.5** or any award made hereunder shall for any reason be determined to be invalid, the provisions hereof shall not otherwise be affected thereby but shall remain in full force and effect.

j. Intent of Article. The intent of this **Section 4.5** is to provide for indemnification and advancement of expenses to the fullest extent permitted by applicable law. To the extent that such law or any successor section may be amended or supplemented from time to time, this **Section 4.5** shall be amended automatically and construed so as to permit indemnification and advancement of expenses to the fullest extent from time to time permitted by law.

4.6 Expense Sharing. The Company shall reimburse all reasonable, out-of-pocket expenses of Black Knight, Parent, THL and Cannae incurred in conducting diligence, the negotiation, execution and delivery and performance of this Agreement, the Equity Purchase Agreement and otherwise in connection with the Transaction including, without limitation, financing fees, filing fees, Transaction Fees, and any fees and expenses of consultants, underwriters, lawyers, tax and accounting advisors, but not financial advisors (other than financial advisors being paid a Transaction Fee) (collectively, the "**Transaction Expenses**"). In addition, each of Parent, THL and Cannae agrees to bear its pro rata share, in accordance with their respective Percentage Interest, of the cost of the interest incurred (whether accrued or paid) by Black Knight InfoServ, LLC in connection with the 3.625% Senior Notes Due September 1, 2028 from August 26, 2020 through, but not including, the date of Closing. If the Company agrees to pay Parent, Cannae or THL any management advisory fees, such fees shall be paid pro rata to each of Parent, Cannae and THL in proportion to their Percentage Interest; provided, however, that any fees paid for the provision of "Corporate Services" under the intercompany agreement listed on **Schedule II** hereto shall not be considered management advisory fees for purposes of this **Section 4.6**.

Article V.

DISTRIBUTIONS

5.1 Distributions Generally. The Members shall be entitled to receive (a) Regular Distributions when and as determined by the Board, out of funds of the Company legally available therefor, net of any Reserves, payable on such payment dates to Members on such record date as shall be determined by the Board, and (b) Tax Distributions as set forth in **Section 5.3**. All determinations made pursuant to this **Article V** shall be made by the Board in its sole discretion. To the extent that the Board determines that any distributions shall be made to the Members, such distributions shall be made in accordance with the provisions of this **Article V**.

5.2 Regular Distributions. Subject to **Section 3.4(b)**, Regular Distributions shall be made,

a. first, to the Class A Members, pro rata in accordance with their respective Unreturned Capital Contributions, until the amount of each Class A Member's Unreturned Capital Contributions have been reduced to zero; and

b. thereafter, 100% to the Class A Members and Class B Members in respect of their vested Class B Units, pro rata, in accordance with their respective number of outstanding Class A Units and vested Class B Units.

Notwithstanding the foregoing, no holder of a Class B Unit issued after the date hereof shall be entitled to receive any distributions (other than Tax Distributions) with respect to such Class B Unit unless and until the aggregate amount of distributions made after the issuance of such Class B Unit to the Members in respect of their Units outstanding at the time of the issuance of such Class B Unit equals the Hurdle Amount with respect to such Class B Unit.

For purposes of determining the amount of distributions under this **Section 5.2**, each Member holding a Unit shall be treated as having received any amounts received by any prior Member holding such Unit in connection with any prior distributions made under this **Section 5.2**.

5.3 Tax Distributions. Notwithstanding the foregoing distribution provisions of this **Article V**, (i) each Corporate Member shall be entitled to a Tax Distribution equal to the Corporate Tax Rate multiplied by the cumulative taxable income allocated to the Member for all previous years pursuant to this Agreement plus an estimate for current year to date taxable income (after taking into account cumulative taxable losses allocated to the Member), taking into account capital losses only when, on a standalone basis, they can be deducted against capital gains allocated to the Member under this Agreement, and reduced by prior Tax Distributions and (ii) each Non-Corporate Member shall be entitled to a Tax Distribution equal to the Non-Corporate Tax Rate multiplied by the cumulative taxable income allocated to the Member for all previous years pursuant to this Agreement plus an estimate for current year to date taxable income (after taking into account cumulative taxable losses allocated to the Member), taking into account capital losses only when, on a standalone basis, they can be deducted against capital gains allocated to the Member under this Agreement, and reduced by prior Tax Distributions. Tax Distributions shall be made subject to restrictions under the financing arrangements of the Company and its Subsidiaries and shall be made as a priority distribution under this **Article V** and not as an advance against distributions under **Section 5.2**. Tax Distributions will be timed in such a manner as to provide the direct or indirect holders of Units with such distributions prior to the due date for their respective estimated tax and actual tax payment obligations.

5.4 Distributions of Securities. Other than with respect to Tax Distributions pursuant to **Section 5.3**, which shall be paid in cash, the Board is authorized, in its sole discretion, to make distributions to the Members in the form of Securities or other property received or otherwise held by the Company; provided, however, that, in the event of any such non-cash distribution, such Securities or other property shall be valued at the fair market value thereof (as reasonably determined by the Board) and shall be distributed to the Members in the same proportion that cash received upon the sale of such Securities or other property at such fair market value would have been distributed pursuant to **Sections 5.2** or **5.3**.

5.5 Restricted Distributions. Notwithstanding anything to the contrary contained herein, the Company, and the Board on behalf of the Company, shall not make a distribution to any Member if such distribution would violate the Act or other applicable law.

5.6 Withholding Tax Payments and Obligations. In the event that withholding taxes are paid or required to be paid in respect of amounts distributed, or distributive share allocated, by the Company, such payments or obligations shall be treated as follows:

a. Payments by the Company. The Company is authorized to withhold from any payment made to, or any distributive share of, a Member, any taxes required by law to be withheld, and in such event, such taxes shall be treated as if an amount equal to such withheld taxes had been paid to the Member rather than paid over to the taxing authority.

b. Over-withholding. Neither the Company nor the Board shall be liable for any excess taxes withheld in respect of any Member's interest in the Company, and, in the event of over withholding, a Member's sole recourse shall be to apply for a refund from the appropriate governmental authority. Any refunds of withheld taxes received by the Company shall be allocated and distributed in the manner, as reasonably determined by the Board, that will as closely as practicable put the Members in the position that they would have been in had the Company not withheld such refunded tax.

c. Certain Withheld Taxes Treated as Demand Loans. Any taxes withheld pursuant to **Section 5.6(a)** shall be treated as if distributed to the relevant Member to the extent an amount equal to such withheld taxes would then be distributable to such Member and, to the extent in excess of such distributable amounts, as a demand loan payable by the Member to the Company with interest at the lesser of (a) the Prime Rate per annum, and (b) the highest rate per annum permitted by law. The Board may, in its discretion, either demand payment of the principal and accrued interest on such demand loan at any time, and enforce payment thereof by legal process, or may withhold from one or more distributions to a Member amounts sufficient to satisfy such Member's obligations under any such demand loan.

d. Indemnity. In the event that the Company, or the Board or any Affiliate thereof, becomes liable as a result of a failure to withhold and remit taxes in respect of any Member, then such Member (or, if applicable, former Member) shall indemnify and hold harmless the Company, or the Board, as the case may be, in respect of all taxes, including interest and penalties, and any reasonable expenses incurred in any examination, determination, resolution and payment of such liability. The provisions contained in this **Section 5.6(d)** shall survive the termination of the Company and the withdrawal of any Member.

Article VI.

ALLOCATIONS

6.1 General Application. Except as explicitly provided elsewhere herein, the items of income, gain, loss or deduction of the Company comprising Net Income or Net Loss for a Fiscal Year shall be allocated among the Persons who were Members during such Fiscal Year in a manner such that the Capital Account of each Member, immediately after making such allocation, is, as nearly as possible, equal (proportionately) to (a) the distributions that would be made to such Member pursuant to **Article XV** if the Company were dissolved, its affairs wound up and its assets sold for cash equal to their Gross Asset Values, all Company liabilities were satisfied (limited in the case of each Nonrecourse Liability to the Gross Asset Value of the assets securing such liability) and the net assets of the Company were distributed in accordance with **Section 15.3(c)(ii)** to the Members immediately after making such allocations, minus (b) such Member's share of Company Minimum Gain, Member Nonrecourse Debt Minimum Gain and the amount such Member would be obligated to contribute to the capital of the Company, computed immediately prior to the hypothetical sale of the assets.

6.2 Loss Limitation. Notwithstanding anything to the contrary in **Section 6.1** but subject to the last sentence of this **Section 6.2**, the amount of items of Company expense and loss allocated pursuant to **Section 6.1** to any Member shall not exceed the maximum amount of such items that can be so allocated without causing such Member to have an Adjusted Capital Account Deficit at the end of any Fiscal Year, unless each Member would have an Adjusted Capital Account Deficit. All such items in excess of the limitation set forth in this **Section 6.2** shall be allocated first, to Members who would not have an Adjusted Capital Account Deficit pro rata in proportion to their Capital Account balances, adjusted as provided in clauses (a) and (b) of the definition of "Adjusted Capital Account Deficit," until no Member would be entitled to any further allocation, and thereafter to the Members in a manner determined in good faith by the Board taking into account the relative economic interests of the Members of the Company.

6.3 Special Allocations. The following special allocations shall be made in the following order and immediately prior to the general allocations of **Section 6.1**:

a. Minimum Gain Chargeback. In the event that there is a net decrease during a Fiscal Year in either Company Minimum Gain or Member Nonrecourse Debt Minimum Gain, then notwithstanding any other provision of this **Article VI**, each Member shall receive such special allocations of items of Company income and gain as are required in order to conform to Regulations Section 1.704-2.

b. Qualified Income Offset. Notwithstanding any other provision of this **Article VI**, items of income and gain shall be specially allocated to the Members in a manner that complies with the "qualified income offset" requirement of Regulations Section 1.704-1(b)(2)(ii)(d)(3), provided that any allocation under this **Section 6.3(b)** shall be made only if and to the extent that a Member would have a deficit Capital Account balance in excess of such sum after all allocations provided for in this **Article VI** have been tentatively made as if this **Section 6.3(b)** were not in this Agreement.

c. Deficit Capital Accounts Generally. In the event that a Member has a deficit Capital Account balance at the end of any Fiscal Year which is in excess of the sum of (i) the amount such Member is then obligated to restore pursuant to this Agreement, and (ii) the amount such Member is then deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), respectively, such Member shall be specially allocated items of Company income and gain in an amount of such excess as quickly as possible, provided that any allocation under this **Section 6.3(c)** shall be made only if and to the extent that a Member would have a deficit Capital Account balance in excess of such sum after all allocations provided for in this **Article VI** have been tentatively made as if **Section 6.3(b)** and this **Section 6.3(c)** were not in this Agreement.

d. Deductions Attributable to Member Nonrecourse Debt. Any item of Company loss or expense that is attributable to Member Nonrecourse Debt shall be specially allocated to the Members in the manner in which they share the economic risk of loss (as defined in Regulations Section 1.752-2) for such Member Nonrecourse Debt.

e. Allocation of Nonrecourse Deductions. Each Nonrecourse Deduction of the Company shall be specially allocated to the Members in a manner determined in good faith by the Board taking into account the relative economic interests of the Members of the Company.

f. Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset, pursuant to Section 734(b) or Section 743(b) of the Code is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in accordance with Regulations Section 1.704-1(b)(2)(iv)(m).

g. Regulatory Allocations. The allocations set forth in **Sections 6.2**, **6.3(b)** and **6.3(c)** (the ***"Regulatory Allocations"***) are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, the Regulatory Allocations will be offset with special allocations of other items of Company income, gain, loss or deduction pursuant to this **Section 6.3**. Therefore, notwithstanding any other provision of this **Article VI** (other than the Regulatory Allocations), the Board shall make such offsetting special allocations of Company income, gain, loss or deduction in whatever manner it determines appropriate so that, after the offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of this Agreement and all Company items were allocated pursuant to **Section 6.1**. In exercising its discretion pursuant to this **Section 6.3(g)**, the Board shall take into account future Regulatory Allocations that, although not yet made, are likely to offset other Regulatory Allocations previously made.

6.4 Transfer of Interest. In the event of a transfer of all or part of an LLC Interest (in accordance with the provisions of this Agreement) or the admission of a new Member (in accordance with the provisions of this Agreement) the Company's taxable year shall close with respect to the transferring Member, and such Member's distributive share of all items of profits, losses and any other items of income, gain, loss or deduction shall be determined using the interim closing of the books method under Section 706 of the Code and Regulations Section 1.706-1(c)(2)(i) unless the Board determines that there would be no substantial difference between the results under closing of the books and a pro rata method as described in Regulations Section 1.706-4(d). Except as otherwise provided in this **Section 6.4**, in all other cases in which it is necessary to determine the profits, losses, or any other items allocable to any period, profits, losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Board using any permissible method under Section 706 of the Code and the Regulations thereunder.

6.5 Tax Allocations.

a. Section 704(b) Allocations.

i. Except as provided in **Section 6.5(b)** below, each item of income, gain, loss, deduction or credit for U.S. federal income tax purposes that corresponds to an item of income, gain, loss or expense that is either taken into account in computing Net Income or Net Loss or is specially allocated pursuant to **Section 6.3** (a ***"Book Item"***) shall be allocated among the Members in the same proportion as the corresponding Book Item.

ii. (A) If the Company recognizes Depreciation Recapture in respect of the sale of any Company asset,

1. the portion of the gain on such sale which is allocated to a Member pursuant to **Section 6.1** or **Section 6.3** shall be treated as consisting of a portion of the Company's Depreciation Recapture on the sale and a portion of the balance of the Company's remaining gain on such sale under principles consistent with Regulations Section 1.1245-1, and

2. if, for U.S. federal income tax purposes, the Company recognizes both "unrecaptured Section 1250 gain" (as defined in Section 1(h) of the Code) and gain treated as ordinary income under Section 1250(a) of the Code in respect of such sale, the amount treated as Depreciation Recapture under **Section 6.5(a)(ii)(A)(1)** shall be comprised of a proportionate share of both such types of gain.

(B) For purposes of this **Section 6.5(a)(ii)**, ***"Depreciation Recapture"*** means the portion of any gain from the disposition of an asset of the Company which, for U.S. federal income tax purposes, (1) is treated as ordinary income under Section 1245 of the Code, (2) is treated as ordinary income under Section 1250 of the Code, or (3) is "unrecaptured Section 1250 gain" as such term is defined in Section 1(h) of the Code.

b. Section 704(c) Allocations. In the event that any property of the Company is credited to the Capital Account of a Member at a value other than its tax basis (whether as a result of a contribution of such property or a revaluation of such property pursuant to clause (b) of the definition of "Gross Asset Value"), then allocations of taxable income, gain, loss and deductions with respect to such property shall be made using the traditional method provided for in Regulations Section 1.704-3(b).

c. Credits. All tax credits shall be allocated among the Members as determined by the Board in its reasonable discretion, consistent with applicable law.

d. Capital Accounts. The tax allocations made pursuant to this **Section 6.5** shall be solely for tax purposes and shall not affect any Member's Capital Account or share of non-tax allocations or distributions under this Agreement.

Article VII.

ACCOUNTING AND TAX MATTERS

7.1 Tax Returns. The Board, at the expense of the Company, shall endeavor to cause the preparation and timely filing (including extensions) of all tax returns required to be filed by the Company pursuant to the Code as well as all other required tax returns in each jurisdiction in which the Company owns property or does business. The Board will cause to be delivered to each Person who was a Member at any time during such Fiscal Year, information with respect to the Company as may be necessary for the preparation of such Person's Federal, state and local income tax returns for such Fiscal Year. The Company shall (i) use commercially reasonable efforts to provide THL and Cannae an estimated IRS Schedule K-1 within sixty (60) days and a final IRS Schedule K-1 within 120 days after each Fiscal Year end, and (ii) provide any additional tax information reasonably requested by THL or Cannae for the purpose of filing tax returns or reports or providing tax information to its underlying owners.

7.2 Tax Controversies. Black Knight is hereby designated the **"Partnership Representative"** and shall serve as the partnership representative (as defined in Section 6223 of the Code) and any similar role under any similar state or local law and is authorized and required to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by tax authorities, including resulting administrative and judicial proceedings; provided, however, that at all times the Partnership Representative shall serve in such capacity under the oversight, and at the direction, of the Board. The Partnership Representative shall have the authority to designate from time to time a "designated individual" to act on behalf of the Partnership Representative, and such designated individual shall be subject to replacement by the Partnership Representative. Each Member agrees that any action taken by the Partnership Representative in connection with audits of the Company shall be binding upon such Members and each such Member further agrees that such Member shall not treat any Company item inconsistently on such Member's income tax return with the treatment of the item on the Company's return and that such Member shall not independently act with respect to tax audits or tax litigation affecting the Company, unless previously authorized to do so in writing by the Partnership Representative, which authorization may be withheld by the Partnership Representative in its sole discretion. The Company shall, at the Company's expense, make its employees and outside tax professionals available to Black Knight as reasonably requested by Black Knight to assist and advise Black Knight in connection with its duties as the Partnership Representative. To the extent and in the manner provided by applicable Code sections and regulations thereunder, the Partnership Representative shall (a) inform each Member of administrative or judicial proceedings for the adjustment of Company items required to be taken into account by a Member for income tax purposes, (b) furnish a copy of each notice or other communication received by the Partnership Representative from the IRS to each Member, except such notices or communications as are sent directly to such Member by the IRS and (c) reasonably consult with Cannae and THL on its approach to any such proceedings. If Black Knight ceases to be the Partnership Representative for any reason, the Class A Members, by a vote of a Majority in Interest of the Class A Members, shall appoint a new Partnership Representative. The Partnership Representative may resign at any time. The Company shall reimburse the Partnership Representative for any expenses that the Partnership Representative incurs in connection with its obligations as the Partnership Representative. In the event that the Company is liable for Federal income taxes, including interest and penalties thereon, pursuant to Section 6225 of the Code (and/or any successor provisions thereto), with respect to any adjustment resulting from a Federal income tax audit of the Company or any entity that is treated as transparent for Federal income tax purposes and in which the Company owns an interest, the Partnership Representative shall use commercially reasonable efforts and take commercially reasonable action to allocate any such taxes, penalties or interest to those Members or former Members to whom such amounts are attributable, as reasonably determined by the Partnership Representative taking into account the Code, Regulations and other applicable guidance thereon and the applicable facts and circumstances, including the tax status, action or inaction of each Member. In the case of any partnership adjustment resulting from an income tax audit of the Company, the Company (i) shall, at Cannae and THL's expense, use reasonable best efforts to obtain any available "modification" on account of Cannae and THL's (or its underlying owners') tax status or attributes or otherwise; provided that Cannae and THL timely furnishes the Company all relevant information necessary to obtain such modification, and (ii) shall allocate the benefit of such modification to Cannae or THL. Neither the Partnership Representative nor the designated individual shall be liable to the Company or the Members for acts or omissions taken or suffered by it in its capacity as either the Partnership Representative or designated individual, as the case may be, in good faith; provided that such act or omission is not in willful violation of this Agreement and does not constitute gross negligence, fraud or a willful violation of law.

7.3 Accounting Methods; Elections; Information.

a. The Board shall determine the accounting methods and conventions to be used in the preparation of the Company's tax returns and shall make any and all elections under the tax laws of the United States and any other relevant jurisdictions as to the treatment of items of income, gain, loss, deduction and credit of the Company, or any other method or procedure related to the preparation of the Company's tax returns; provided that the Company shall use the "traditional method" pursuant to Regulations Section 1.704-3(b) of making Section 704(c) allocations.

b. To the extent that any method, convention, election, procedure or determination relating to taxes or tax returns of the Company or its Members would reasonably be expected to have a disproportionate and adverse effect on Cannae or THL Holders when considered in the aggregate relative to the effect on Black Knight or its Affiliates, the decision to use (and extent of use of) such method, convention, election, or procedure shall require the approval of Cannae or THL, as applicable, (if and for so long as Cannae or THL holds at least fifteen (15%) of its initial equity investment in the Company); provided, that this restriction shall not prevent the Company from using the traditional method pursuant to Regulation Section 1.704-3(b) for making Section 704(c) allocations; and *provided further*, that this restriction shall have no further effect following the occurrence of a Significant Transaction. To the extent that the Company makes any material change to any accounting method, convention, election or procedure relating to Taxes, the determination whether to make such change shall be made by the Board (or by a committee of the Board on which one or more designees of Cannae or THL Holders serve); *provided* that this restriction shall have no further effect following the occurrence of a Significant Transaction.

c. Notwithstanding anything to the contrary in this Agreement, Black Knight, Cannae, and THL shall each have the right to require that the Company (or any subsidiary of the Company treated as a partnership for U.S. federal income tax purposes) make an election under Section 754 of the Code in connection with any transaction described in **Section 9.1, Section 9.3,** or **Section 11.1** or any Significant Transaction.

d. The Partnership Representative and the Company shall provide Cannae and THL Holders with any information and assistance relating to taxes and tax matters of the Company reasonably requested by Cannae and THL Holders, as applicable.

7.4 Partnership Status. The Members intend, and the Company shall take no position inconsistent with, treating the Company as a partnership for United States federal, state and local income and franchise tax purposes prior to a Public Offering.

Article VIII.

TRANSFERS OF UNITS

8.1 Restrictions on Transfers of Units.

a. Prior to the completion of the Company's first Public Offering, no Member may Transfer any Units, except in an Exempt Transfer or otherwise in accordance with the applicable terms of this Agreement. To the extent Cannae, THL or Parent (as applicable) Transfers any or all of its Units pursuant to an Exempt Transfer, the defined terms (i) "Cannae", (ii) "THL" and "THL Holders" and (iii) Parent, as applicable, shall be deemed to include the Transferee of such Exempt Transfer.

b. No Transfer of any Units by any Member shall become effective unless and until the Transferee (unless such Transferee already is party to this Agreement) executes and delivers to the Company a counterpart to this Agreement, agreeing to be treated in the same manner as the transferring Member. Upon such Transfer and such execution and delivery, the Transferee acquiring Transferred Units shall be bound by, and entitled to the benefits of, this Agreement in the same manner as the transferring Member; provided that no Transferee of Cannae or THL (other than a Transferee pursuant to clauses (d) through (g) of the definition of an Exempt Transfer) shall be entitled to any of the rights of Cannae or THL set forth in this Agreement (or the benefits hereunder) other than **Article III, Section 4.5, Article V, Article VI, Article VII, Section 8.2**, **Article XI**, **Article XII**, **Section 13.2(a) - (c)**, **Article XIV, Article XV** and **Article XVI**.

c. No Units may be transferred by a Member (other than pursuant to an effective registration statement under the Securities Act) unless, if requested by the Company, such Member first delivers to the Company an opinion of counsel, which opinion and counsel shall be reasonably satisfactory to the Company, to the effect that such Transfer is not required to be registered under the Securities Act or applicable state securities laws. The Board may waive such opinion requirement on advice of counsel acceptable to the Board. In addition to any other restrictions on Transfer imposed by this Agreement, no Member may Transfer any Unit (i) if the Board determines that the Company could, as a result of such Transfer, be treated as a "publicly traded partnership" within the meaning of Section 7704(b) of the Code and (ii) without first delivering to the Board, if requested, an opinion of nationally recognized tax counsel or consultant (reasonably acceptable in form and substance to the Board) that such Transfer will not cause the Company to be deemed a "publicly traded partnership" as such term is defined in Section 7704(b) of the Code or otherwise cease to be taxable as a partnership for federal income tax purposes.

d. Notwithstanding anything to the contrary herein, without the prior written approval of Parent, in no event shall Cannae, THL or any Class B Unit Holder Transfer any Units of the Company to any Competitive Business (as defined below) or any direct or indirect Affiliate thereof. ***"Competitive Business"*** shall mean the business competitors of the Company, Parent or Black Knight, including Sagent Lending Technologies, Ellie Mae, Blend, Blue Sage Solutions and Fiserv. For the avoidance of doubt, Competitive Business shall not include any private equity firm or other investor that holds an investment in a Competitive Business, except for Fiserv.

e. Any Member who effectively Transfers any Units pursuant to this **Article VIII** shall cease to be a Member with respect to such Units and shall no longer have any rights or privileges of a Member with respect to such Units (it being understood, however, that the applicable provisions of **Section 4.5** shall continue to inure to such Person's benefit). Nothing contained herein shall relieve any Member who Transfers any Units from any liability or obligation of such Member to the Company or the other Members with respect to such Units that may exist on the date of such Transfer or that is otherwise specified in the Act and incorporated into this Agreement or for any liability to the Company or any other Person for any breaches of any representations, warranties or covenants by such Member (in its capacity as such) contained herein or in other agreements with the Company.

f. For the avoidance of doubt, the Transfer restrictions in this Agreement may not be avoided by Transferring a beneficial ownership or economic interest in Units by means of a Transfer of Securities of any Person that is itself a direct or indirect holder of Units. To the extent the foregoing or the other provisions of this Agreement would require that the Transfer restrictions in this Agreement apply to Securities of another Person that directly or indirectly holds Units then the exceptions to such Transfer restrictions shall also be read to apply to the Transfer of such other Securities.

g. For the avoidance of doubt, the Transfer restrictions in this Agreement shall not apply to a Black Knight Change of Control or a change of control of Cannae or THL.

8.2 Tag-Along Rights.

a. At any time after the date of this Agreement, if Cannae, THL or Parent (the ***"Selling Holder"***) proposes to Transfer any Units (the ***"Tag-Along Sale"***) in accordance with this Agreement, the Selling Holder shall, before such Transfer deliver to the Company and to the other Members (the ***"Other Unit Holders"***) at least thirty (30) days prior written notice of such proposed Transfer (the ***"Sale Notice"***) and the terms of such Transfer, including (A) the number of Units to which the Transfer relates (the ***"Offered Class A Units"***), (B) the fraction expressed as a percentage, determined by dividing the number of units of Class A Units to be purchased from the Selling Holder in such Transfer by the total number of Class A Units held by such Selling Holder (the ***"Tag-Along Sale Percentage"***) (it being understood that (i) if the Selling Holder owns any vested Class B Units, the Tag-Along Sale Percentage shall be calculated on a post-conversion basis after giving effect to clause (c) below, and (ii) the Company shall reasonably cooperate with the Selling Holder in respect of the determination of the Tag-Along Sale Percentage), (C) the name and address of the proposed Transferee and (D) the proposed amount and type of consideration (including, if the consideration consists in whole or in part of non-cash consideration, such information available to the Selling Holder as may be reasonably necessary for the other Members to properly analyze the economic value and investment risk of such non-cash consideration) and the terms and conditions of payment proposed by the Selling Holder.

b. Any of the Other Unit Holders may, within twenty-five (25) days of the receipt of the Sale Notice, give written notice (each, a ***"Tag-Along Notice"***) to the Selling Holder that such Other Unit Holder requests that the Selling Holder include in the proposed Transfer a number of Units (on a post-conversion basis as described in clause (c) below) held by such Other Unit Holder (such number of Units shall not in any event exceed the Tag-Along Sale Percentage of the total number of Units of the specified class of Units held by such Other Unit Holder on a post-conversion basis, as described in clause (c) below). The Other Unit Holders that exercise their tag-along rights hereunder (the ***"Tagging Persons"***) shall, upon request, deliver to the Selling Holder, with the Tag-Along Notice, wire transfer instructions for payment of the purchase price for such Units of such Tagging Persons to be included in the Tag-Along Sale, together with a limited power-of-attorney authorizing the Selling Holder to Transfer such Units on the terms and conditions set forth in the Sale Notice. The price per Unit (on a post-conversion basis, as described in clause (c) below) to be received by each Member will be determined as if the Company had been sold for the valuation implied by the price of the Offered Class A Units in such Tag-Along Sale (by extrapolating such valuation to a sale of all of the Units) and the proceeds of such sale had been distributed by the Company in complete liquidation pursuant to the priorities set forth in **Section 5.2**.

c. Any election by any Other Unit Holder to include in the Tag-Along Sale any vested Class B Units (it being understood that no such election can be made in connection with a Tag-Along Sale with respect to unvested Class B Units) shall automatically result in the conversion of the applicable number of such Other Unit Holder's vested Class B Units into a number of Class A Units equal to the quotient obtained by dividing (x) the sum of the Class B Participation Prices of such applicable vested Class B Units (*i.e.* the Class B Units participating in such Tag-Along Sale), and (y) the Class A Participation Price (with a corresponding reduction in the number of authorized Class B Units provided in **Section 3.3(c)**); provided, that such conversion shall be conditioned upon, and shall occur immediately prior to, the closing of the Tag-Along Sale (it being understood, for the avoidance of doubt, that any vested Class B Units shall not be converted into Class A Units to the extent such Units are not included in the Tag-Along Sale, whether pursuant to **Section 8.2(d)**, the failure of the Tag-Along Sale to be consummated, or otherwise).

d. The Selling Holder shall ask to obtain the inclusion in the proposed Tag-Along Sale of the entire number of Units which each of the Tagging Persons requested to have included in the Tag-Along Sale (as evidenced in the case of the Selling Holder by the Sale Notice and in the case of each Tagging Person by such Tagging Person's Tag-Along Notice). In the event the Selling Holder shall be unable to obtain the inclusion of such entire number of Units in the proposed Tag-Along Sale, the number of Units to be sold in the proposed Tag-Along Sale shall be allocated among the Selling Holder and each Tagging Person, in proportion, as nearly as practicable, as follows:

i. there shall be first allocated to each Selling Holder and each Tagging Person, a number of Units equal to the lesser of (x) the number of Units offered to be included by such Tagging Person (or proposed, in the case of the Selling Holder) in the proposed Tag-Along Sale pursuant to this **Section 8.2**, and (y) a number of Units equal to its Tag-Along Portion; and

ii. the balance, if any, not allocated pursuant to clause (i) above shall be allocated *pro rata* based on Percentage Interest to each Selling Holder and each Tagging Person; provided, that in no case shall any Selling Holder or Tagging Person be allocated an aggregate amount of Units exceeding the amount of Units elected to be included by such Tagging Person (or proposed, in the case of the Selling Holder).

e. To exercise its tag-along rights hereunder, each Other Unit Holder must agree to make to the Transferee on behalf of itself the same representations, warranties, covenants, indemnities and agreements as the Selling Holder agrees to make in connection with the Transfer of the Offered Units (except that in the case of representations and warranties pertaining specifically to, or covenants made specifically by, the Selling Holder, the Other Unit Holders shall make comparable representations and warranties pertaining specifically to (and, as applicable, covenants by) themselves), and must agree to bear its ratable share (which shall be proportionate based on the amount of Units that are Transferred) of all liabilities to the Transferees arising out of representations, warranties (other than those representations, warranties and covenants that pertain specifically to a given Member), covenants, indemnities or other agreements made in connection with the Transfer.

f. Each Member will bear (x) its own costs of any sale of Units pursuant to this **Section 8.2** and (y) its pro-rata share (based upon the relative amount of Units sold) of any of the other costs of any reasonable and customary sale of Units pursuant to this **Section 8.2** to the extent such costs are incurred for the benefit of all Members and are not otherwise paid by the Transferee. Notwithstanding anything herein to the contrary, upon the consummation of the sale or Public Offering of Units pursuant to this **Section 8.2**, all of the holders of vested Class B Units participating in such sale or Public Offering shall participate in such sale or Public Offering of Units in the manner set forth in this **Section 8.2**.

g. If none of the Other Unit Holders gives the Selling Holder a Tag-Along Notice prior to the expiration of the 25-day period provided pursuant to **Section 8.2(a)** for giving Tag-Along Notices with respect to the Transfer proposed in the Sale Notice, then (notwithstanding **Section 8.2(a)**) the Selling Holder may Transfer such Offered Units on the terms and conditions set forth, and to or among any of the Transferees identified (or Affiliates of Transferees identified), in the Sale Notice at any time within ninety (90) days after expiration of the 25-day period provided pursuant to **Section 8.2(b)** for giving Tag-Along Notices with respect to such Transfer. Any such Offered Units not Transferred by the Selling Holder during such 90-day period will again be subject to the provisions of this **Section 8.2** upon any proposed subsequent Transfer. If one or more Other Unit Holders give the Selling Holder a timely Tag-Along Notice, then the Selling Holder shall use all reasonable efforts to obtain the agreement of the prospective Transferee(s) to the participation of the Other Unit Holders in any contemplated Transfer, on the same terms and conditions as are applicable to the Offered Units, and no Selling Holder shall transfer any of its Units to any prospective Transferee if such prospective Transferee(s) declines to allow the participation of any of the Other Unit Holders. For the avoidance of doubt, this **Section 8.2** shall apply to the Transfer by THL of THL Holding Company Interests and a Transfer by Black Knight of a direct or indirect interest in Parent or the Company as if such Transfer were of the number of Units indirectly disposed of by reason of such Transfer.

h. The rights and restrictions contained in this **Section 8.2** shall not apply with respect to any Exempt Transfer, other than Transfers pursuant to clauses (a) or (b) of the definition of Exempt Transfer.

i. For purposes of this **Section 8.2**, **Section 9.1**, **Section 9.4**, **Section 10.1** **Section 11.1** and in connection with a Significant Transaction pursuant to **Section 9.3**, notwithstanding anything to the contrary in this Agreement, (i) a THL Seller shall be entitled to Transfer THL Holding Company Interests to the same extent as THL is entitled to Transfer THL Units thereunder, *provided* that such right shall be exercisable only if the applicable THL Holding Company or THL Holding Companies (x) has no material assets other than their interests in Units and other assets arising by reason of or in connection with their direct or indirect ownership of the Units (including cash), and (y) represent that they have no material liabilities other than liabilities (including tax liabilities) arising by reason of the ownership of the foregoing and any indebtedness owed to their respective shareholders, (ii) such THL Seller shall be entitled to sell such THL Holding Company Interests at the same price as the underlying Units, without any discount but exclusive of any cash then held by the applicable THL Holding Company or THL Holding Companies and (iii) the provisions of **Section 8.2**, **Section 9.1**, **Section 9.3**, **Section 9.4**, **Section 10.1** and **Section 11.1** shall apply to the Transfer of THL Holding Company Interests by such THL Seller *mutatis mutandis* and references to "THL" or "THL Holder" in such Sections shall be deemed to include reference to such THL Seller.

8.3 Transfers in Violation of Agreement. Any Transfer or attempted Transfer of any Units in violation of any provision of this Agreement shall be void, and the Company shall not record such Transfer on its books or treat any purported transferee of such Units as the owner of such Units for any purpose. Without limitation of any other provision herein, no Transfer of any interest in any Class B Unit by a Class B Member shall be effective unless prior to such Transfer the transferee, assignee or intended recipient of such interest shall have agreed in writing to be bound by the provisions of **Section 3.4(c)**, in form reasonably satisfactory to the Board.

Article IX.

LIQUIDITY RIGHTS

9.1 Put Rights; Duty to Negotiate; Appraisal.

a. At any time after the third (3rd) anniversary of the Closing Date until such time as a Public Offering has been consummated, each of Cannae and THL (each, a "***Putting Party***") may deliver written notice (the ***"Transfer Notice"***) to the Company, Parent, Black Knight and each other Member that such Putting Party desires to sell all of its Cannae Units, THL Units, THL Holding Company Interests (subject to **Section 8.2(i)**) or a combination thereof, as applicable (the "***Put Units***"), to Black Knight, Parent or the Company (each, a "***Put Accepting Party***"). For a period of thirty (30) days from the date of the Transfer Notice, the Putting Party and the Put Accepting Party will negotiate in good faith regarding a sale of all of such Put Units to the Put Accepting Party. If the parties are unable to agree upon the terms of a sale of such Put Units within such thirty (30)-day period, then the Putting Party may elect to initiate the Appraisal Process to determine the Appraisal Price (the ***"Election"***) as of the date of the Transfer Notice. Any Appraisal Process shall be initiated by the Putting Party by delivering to the Put Accepting Party the report of the first appraiser. Each of Cannae and THL shall use their commercially reasonable efforts to coordinate with each other with respect to the exercise of their rights under this **Section 9.1** to provide that there shall only be one Appraisal Process ongoing at any given time.

b. If, following the first Appraisal Process, the Putting Party determines that it is not satisfied in its sole discretion with the Appraisal Price (which determination it shall make within fifteen (15) days of completion of the Appraisal Process (the ***"First Appraisal Deadline"***)), then it may elect (the ***"Second Election"***) to initiate the Appraisal Process a second time; provided that the Putting Party may not make a Second Election within twelve (12) months of the First Appraisal Deadline. If, following the second Appraisal Process, the Putting Party determines that it is not satisfied in its sole discretion, with the Appraisal Price (which determination it shall make within fifteen (15) days of completion of the Appraisal Process (the ***"Second Appraisal Deadline"***)), then it may elect to initiate the Appraisal Process a third time (the ***"Third Election"***), provided that the Putting Party may not make a Third Election within twelve (12) months of the Second Appraisal Deadline. The Putting Party may not initiate the Appraisal Process more than three (3) times.

c. If, following any Appraisal Process, the Putting Party determines that it is satisfied, in its sole discretion, with the Appraisal Price (which determination it shall make within fifteen (15) days of completion of the Appraisal Process), such Member shall deliver notice of such to the Put Accepting Party, and the Put Accepting Party shall, within fifteen (15) days of receipt of notice of such approval of the Appraisal Price, deliver confirmation to the Putting Party that it shall purchase all but not less than all of such Put Units from the Putting Party at the Appraisal Price, and the Putting Party shall sell all but not less than all of such Put Units to the Put Accepting Party.

d. In the event that a Put Accepting Party delivers confirmation that it shall purchase such Put Units pursuant to its right in this **Section 9.1**, then such Put Accepting Party shall have the obligation to purchase such Put Units by paying in cash or in Black Knight's common stock (which common stock (i) shall be valued based on the average closing stock prices of Black Knight's common stock for the twenty (20) trading days immediately preceding the date that Black Knight receives written notice of the approval of the Appraisal Price, (ii) shall be restricted securities the resale of which shall be registered immediately following the issuance of such common stock pursuant to an effective shelf registration statement (which Black Knight shall ensure remains effective with respect to Cannae or THL at least until the time at which Cannae or THL, as applicable, no longer owns more than 2% of the then outstanding shares of Black Knight's common stock and any shares of Black Knight's common stock then held by Cannae or THL, as applicable, are otherwise freely tradable pursuant to Rule 144 of the Securities Act without volume restrictions or other limitations, subject to customary blackout provisions in the event Black Knight is unable to file, amend or supplement such shelf registration statement or the applicable prospectus or prospectus supplement as a result of a pending material transaction or other material event) and (iii) shall not be subject to a contractual lockup or any other trading restriction, except for trading restrictions applicable to affiliates and/or insiders and customary blackout periods). The Put Accepting Parties agree that, to the extent that Black Knight chooses to pay the purchase price with common stock of Black Knight, they shall use reasonable efforts to structure such purchase of Put Units in a manner that is tax efficient for Black Knight and the Putting Party. The closing of the purchase of such Put Units from the Putting Party by the Put Accepting Party pursuant to this **Section 9.1** shall occur no later than thirty (30) days after delivery of notice of the Put Accepting

Party's election to purchase (subject to any extension necessary to obtain any required regulatory or shareholder approvals as well as to ensure a shelf registration statement is effective on the purchase date, such extension to last no longer than 180 days from the delivery of such notice). At such closing, (i) the Put Accepting Party shall pay the Putting Party and (ii) the Putting Party shall transfer the Put Units to the Put Accepting Party, free and clear of any lien or encumbrance, with any documentation reasonably requested by the Put Accepting Party to evidence such transfer, which documentation shall require the Putting Party to make the representations and warranties in the immediately succeeding sentence. The transfer of the Put Units and acceptance of the aggregate Appraisal Price by any Person selling such Put Units pursuant to this **Section 9.1** shall be deemed accompanied with a representation and warranty by such Person that: (1) such Person has full right, title and interest in and to such Put Units; (2) such Person has all necessary power and authority and has taken all necessary action to sell such Put Units as contemplated hereby; (3) such Put Units are free and clear of any and all liens or encumbrances; and (4) there is no adverse claim with respect to such Put Units.

9.2 Management Member Put Rights; Appraisal.

a. If no Public Offering has been consummated as of the date that is sixty (60) days prior to the third (3rd) anniversary of the Closing Date, then during each sixty (60) day period prior to the third and each subsequent anniversary of the Closing Date until such time as a Public Offering has been consummated, each Management Member (a ***"Putting Unit Holder"***) may deliver notice (a ***"Management Transfer Notice"***) to Black Knight, the Company, Parent, Cannae and THL that such Putting Unit Holder desires to sell its vested Units to a Put Accepting Party. Additionally, in the event a Putting Party has delivered a Transfer Notice pursuant to **Section 9.1(a)**, then during the thirty (30)-day period following the delivery of such Transfer Notice each Management Member may deliver notice (a ***"Management Piggyback Transfer Notice"***) to Black Knight, the Company, Parent, Cannae and THL that such Putting Unit Holder desires to sell its Units to a Put Accepting Party on the same terms (other than purchase price as set forth below) as the Putting Party's sale of the Put Units, as applicable, in accordance with **Section 9.1**.

b. If within the sixty (60) day period prior to the date that one or more Putting Unit Holders deliver a Management Transfer Notice either (i) an Appraisal Process pursuant to **Section 9.1(a)** has been commenced or (ii) a Put Accepting Party, and a Putting Party have agreed upon the terms of a sale of the Put Units, as applicable, to a Put Accepting Party in accordance with **Section 9.1(a)**, then the purchase price per Unit for the Putting Unit Holder will be based on the Appraisal Price when determined or the sale terms agreed upon by the Put Accepting Party and the Putting Party in accordance with **Section 9.1(a)** by extrapolating such valuation to a sale of all of the Units and assuming the proceeds of such sale had been distributed by the Company in complete liquidation pursuant to the priorities set forth in **Section 5.2**.

c. If a Putting Party has previously delivered a Transfer Notice and an Appraisal Process is underway pursuant to **Section 9.1(a)** as of the date that one or more Putting Unit Holders deliver a Management Transfer Notice in accordance with **Section 9.2(a)**, then the purchase price per Unit for the Putting Unit Holder will be determined as if the Company had been sold for the valuation implied by the Appraisal Price underway pursuant to **Section 9.1(a)** (as is finally determined pursuant to such Appraisal Process upon its completion and by extrapolating such valuation to a sale of all of the Units) and assuming the proceeds of such sale had been distributed by the Company in complete liquidation pursuant to the priorities set forth in **Section 5.2**.

d. If (i) an Appraisal Process has not been completed pursuant to **Section 9.1(a)** within the sixty (60) day period prior to the date that one or more Putting Unit Holders deliver a Management Transfer Notice in accordance with **Section 9.2(a)**, and (ii) if an Appraisal Process is not underway pursuant to **Section 9.1(a)** as of the date that one or more Putting Unit Holders deliver a Management Transfer Notice in accordance with **Section 9.2(a)**, then for a period of thirty (30) days from the date of the first delivered Management Transfer Notice, the parties will negotiate in good faith regarding a sale of all of each Putting Unit Holder's Class B Units to Black Knight or its designee or the Company. If Black Knight and one or more Putting Unit Holders are unable to agree upon the terms of a sale of such Putting Unit Holder's Class B Units to Black Knight or its designee or the Company within such thirty (30)-day period, then such Putting Unit Holder(s) may elect to initiate the Appraisal Process to determine the Appraisal Price. Any Appraisal Process shall be initiated by the Putting Unit Holder(s) by delivering to Black Knight, the Company, Parent, Cannae and THL the report of the first appraiser. If at any time during which an Appraisal Process is underway pursuant to this **Section 9.2(d)**, an Appraisal Process pursuant to **Section 9.1(a)** is commenced, then the Appraisal Process underway pursuant to this **Section 9.2(d)** shall cease and the purchase price per Unit for the Putting Unit Holder will be based on the Appraisal Price when determined in accordance with **Section 9.1(a)** by extrapolating such valuation to a sale of all of the Units and assuming the proceeds of such sale had been distributed by the Company in complete liquidation pursuant to the priorities set forth in **Section 5.2**.

e. If one or more Putting Unit Holders deliver a Management Piggyback Transfer Notice in accordance with **Section 9.2(a)**, each such Putting Unit Holder agrees and acknowledges that the Appraisal Process shall be controlled by the Putting Party and if such Putting Unit Holder is satisfied, in its sole discretion, with the Appraisal Price in accordance with **Section 9.2(f)**, such Putting Unit Holder shall sell its Units to Black Knight or its designee on the same terms as apply to Cannae's sale of the Cannae Units or THL's sale of the THL Units in accordance with **Section 9.1**, except that the purchase price per Unit for the Putting Unit Holder will be determined as if the Company had been sold for the valuation implied by the Appraisal Price (as is finally determined pursuant to such Appraisal Process upon its completion and by extrapolating such valuation to a sale of all of the Units) and assuming the proceeds of such sale had been distributed by the Company in complete liquidation pursuant to the priorities set forth in **Section 5.2**.

f. If, following any Appraisal Process pursuant to **Section 9.2(c)**, **9.2(d)** or **9.2(e)**, a Putting Unit Holder determines that it is satisfied, in its sole discretion, with the Appraisal Price (which determination it shall make within fifteen (15) days of completion of the Appraisal Process), such Putting Unit Holder shall deliver notice of such to the Company, and the Company shall, within fifteen (15) days of receipt of notice of such Putting Unit Holder's approval of the Appraisal Price, deliver confirmation to such Putting Unit Holder and the Putting Party that it shall purchase all but not less than all of such Putting Unit Holder's Class B Units at the valuation implied by the Appraisal Price (assuming the Company had been sold for the valuation implied by the Appraisal Price by extrapolating such valuation to a sale of all of the Units and the proceeds of such sale had been distributed by the Company in complete liquidation pursuant to the priorities set forth in **Section 5.2**), and such Putting Unit Holder shall sell all but not less than all of its Class B Units to Black Knight or its designee, as applicable.

1. If, following any Appraisal Process pursuant to **Section 9.2(c)**, **9.2(d)** or **9.2(e)**, a Putting Unit Holder determines that it is not satisfied in its sole discretion, with the Appraisal Price (which determination it shall make within fifteen (15) days of completion of the Appraisal Process then its Management Transfer Notice or Management Piggyback Transfer Notice shall be deemed to have been withdrawn upon such Putting Unit Holder's failure to deliver to the Company or Parent within fifteen (15) days of completion of the Appraisal Process notice of such Putting Unit Holder's satisfaction with and acceptance of the applicable Appraisal Price. The Putting Unit Holder shall promptly notify the Putting Party in such case.

2. In the event that the Company or Parent delivers confirmation that it or its designee shall purchase a Putting Unit Holder's Class B Units pursuant to its right in this **Section 9.2**, then the Company shall have the obligation to purchase, or cause its designee to purchase, such Units by paying in (i) lump-sum cash, by wire transfer of immediately available funds, (ii) Black Knight's common stock (which common stock shall be valued based on the average closing stock prices of Black Knight's common stock for the twenty (20) trading days immediately preceding the date that Black Knight receives such Putting Unit Holder's written notice of its approval of the Appraisal Price) or (iii) a combination of cash and Black Knight common stock (valued in accordance with clause (ii)). Black Knight, Parent and the Company agree that, to the extent that Black Knight chooses to pay the purchase price with common stock of Black Knight, they shall use reasonable efforts to structure such purchase of Units in a manner that is tax efficient for Black Knight, the Putting Unit Holder, Parent and the Company. The closing of the purchase of the Units from such Putting Unit Holder by Black Knight or its designee pursuant to this **Section 9.2** shall occur no later than thirty (30) days after notice of Black Knight's election to purchase, and the Putting Party shall be notified reasonably in advance of such closing.

9.3 Significant Transactions.

a. If the Board has approved an initial Public Offering (an "***IPO***") in accordance with the terms of this Agreement, the Members shall take such actions as shall be necessary or advisable to cause the outstanding direct or indirect equity securities of the Company to be transferred (by merger or otherwise) to a newly formed corporation (the "***IPO Co***"), subject to Cannae and THL's right to retain some or all of their Interests pursuant to an election described in clause (ii) below in this paragraph. In connection with the foregoing, at the request of Cannae or THL, Black Knight shall use reasonable best efforts to allow Cannae or THL, as applicable, to exchange its Interests (including THL Holding Company Interests, provided that the requirements of **Section 8.2(i)** are satisfied) for shares of capital stock of IPO Co on a tax-free basis to Cannae, THL, Black Knight and IPO Co. Further, at the request of Cannae or THL, and to the extent that it does not delay or disadvantage the proposed transaction or the general operation of the business, Black Knight and Cannae or THL, as applicable, shall discuss a structure that would allow Cannae or THL, as applicable, to elect to either (i) exchange some or all of such Interests (including THL Holding Company Interests) for shares of capital stock of IPO Co in connection with such IPO or (ii) retain some or all of such Interests, subject to contractual rights in favor of Cannae or THL, as applicable, to exchange such interests for shares of capital stock of IPO Co. In connection with an exchange described in clause (i) or (ii) of the immediately preceding sentence Black Knight shall also discuss with Cannae or THL, as applicable, (a) the feasibility of entering into a “tax receivable agreement” with Cannae or THL, as applicable, or (b) the possibility of compensating Cannae or THL, as applicable, for tax attributes provided to IPO Co by reason of (x) the taxable exchanges effected by Cannae or THL, as applicable, or (y) net operating losses or other similar tax attributes (if any) of Cannae or each THL Holding Company, as applicable. Upon the consummation of such transaction, the Members shall enter into a securityholders, registration rights or similar agreement with such IPO Co in form and substance determined in good faith by the Board to provide the Members the relative rights and restrictions set forth in the Registration Rights Agreement. The securities of IPO Co received by each Member under this **Section 9.3** or otherwise shall be of like kind and have a value at least equal to the value of the Units replaced thereby, calculated as if the Company were being liquidated in a hypothetical liquidation with the proceeds in such liquidation equal in amount to the implied aggregate equity valuation of such corporation immediately prior to the consummation of the initial Public Offering; provided that the Members who hold Class B Units shall receive equity securities of IPO Co that have substantially similar vesting restrictions.

b. If the Board has approved a distribution described in clause (ii) of the definition herein of “Significant Transaction”, at the request of Cannae or THL, Black Knight shall use reasonable best efforts to allow Cannae or THL, as applicable, to exchange its Interests (including THL Holding Company Interests, provided that the requirements of **Section 8.2(i)** are satisfied) for shares of capital stock of Newco on a tax-free basis to Cannae, THL, Black Knight and Newco. Further, at the request of Cannae or THL, and to the extent that it does not delay or disadvantage the proposed transaction or the general operation of the business, Black Knight and Cannae or THL, as applicable, shall discuss a structure that allows Cannae or THL, as applicable, to elect to either (i) exchange its Interests (including THL Holding Company Interests) for shares of capital stock of Newco following such distribution or (ii) retain such Interests, subject to contractual rights in favor of Cannae or THL, as applicable, to exchange such interests for shares of capital stock of Newco. In connection with an exchange described in clause (i) or (ii) of the immediately preceding sentence Black Knight shall also discuss with Cannae or THL, as applicable, (a) the feasibility of entering into a “tax receivable agreement” with Cannae or THL, as applicable,, or (b) the possibility of compensating Cannae or THL, as applicable, for tax attributes provided to Newco by reason of (x) the taxable exchanges effected by Cannae or THL, as applicable, or (y) net operating losses or other similar tax attributes (if any) of Cannae or each THL Holding Company. Upon the consummation of such transaction, the Members shall enter into a securityholders, registration rights or similar agreement with such Newco in form and substance determined in good faith by the Board to provide the Members the relative rights and restrictions set forth in the Registration Rights Agreement. The securities of Newco received by each Member under this **Section 9.3** or otherwise shall be of like kind and have a value at least equal to the value of the Units replaced thereby, calculated as if the Company were being liquidated in a hypothetical liquidation with the proceeds in such liquidation equal in amount to the implied aggregate equity valuation of such corporation immediately prior to the consummation of such distribution; provided that the Members who hold Class B Units shall receive equity securities of Newco that have substantially similar vesting restrictions.

9.4 Call Rights.

a. Following the third (3rd) anniversary of the Closing Date until such time as a Public Offering has been consummated, Black Knight or Parent (each, a "***Calling Party***") may, but shall not be required to, elect by written notice (the "***Call Notice***") to purchase all of the Cannae Units, all of the THL Units and/or all of the THL Holding Company Interests (such right, the "***Call Right***") and, if such option is exercised, Cannae and THL (each, a "***Called Party***"), as applicable, shall sell to the Calling Party all of the Cannae Units, all of the THL Units and/or all of the THL Holding Company Interests (subject to **Section 8.2(i)**) owned by such Called Party, as applicable (the "***Called Units***"), at a price per Unit equal to the Call Price.

b. The closing of the purchase by the Calling Party of the Called Units pursuant to **Section 9.4(a)** shall take place at the principal office of the Company on the date chosen by the Calling Party, which date shall in no event be more than thirty (30) days after determination of the Call Price (subject to any extension necessary to obtain any required regulatory or shareholder approvals as well as to ensure a shelf registration statement is effective on the purchase date, such extension to last no longer than 180 days from the delivery of such notice). If such date is not a business day, such purchase shall occur on the next succeeding business day. At such closing, (i) the Calling Party shall pay the Called Party, and (ii) the Called Party shall transfer the Called Units to the Calling Party, free and clear of any lien or encumbrance, with any documentation reasonably requested by the Calling Party to evidence such transfer, which documentation shall require the Called Party to make the representations and warranties in the immediately succeeding sentence. The transfer of the Called Units and acceptance of the aggregate Call Price of all Called Units by any Person selling such Called Units pursuant to this **Section 9.4** shall be deemed accompanied with a representation and warranty by such Person that: (1) such Person has full right, title and interest in and to such Called Units; (2) such Person has all necessary power and authority and has taken all necessary action to sell such Called Units as contemplated hereby; (3) such Called Units are free and clear of any and all liens or encumbrances; and (4) there is no adverse claim with respect to such Called Units.

c. The Calling Party may pay the aggregate Call Price of all Called Units in (i) lump-sum cash, by wire transfer of immediately available funds, (ii) Black Knight's common stock (which common stock (A) shall be valued based on the average closing stock prices of Black Knight's common stock for the twenty (20) trading days immediately preceding the date that Black Knight receives written notice of the approval of the Appraisal Price, (B) shall be restricted securities the resale of which shall be registered immediately following the issuance of such common stock pursuant to an effective shelf registration statement (which Black Knight shall ensure remains effective with respect to Cannae or THL at least until the time at which Cannae or THL, as applicable, no longer owns more than 2% of the then outstanding shares of Black Knight's common stock and any shares of Black Knight's common stock then held by Cannae or THL, as applicable, are otherwise freely tradable pursuant to Rule 144 of the Securities Act without volume restrictions or other limitations, subject to customary blackout provisions in the event Black Knight is unable to file, amend or supplement such shelf registration statement or the applicable prospectus or prospectus supplement as a result of a pending material transaction or other material event) and (C) shall not be subject to a contractual lockup or any other trading restriction, except for trading restrictions applicable to affiliates and/or insiders and customary blackout periods) or (iii) a combination of cash and Black Knight common stock (valued in accordance with clause (ii)). The Calling Parties agree that, to the extent that they choose to pay the aggregate Call Price of all Called Units with common stock of Black Knight, they shall use reasonable efforts to structure such purchase of Called Units in a manner that is tax efficient for the Calling Party and Cannae or THL, as applicable.

Article X.

TAKE-ALONG RIGHT

10.1 Take-Along Right.

a. Subject to **Section 4.2(b)** in the case of Cannae and the THL Holders, and **Section 8.2(i)** in the case of the THL Holders, if the Parent elects to consummate, or to cause the Company to consummate, a transaction constituting a Sale of the Company, Parent shall notify the Company and the other Members in writing of that election and the other Members will consent to and raise no objections to the proposed transaction, and the Members and the Company will take all other actions reasonably necessary or desirable to cause the consummation of such Sale of the Company on the terms proposed by Parent; *provided* that each of Cannae and THL shall only be subject to the "take-along" provisions of this **Section 10.1** to the extent that the Sale of the Company would result in, assuming consummation of such transaction, a Cannae Threshold Multiple of Investor Capital and THL Threshold Multiple of Investor Capital of greater than 2.0. Without limiting the foregoing, but subject to the conditions set forth therein, (i) if the proposed Sale of the Company is structured as a sale of assets or a merger or consolidation, or otherwise requires Member approval, the Members and the Company will vote or cause to be voted all Units that they hold or with respect to which such Member has the power to direct the voting and which are entitled to vote on such transaction in favor of such transaction and will waive any appraisal rights which they may have in connection therewith and (ii) if the proposed Sale of the Company is structured as or involves a sale or redemption of Units, the Members will agree to sell their pro-rata share of the Units being sold in such Sale of the Company on the terms and conditions approved by the Parent, and the Members will execute any definitive sale agreements, and will make to the buyer the same representations, warranties, covenants, indemnities and agreements (other than, in the case of Parent, Cannae and THL, non-competition agreements) as the Parent makes in connection with such Sale of the Company, and must agree to bear their ratable share (which shall be proportionate based on the amount of Units that are being sold in such Sale of the Company) of all liabilities of the Members arising out of representations, warranties (other than those representations, warranties, covenants, indemnities and agreements that pertain specifically to a given Member), covenants, indemnities or other agreements made in the definitive sale agreements. Each Management Member hereby grants to Parent a power of attorney to execute and deliver in the name and on behalf of such Management Member all such agreements, instruments and other documentation (including any written consents of Members) as is required to Transfer the Units held by such Management Member in accordance with the provisions of this **Section 10.1**.

b. The obligations of the Members with respect to the Sale of the Company are subject to **Section 4.2(b)** in the case of Cannae and the THL Holders, **Section 8.2(i)** of the THL Holders and to the satisfaction of the following conditions: (i) all Members shall receive the same form of consideration (which shall be cash or marketable securities) and the price per unit to be received by each Member will be determined as if the Company had been sold for the valuation implied by such Sale of the Company (by extrapolating such valuation to a sale of all of the Units to the extent that such Sale of the Company is not a sale of all of the Units) and the proceeds of such sale had been distributed by the Company in complete liquidation pursuant to the rights and preferences set forth in **Section 5.2** (for the avoidance of doubt, all holders of Class A Units shall receive the same amount of consideration per Class A Unit), (ii) all holders of rights without regard to vesting restrictions to acquire a particular class or series of securities will be given an opportunity to, upon the consummation of the Sale of the Company, receive in exchange for such rights consideration equal to the amount determined by multiplying (1) the same amount of consideration per share, unit or amount of Units received by the holders of such type and class of Units in connection with the Sale of the Company by (2) the number of Units, shares or aggregate amount of Units represented by such rights, and (iii) in no event shall the aggregate liability of any Member for representations, warranties, covenants, indemnities or agreements (other than with respect to such Member's ownership of its Units, its ability to consummate the transfer thereof, and investment representations required under applicable securities laws) with respect to any Sale of the Company exceed the proceeds received by such Member in such Sale of the Company.

c. Each Member will bear its or his pro-rata share (based upon the relative amount of consideration received by such Member in a Sale of the Company) of the reasonable and customary costs of any sale of Units pursuant to a Sale of the Company to the extent such costs are incurred for the benefit of all Members and are not otherwise paid by the Company or the acquiring party. Costs incurred by or on behalf of a Member for its or his sole benefit will not be considered costs of the transaction hereunder. In the event that any transaction that the Parent elects to consummate or cause to be consummated pursuant to and in accordance with this **Article X** is not consummated for any reason, the Company will reimburse the Parent, Cannae and THL for all actual and reasonable expenses paid or incurred by the Parent, Cannae and THL in connection therewith.

Article XI.

REDEMPTION RIGHTS

11.1 Redemption of Units. At any time prior to a Public Offering becoming effective:

a. Black Knight shall provide Cannae, THL and each Management Member with no less than thirty (30) days prior written notice of any event that will constitute a Black Knight Change of Control. If Cannae, THL or any Management Member (each, a "***Redeeming Party***") gives notice of its election (such election, the ***"Redemption Notice"***) within twenty (20) days after receipt of such notice from the Parent, to have the Company redeem the Cannae Units, THL Units, THL Holding Company Interests or a combination thereof (as applicable) or applicable Management Member's Class B Units, then, upon consummation of such Black Knight Change of Control (the ***"Redemption Date"***), the Company shall be required to redeem, at the Redemption Price (as defined below), all of the Units then held by Cannae (the "***Cannae Redemption Units***"), all of the Units, THL Holding Company Interests or a combination thereof then held by THL (the ***"THL Redemption Units"***) and all of the Units (whether vested or unvested) then held by the applicable Management Member (the ***"Management Member Redemption Units"*** and together with the Cannae Redemption Units and the THL Redemption Units, the ***"Redemption Units"***). Any Redemption Notice must request redemption of all, and not less than all, of the Units held by the applicable Member.

b. For purposes of this provision, a ***"Black Knight Change of Control"*** shall be deemed to have occurred when there has occurred the consummation of (i) an acquisition by any "person" (as that term is used in Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act (or any successor item, regulation or act to the same effect)) of beneficial ownership, directly or indirectly, of securities of Parent representing more than fifty percent (50%) of the combined voting power of Parent's then outstanding securities; or (ii) the sale of all or substantially all of the consolidated assets of Black Knight.

c. Upon delivery of the Redemption Notice the parties shall initiate an Appraisal Process to determine the redemption price (the ***"Redemption Price"***) for the Redemption Units. The Redemption Price for each Cannae Redemption Unit or THL Redemption Unit shall be the Appraisal Price of each Unit of the Company's Class A Units on the date that the applicable Redemption Notice is first given under this **Section 11.1** (the ***"Determination Date"***). The Redemption Price for each Management Member Redemption Unit shall be based upon the valuation implied by the Appraisal Price on the date that the Redemption Notice is first given under this **Section 11.1** (assuming the Company had been sold for the valuation implied by the Appraisal Price (by extrapolating such valuation to a sale of all of the Units) and the proceeds of such sale had been distributed by the Company in complete liquidation pursuant to the priorities set forth in **Section 5.2**).

d. In consideration of the redemption of the Cannae Redemption Units or the THL Redemption Units hereunder, the Company shall deliver to Cannae or THL, as applicable, on the Redemption Date, the Redemption Price for its Units, in cash by certified check or by wire transfer of immediately available funds. In consideration of the redemption of the Management Member Redemption Units hereunder, the Company shall deliver to applicable Management Member on the Redemption Date, the Redemption Price for its Units, in cash by certified check or by wire transfer of immediately available funds.

11.2 Redemption Closing. The closing of the redemption of the Redeeming Parties being redeemed (the **"Redemption Closing"**) shall take place immediately prior to/concurrently with the consummation of the Black Knight Change of Control at the offices of the Parent, 601 Riverside Ave., Jacksonville, FL 32204 on the applicable Redemption Date, or at such other time and place as the Redeeming Party and the Company may agree. Each Redeeming Party shall deliver to the Company at the Redemption Closing a certificate or certificates evidencing the Units redeemed hereunder together with executed assignments of interest.

11.3 Failure to Redeem. If the Company fails to redeem all of the Redemption Units on the Redemption Date, then the Company shall be deemed to have breached **Section 11.1**. If the Company's breach is due to insufficient funds, then those funds which are available to the Company will be used to redeem, pro rata, based on the aggregate Redemption Price payable to the Redeeming Party, the maximum possible number of Redemption Units. Any subsequent redemption by the Company shall be for the remaining Redemption Units of the Redeeming Party, allocated pro rata based on the Redeeming Party's ownership of the remaining Redemption Units. In the event of such a breach, in addition to any other remedies available to the Redeeming Party at law or in equity, between the Redemption Date and such time as the redemption is completed, the Redemption Price for the Redeeming Party's Units shall bear interest at the rate of six percent (6%) per annum, compounded annually; provided that such rate shall increase by two percent (2%) on the date that is six (6) months after the Redemption Date, and subject to applicable law, shall further increase by an additional two percent (2%) on the last day of every quarter thereafter, until such Redemption Units are fully redeemed. If the Company redeems fewer than all of the Redemption Units offered for redemption, the holders of the Units not redeemed shall continue to receive the benefit of the rights and privileges afforded the Units hereunder.

Article XII.

PRE-EMPTIVE RIGHTS

12.1 Issuance of New Units.

a. Purchase Rights. If at any time after the date of this Agreement the Company proposes to issue or sell any Units, Unit Equivalents or securities convertible into equity securities of the Company, or any Subsidiary of the Company proposes to issue or sell to a third party other than the Company or a wholly-owned Subsidiary of the Company any of its equity securities, Subsidiary Security Equivalents or securities convertible into equity securities of any Subsidiary of the Company (collectively, ***"New Units"***), the Company shall first offer to sell to each Member (other than any Management Member, as to whom this **Section 12.1** shall not apply) a portion of each type of such New Units equal to the quotient determined by dividing (x) the number of Class A Units held or beneficially owned by such Member, by (y) the total number of Class A Units held or beneficially owned by all Members (other than any Management Member as to whom this **Section 12.1** does not apply). A Member shall be entitled to purchase all or any portion of its respective portion (as determined in the immediately preceding sentence) of such New Units at the most favorable price and on the most favorable terms as such New Units are to be offered. The holders of Units shall further have a right of over-allotment such that to the extent a Member (a ***"Rejecting Holder"***) does not does not exercise its right to purchase any of the New Units, or exercises its rights for less than all of its pro rata share of the New Units (as determined above), then each other Member may elect to purchase its pro rata share (as determined above) of such New Units which the Rejecting Holder does not elect to purchase.

b. Offer Period. In order to exercise its purchase rights hereunder, each Member must, within 30 days after receipt of written notice from the Company describing in reasonable detail the New Units being offered, the purchase price thereof, the payment terms, the percentage of the New Units initially available to such holder pursuant to **Section 12.1(a)** and the over-allotment right available in connection therewith, deliver a written notice to the Company describing its election to exercise its purchase rights hereunder.

c. Expiration of Offer Period. Upon the expiration of the offering period described above, the Company shall be entitled to sell such New Units which the Members have not elected to purchase during the 180 days following such expiration on terms and conditions no more favorable to the purchasers thereof than those offered to the Members pursuant to **Section 12.1(a)**. Any New Units to be sold by the Company after such 180-day period must be reoffered to the Members pursuant to the terms of this **Section 12.1**.

d. Exceptions to Purchase Rights. The provisions of this **Section 12.1** will not apply to the following issuances of New Units:

i. Class B Units issued or to be issued to employees, officers, Managers or directors of, or consultants or advisors to the Company, pursuant to the Company Incentive Plan,

ii. Securities issued in respect of or in exchange for Units by way of a Unit distribution, Unit split or similar transaction, and

iii. Securities issued in the first Public Offering approved by the Board in accordance with the terms hereof.

Article XIII.

ACCESS, INFORMATION RIGHTS, CONFIDENTIALITY AND ADDITIONAL AGREEMENTS

13.1 Board Access. The Company agrees as follows:

a. In the event that either Cannae or THL loses its right to designate directors pursuant to **Section 4.1(b)** or **Section 4.1(c)**, as applicable, and for so long as Cannae or THL is a Member of the Company, the Company will, and will cause its Subsidiaries to, upon reasonable notice at reasonable times from time to time, provide Cannae or THL (and any other parent company of THL that is a venture capital operating company), at the sole expense of Cannae or THL, reasonable opportunities to routinely consult with and advise the management of the Company and its subsidiaries on all matters relating to the operation of the Company and each such Subsidiary, including with respect to any proposed merger, sale of all or substantially all of the Company's assets or capital stock, liquidation or dissolution of or by the Company or other similar transaction, and shall consider, in good faith, the recommendations of Cannae or THL, as applicable, in connection with the matters on which it is consulted; provided that the ultimate discretion with respect to all such matters shall be retained by the Company and the Company shall not be under any obligation to accept the recommendations of Cannae or any THL Holder. The Company shall give, and shall cause its subsidiaries to give, subject to compliance with applicable laws and confidentiality obligations to third parties, Cannae, THL (and any other parent company of THL that is a venture capital operating company) and their authorized representatives reasonable access during normal business hours to all books of account, facilities and properties of the Company and its subsidiaries and permit Cannae or THL (and any parent company of THL that is a venture capital operating company), as applicable, to make such copies and inspections thereof as any such Person may reasonably request and discuss the affairs, finances and accounts with the officers thereof; provided, that Cannae or THL, as applicable, shall not exercise such rights more often than quarterly during any calendar year, and such additional times as may be reasonably required in order to qualify any of the Units as a venture capital investment (as defined in the Department of Labor Regulation § 2510.3-101). Any such visit will be at the expense of Cannae or THL (or such other parent company of THL that is a venture capital operating company), as applicable.

b. If reasonably required, in order to qualify any of the Units as a venture capital investment (as defined in the Department of Labor Regulation § 2510.3-101) then the Company shall promptly provide true and correct copies of all documents, reports, financial data, and such additional financial and other information with respect to the Company, and its subsidiaries as

Cannae or THL (and any other parent company of THL that is a venture capital operating company) may from time to time reasonably request.

c. The Company's obligations pursuant to **Section 13.1(a)** shall survive until a Public Offering and the Company's obligation pursuant to **Section 13.1(b)** shall survive until the later of (i) a Public Offering, or (ii) the time that Cannae or THL, as applicable, holds less than fifty percent (50%) of its initial equity investment in the Company.

13.2 Information Rights. Prior to the consummation of the first Public Offering, the Company shall provide to Cannae and THL the following information:

a. Within ninety (90) days after the end of each fiscal year, an audited consolidated balance sheet of the Company and its Subsidiaries as of the end of such fiscal year, and an audited consolidated statement of income and statement of cash flows of the Company and its Subsidiaries for such year, in each case prepared in accordance with generally accepted accounting principles and setting forth in comparative form the figures for the previous fiscal year, all in reasonable detail (including footnotes), and audited by the Company's independent public accountants.

b. Following the end of each of the first three (3) fiscal quarters of each fiscal year beginning in fiscal year 2021, within forty-five (45) days, unaudited financial statements (excluding footnotes) of the Company including (i) consolidated balance sheets, (ii) consolidated statements of income, and (iii) consolidated statements of cash flows, for such fiscal quarter and, for items (ii) and (iii) of this **Section 13.2(b)**, the current fiscal year to date. Such financial statements shall be prepared in accordance with generally accepted accounting principles consistently applied and signed by the principal financial or accounting officer of the Company. The Company will also provide current period financial results as compared with both the actual results from the corresponding quarter of the previous fiscal year and, where applicable, the budget for the current fiscal year, all in reasonable detail and signed by the principal financial or accounting officer of the Company.

c. Within twenty (20) days after the end of each month of each fiscal year beginning with the end of October 2020, the Company's monthly reporting package, including unaudited consolidated statements of income. Such financial statements shall be prepared in accordance with generally accepted accounting principles consistently applied (other than omission of accompanying notes) and compared with both the actual results from the corresponding month of the previous fiscal year and the budget (including any reforecasts) for the current fiscal year, all in reasonable detail and signed by the principal financial or accounting officer of the Company.

d. As soon as reasonably practicable and in accordance with Company's past practice (but in no event later than the forty-fifth (45th) day of such fiscal year), a copy of an annual budget with line items compared to the previous year's budget.

13.3 Confidentiality. Each Member agrees that it will hold, and will use all commercially reasonable efforts to cause its officers, directors, members, managers, partners, employees, accountants, counsel, consultants, advisors, financial sources, financial institutions, and agents (the **"Representatives"**) to hold, in confidence all confidential information and documents regarding the

Company and its Subsidiaries pursuant to or received by such Member or its Representatives in connection with this Agreement or any transaction contemplated hereby (except as required by applicable law, regulation or legal process, including any rule or regulation of a self-regulatory organization to which such Member or its Representatives are subject); provided, that each Member shall be entitled to disclose such confidential information and documents to its investors who are subject to confidentiality obligations owed to such Members.

Article XIV.

AMENDMENT AND TERMINATION

14.1 Amendment and Waiver. Except as otherwise provided herein, no modification, amendment or waiver of any provision of this Agreement shall be effective against the Company or the Members unless such modification, amendment or waiver is approved in writing by the Company and (i) Cannae (if and for so long as Cannae owns at least fifty percent (50%) of its initial equity investment in the Company), (ii) THL (if and for so long as THL owns at least fifty percent (50%) of its initial equity investment in the Company), and (iii) Parent; provided, that Cannae or THL, as applicable, must approve in writing any amendment which disproportionately and adversely affects the rights of such Member relative to the rights of other Members. The failure of any party to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

14.2 Amendments by the Board. The Board, without the consent or approval at any time of any Member (each Member, by acquiring its LLC Interests, being deemed to consent to any such amendment), may amend any provision of this Agreement or the Certificate, and may execute, swear to, acknowledge, deliver, file and record all documents required or desirable in connection therewith, to reflect:

a. Qualification to do Business. A change that is necessary to qualify the Company as a limited liability company or a Company in which the Members have limited liability; and

b. Changes Which are Inconsequential, Curative or Required. A change that is:

i. Of an inconsequential nature and does not adversely affect any Member in any respect; or

ii. Necessary to reflect the addition or removal of any Member or the current Capital Contributions and number or class of Units held by each Member on the Company Register, following any change to such items in accordance with the provisions of this Agreement.

14.3 Termination of Agreement. This Agreement will terminate in respect of all Members (a) with the written consent of the Company and (i) Cannae, (ii) THL, and (iii) Parent; or (b) upon the dissolution, liquidation or winding-up of the Company; provided, that the Company's obligations pursuant to **Section 13.1(b)** and **Section 13.1(c)** shall survive termination of this Agreement until the later of (i) with respect to Cannae and THL, a Public Offering, or (ii) with respect to Cannae, until Cannae holds less than fifty percent (50%) of its initial equity investment in the Company, and with respect to THL, until THL holds less than fifty percent (50%) of its initial equity investment in the Company.

14.4 Termination as to a Party. Any Member who ceases to hold any Units shall cease to be a Member and, except as provided herein, shall have no further rights or obligations under this Agreement.

Article XV.

DISSOLUTION; LIQUIDATION

15.1 Dissolution. The Company shall be dissolved and its affairs wound up on the first to occur of any of the following events:

a. the decision of the Board to dissolve the Company; or

b. any other event sufficient under the Act to cause the dissolution of the Company.

For the avoidance of doubt, the death, retirement, resignation, expulsion, incapacity, bankruptcy or dissolution of a Member, or the occurrence of any other event that terminates the continued membership of a Member in the Company, shall not cause a dissolution of the Company, and the Company shall continue in existence subject to the terms and conditions of this Agreement.

15.2 Final Accounting. Upon the dissolution of the Company, a proper accounting shall be made from the date of the last previous accounting to the date of dissolution.

15.3 Liquidation.

a. Dissolution of the Company shall be effective as of the date on which the event occurs giving rise to the dissolution and all Members shall be given prompt notice thereof in accordance with **Section 16.7**, but the Company shall not terminate until the assets of the Company have been distributed as provided for in **Section 15.3(c)**. Notwithstanding the dissolution of the Company, prior to the termination of the Company, the business, assets and affairs of the Company shall continue to be governed by this Agreement.

b. Upon the dissolution of the Company, the Board, or, if there is no Board, a person selected by Class A Members holding 66 2/3% in Interest of the Class A Interests shall act as the liquidator (the ***"Liquidator"***) of the Company to wind up the Company. The Liquidator shall have full power and authority to sell, assign and encumber any or all of the Company's assets and to wind up and liquidate the affairs of the Company in an orderly and business-like manner. A reasonable amount of time shall be allowed for the orderly liquidation of assets of the Company and the discharge of liabilities to creditors so as to enable the Members to minimize the normal losses attendant upon a liquidation.

c. The Liquidator shall distribute all proceeds from liquidation in the following order of priority:

i. first, to creditors of the Company (including creditors who are Members) in satisfaction of the liabilities of the Company (whether by payment or the making of reasonable provision for payment thereof); and (ii) second, to the Members in the same manner in which distributions are made pursuant to **Article V**, which distributions shall be deemed to be made pursuant to **Article V**.

The Liquidator shall determine whether any assets of the Company shall be liquidated through sale or shall be distributed in kind. A distribution in kind of an asset to a Member shall be considered, for the purposes of this **Article XV**, a distribution in an amount equal to the fair market value of the assets so distributed as determined by the Liquidator in its reasonable discretion.

15.4 Cancellation of Certificate. Upon the completion of the distribution of Company assets as provided in **Section 15.3**, the Company shall be terminated and the person acting as Liquidator shall cause the cancellation of the Certificate and shall take such other actions as may be necessary or appropriate to terminate the Company, including filing the certificate of cancellation with the Secretary of State of the State of Delaware.

Article XVI.

MISCELLANEOUS

16.1 Certain Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth or as referenced below.

"ABC Coverage" has the meaning given such term in **Section 4.1(h)**.

"Act" has the meaning given such term in the definition of Certificate.

"Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

1. credit to such Capital Account any amounts that such Member is obligated to restore pursuant to any provision of this Agreement or is deemed obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

2. debit to such Capital Account the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Affiliate" of any particular Person means any other Person Controlling, Controlled by or under common Control with such particular Person or, in the case of a natural Person, any other member of such Person's Family Group.

"Agreement" has the meaning given such term in the preamble.

"Appraisal Price" means the "fair market value" of each Unit determined in accordance with this definition by one or more of the following independent investment banking firms (the ***"Firms"***) or one of their Affiliates acting as an appraiser (an ***"Appraiser"***): Bank of America Securities, LLC, Barclays Bank PLC, Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank AG, Goldman Sachs Group, Inc., J.P. Morgan Securities Inc. and Morgan Stanley, provided that if all such Firms have been exhausted by either having already rendered a valuation or a Unit Holder (which may be Cannae, THL and/or a Class B Unit Holder depending on whose Units are being redeemed) or Parent has approached such Firms to engage them and such Firms have declined such engagement, then the parties will cooperate and use their reasonable best efforts to mutually agree upon another independent, nationally recognized investment banking firm. Each party who selects an Appraiser must make such selection within fifteen (15) days of the event triggering the Appraisal. Each party selecting an Appraiser hereunder shall direct the Appraiser to deliver its valuation within thirty (30) days of being retained, and such party shall cooperate with the Appraiser and use its reasonable best efforts to cause such valuation to be delivered within such time frame. The expenses of any Appraiser engaged in connection with the Appraisal Process shall be divided evenly among Black Knight or its designee on the one hand, and, as applicable, Cannae, THL and any other Putting Unit Holders on a pro rata basis in proportion to their Units on the other hand. The Appraisal Price shall be determined as follows:

1. Each Appraiser retained hereunder shall determine the fair market per Unit value of the Units assuming the sale of the entire equity interest of the Company to an independent willing buyer in an arm's-length transaction under the current prevailing market conditions for the sale of all of the equity of comparable business enterprises intended for continued use as part of a going concern and the proceeds of such sale had been distributed by the Company in complete liquidation pursuant to the priorities set forth in **Section 5.2**. Other than as set forth in the subsequent sentence, each Appraiser shall assume that in any such transaction each Member of the Company would receive the same per Unit consideration applicable to the Units within such class, and the Appraiser shall not apply any discount for a minority interest or illiquidity of the Cannae Units, the THL Units or Class B Units, nor any control premium.

2. The initial Appraiser shall be selected by the Unit Holder (the ***"Unit Holder Appraiser"***). If the Parent does not accept the per Unit valuation arrived at by the Unit Holder Appraiser, then the Parent shall promptly notify the Unit Holder thereof and Parent shall retain one of the Firms as a second Appraiser (the ***"Parent Appraiser"***). If the Appraisal Process has been initiated by one or more Putting Unit Holders pursuant to **Section 9.2**, the Unit Holder Appraiser shall be designated by the Putting Unit Holders holding a majority of the Units of all Putting Unit Holders.

3. If a valuation is delivered by the Parent Appraiser in accordance with paragraph (b), and the Parent Appraiser and the Unit Holder Appraiser arrive at per Unit valuations (the ***"Initial Valuations"***) within ten percent (10%) of each other, the mathematical mean of the Initial Valuations shall be deemed to be the Appraisal Price. If such Appraisers shall arrive at Initial Valuations that are not within ten percent (10%) of each other but are within twenty percent (20%) of each other, then the Parent Appraiser and the Unit Holder Appraiser, as soon as reasonably practicable, shall jointly retain a Firm to act as a third Appraiser (the ***"Third Appraiser"***) on reasonable terms agreed to by Cannae, THL and Parent in good faith. In the event the valuation of the Third Appraiser is greater than the higher of the Initial Valuations, then the Appraisal Price shall be the higher of the Initial Valuations. In the event the valuation of the Third Appraiser is less than the lower of the Initial Valuations, the Appraisal Price shall be the lower of the Initial Valuations. If the valuation of the Third Appraiser is not greater than the higher of the Initial Valuations or less than the lower of the Initial Valuations, the Appraisal Price shall be the mathematical mean of (i) the per Unit valuation arrived at by the Third Appraiser, and (ii) the Initial Valuation that is closest to that of the per Unit valuation arrived at by the Third Appraiser.

4. If the Initial Valuations are not within twenty percent (20%) of each other, then neither valuation shall be used and the Unit Holder(s) will retain a new Firm (in accordance with the procedures set forth in subclause (b) above) to act as Unit Holder Appraiser (the ***"Second Unit Holder Appraiser"***) and Parent shall retain a new Firm to act as Parent Appraiser (the ***"Second Parent Appraiser"***). If the per Unit valuations arrived at by the Second Unit Holder Appraiser and Second Parent Appraiser (the ***"Second Valuations"***) are within twenty percent (20%) of each other, then the Appraisal Price shall be determined as set forth in paragraph (c) above. If the Second Valuations are not within twenty percent (20%) of each other, then the Second Valuations shall not be used and the Second Parent Appraiser and the Second Unit Holder Appraiser, as soon as reasonably practicable, shall jointly select a Firm to act as a final Appraiser (the ***"Final Appraiser"***) on reasonable terms agreed to by the Unit Holder(s) (in accordance with the procedures set forth in subclause (b) above) and Parent in good faith. So long as the valuation of the Final Appraiser is not greater than the higher of the Second Valuations or less than the lower of the Second Valuations, the valuation arrived at by the Final Appraiser shall be deemed to be the Appraisal Price. In the event the valuation of the Final Appraiser is greater than the higher of the Second Valuations, then the Appraisal Price shall be the higher of the Second Valuations. In the event the valuation of the Final Appraiser is less than the lower of the Second Valuations, the Appraisal Price shall be the lower of the Second Valuations.

"Appraisal Process" shall mean the process described in the definition of Appraisal Price in order to arrive at the Appraisal Price.

"Appraiser" has the meaning set forth in the definition of Appraisal Price.

"Award Agreement" means each award agreement pursuant to which Class B Units are issued and granted under the Company Incentive Plan.

"Black Knight" has the meaning given such term in the recitals.

"Black Knight Change of Control" has the meaning given such term in **Section 11.1(b)**.

"Board" has the meaning given such term in the preamble.

"Book Item" has the meaning given such term in **Section 6.5(a)(i)**.

"Calculation Date" means the date selected by the Company as of which the Fair Market Value of a Termination Security is determined, which date shall be (a) not more than thirty (30) days before the closing date of the purchase of the Termination Security and (b) at least six (6) months and one (1) day after the date the Termination Security became vested (unless the Company determines that such six (6) month delay is not necessary for the award pursuant to which such Class B Units were made to be classified as an equity award under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, Stock Compensation (or any applicable successor standards) with respect to any Termination Security the valuation on the date that is 181 days following the Termination Date with respect to such Terminated Employee).

"Call Notice" has the meaning given such term in **Section 9.4(a)**.

"Call Price" means, as of the date that the applicable Call Notice is first given under **Section 9.4**, the greater of (i) the price per Unit that the Calling Party and the Called Party shall negotiate in good faith for thirty (30) days, but if the parties are unable to agree upon the terms of such price within such thirty (30)-day period, then the Appraisal Price and (ii) the price per Unit that would result in, assuming consummation of such transaction, a THL Threshold Multiple of Investor Capital or a Cannae Threshold Multiple of Investor Capital (as applicable) equal to 2.0.

"Call Right" has the meaning given such term in **Section 9.4(a)**.

"Called Party" has the meaning given such term in **Section 9.4(a)**.

"Called Units" has the meaning given such term in **Section 9.4(a)**.

"Calling Party" has the meaning given such term in **Section 9.4(a)**.

"Cannae" has the meaning given such term in the preamble.

"Cannae Manager" has the meaning given such term in **Section 4.1(a)(ii)**.

"Cannae Redemption Units" has the meaning given such term in **Section 11.1(a)**.

"Cannae Threshold Multiple of Investor Capital" means, as of any date of determination, the quotient obtained by dividing (a) an amount as determined by the applicable sale price (irrespective of form of consideration) of Cannae's aggregate investment in the Company (whether directly or indirectly) taking into account all Cash Distributions received by Cannae and sale proceeds received by Cannae (other than as a result of a Transfer pursuant to clauses (d) through (f) of the definition of Exempt Transfer) in respect of all Cannae Units prior to such date of determination by (b) Cannae's total gross cumulative amount of investment in the Company as of such date of determination.

"Cannae Units" means Units and any other Unit Equivalents held by Cannae.

"Capital Account" has the meaning given such term in **Section 3.9**.

"Capital Contribution" means, with respect to any Member, the amount of cash and the initial Gross Asset Value of any property (other than cash) contributed to the Company by such Member at such time with respect to the Interests held by such Member reduced by the amount of any liability of such Member assumed by the Company or the amount of any liability to which any property contributed by such Member is subject.

"Cash Distributions" means dividend distributions, payments of interest on capital, capital reductions, amortizations, and redemptions and any other distribution made by the Company to Cannae or THL, other than any Tax Distributions; provided, for the avoidance of doubt, that any amounts received by Cannae or THL as payment for any transaction, loan repayment or other fee shall not be considered as Cash Distributions.

"Certificate" means the Certificate of Formation of the Company as filed with the Secretary of State of the State of Delaware on September 3, 2020 pursuant to the Delaware Limited Liability Company Act (6 Del. C. Section 18-101, *et seq.*, as amended and in effect from time to time) (the ***"Act"***), as it may be amended or restated from time to time.

"Chairman" has the meaning given such term in **Section 4.1(c)**.

"Class A Interest" means the limited liability company interest represented by the Class A Units owned by a Class A Member in the Company at any particular time, including the right of such Class A Member to any and all benefits to which such Class A Member may be entitled as provided in the Act, this Agreement, or otherwise, together with the obligations of such Class A Member to comply with all terms and provisions of this Agreement and the Act.

"Class A Member" means each Person admitted to the Company as a Class A Member whose name is set forth on **Schedule I** hereto as a Class A Member with respect to Class A Units held by such Person, and any other Person admitted as an additional or substitute Class A Member, so long as such Person remains a Class A Member.

"Class A Units" has the meaning given such term in **Section 3.3(a)(i)**.

"Class A Participation Price" means, for each Class A Unit, the aggregate amount that would be distributed with respect to such Class A Unit in accordance with **Section 5.2** if the aggregate amount to be distributed to all Members pursuant to **Section 5.2** was equal to the implied valuation of the Company to be paid in the Tag-Along Sale (i.e., such aggregate amount that, if distributed in accordance with **Section 5.2**, would result in each Class A Unit receiving distributions equal to the price offered to the Selling Holder for each Class A Unit in the Tag-Along Sale).

"Class B Interest" means the limited liability company interest represented by the Class B Units owned by a Class B Member in the Company at any particular time, including the right of such Class B Member to any and all benefits to which a Class B Member may be entitled as provided in the Act, this Agreement, or otherwise, together with the obligations of such Class B Member to comply with all terms and provisions of this Agreement and the Act.

"Class B Member" means each Person admitted to the Company as a Class B Member whose name is set forth on **Schedule I** hereto as a Class B Member with respect to Class B Units held by such Person, and any other Person admitted as an additional or substitute Class B Member, so long as such Person remains a Class B Member.

"Class B Participation Price" means, for each vested Class B Unit (including any unvested Class B Units that will become vested as a result of the Tag-Along Sale), the aggregate amount that would be distributed with respect to such vested Class B Unit in accordance with **Section 5.2** if the aggregate amount to be distributed to all Members pursuant to **Section 5.2** was equal to the implied valuation of the Company to be paid in the Tag-Along Sale (i.e., an aggregate amount that, if distributed in accordance with **Section 5.2**, would result in each Class A Unit receiving distributions equal to the Class A Participation Price).

"Class B Units" has the meaning given such term in **Section 3.3(a)(ii)**.

"Closing Date" has the meaning ascribed to such term in the Equity Purchase Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" has the meaning given such term in **Section 4.1(i)**.

"Company" has the meaning given such term in the preamble.

"Company Business" has the meaning given such term in **Section 2.5(a)**.

"Company Incentive Plan" means the 2020 Management Incentive Plan of the Company, in the form attached hereto as **Exhibit C**, as the same may be amended, restated, modified or supplemented from time to time.

"Company Minimum Gain" has the meaning given such term in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

"Company Notes" means the notes and instruments listed on **Schedule III** hereto**.**

"Company Register" has the meaning given such term in **Section 3.1(a)**.

"Compensatory Interests" has the meaning given such term in **Section 3.4(c)(i)**.

"Competitive Business" has the meaning given such term in **Section 8.1(d)**.

"Contribution Agreement" has the meaning given such term in the recitals.

"Control" (including, with correlative meaning, all conjugations thereof) means with respect to any Person, the ability of another Person to control or direct the actions or policies of such first Person, whether by ownership of voting Units, by contract or otherwise.

"Corporate Member" means a Member (or a Member the regarded owner of which is) taxable as a corporation for U.S. federal income tax purposes at any time during a relevant taxable period.

"Corporate Opportunity" has the meaning given such term in **Section 16.10**.

"Corporate Tax Rate" means the highest combined marginal U.S. federal, state and local income tax rate for a U.S. corporation with an assumed average apportioned state and local income tax rate of 8%.

"Depreciation" means, for each Fiscal Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable for U.S. federal income tax purposes with respect to an asset for such Fiscal Year, except that with respect to any other asset the Gross Asset Value of which differs from its adjusted tax basis for U.S. federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the U.S. federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted tax basis for U.S. federal income tax purposes of an asset at the beginning of such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Board.

"Depreciation Recapture" has the meaning given such term in **Section 6.5(a)(ii)(B)**.

"Determination Date" has the meaning given such term in **Section 11.1(c)**.

"Election" has the meaning given such term in **Section 9.1(a)**.

"Employed" has the meaning given such term in **Section 3.5(a)(i)**.

"Employment" has the meaning given such term in **Section 3.5(a)(i)**.

"Equity Purchase Agreement" has the meaning given such term in the recitals.

"Exempt Transfer" means a Transfer of Units (a) for a sale price that would imply, assuming consummation of such Transfer and that Cannae and THL sold all of their Units at such price, a Cannae Threshold Multiple of Investor Capital and a THL Threshold Multiple of Investor Capital of greater than 2.0, (b) pursuant to **Section 8.2**, (c) pursuant to **Sections 9.1**, **9.4**, **10.1** or **11.1**, (d) upon the death of the holder pursuant to the applicable laws of descent and distribution, (e) solely to or among such Member's Family Group, (f) incidental to the exercise, conversion or exchange of such Units in accordance with their terms, any combination of Units (including any reverse Unit split) or any recapitalization, reorganization or reclassification of, or any merger or consolidation involving, the Company, (g) to and among the Affiliates of the Member, partners of the Member and the partners of a Member (including any limited partner of any of the THL Holders or their respective Affiliates), stockholders, employees and Affiliates of such partners or Affiliates, and (h) pursuant to a pledge of the Units to an unaffiliated financial institution.

"Exempted Arrangements" means (i) the payment of the Transaction Fees and (ii) the arrangements provided in (A) the intercompany agreements listed on **Schedule II** hereto, (B) the Company Notes and (C) any agreement or transaction which involves payments by any party of less than $1,500,000 annually in the aggregate, between Black Knight or any of its Affiliates, on the one hand, and the Company or any of its Subsidiaries, on the other hand.

"Fair Market Value" means the fair market value reasonably determined by the Board.

"Family Group" means, with respect to any individual, such individual's spouse and descendants (whether natural or adopted) and any trust, partnership, limited liability company or similar vehicle established and maintained solely for the benefit of (or the sole members or partners of which are) such individual, such individual's spouse and/or such individual's descendants.

"Firms" has the meaning given such term in the definition of Appraisal Price.

"First Appraisal" has the meaning given such term in the definition of Appraisal Price.

"First Appraisal Deadline" has the meaning given such term in **Section 9.1(b)**.

"Fiscal Year" has the meaning given such term in **Section 2.7**.

"Forward Purchase Agreements" has the meaning given such term in the recitals.

"Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for U.S. federal income tax purposes, except as follows:

1. the Gross Asset Value of any asset (other than a promissory note described in Regulations Section 1.704-1(b)(iv)(d)(2)) contributed by a Member to the Company is the gross fair market value of such asset as reasonably determined by the contributing Member and the Board at the time of contribution;

2. the Gross Asset Value of all Company assets shall be adjusted to equal their respective gross fair market values, as reasonably determined by the Board, as of the following times: (i) the acquisition of any additional interest in the Company by any new or existing Member in exchange for more than a *de minimis* Capital Contribution; (ii) the distribution by the Company to a Member of more than a *de minimis* amount of property as consideration for an interest in the Company; (iii) the grant of an interest in the Company (other than a *de minimis* interest) as consideration for the provision of services to or for the benefit of the Company by an existing Member acting in its capacity as a Member, or by a new Member acting in its capacity as a Member or in anticipation of becoming a Member; and (iv) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); *provided, however*, that the adjustments pursuant to **clauses (i)**, **(ii)** and **(iii)** above shall be made only if the Board reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

3. the Gross Asset Value of any Company asset distributed to any Member shall be adjusted to equal the gross fair market value of such asset on the date of distribution as reasonably determined by the Board; and

4. the Gross Asset Values of all Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Section 734(b) or Section 743(b) of the Code, but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and **clause (f)** of the definition of ***"Net Income"*** and ***"Net Loss"*** or **Section 6.3(f)**; *provided, however*, that such Gross Asset Values shall not be adjusted pursuant to this **clause (d)** to the extent the Board reasonably determines that an adjustment pursuant to **clause (b)** above is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph.

If the Gross Asset Value of a Company asset has been determined or adjusted pursuant to **clause (a)** or **(b)** above, such Gross Asset Value shall thereafter be adjusted by Depreciation taken into account with respect to such asset for purposes of computing Net Income or Net Loss.

"GTCR Blocker" has the meaning given such term in the recitals.

"GTCR Fund XI/C" has the meaning given such term in the recitals.

"Hurdle Amount" means, in respect of a Class B Unit, a specified amount, which shall be (i) with respect to the Class B Units issued as of the date hereof (if any), the amount set forth on **Schedule I** hereto, and (ii) with respect to each subsequent issuance of Class B Units, the amount determined by the Board at the time of such subsequent issuance and set forth both in an Award Agreement and on **Schedule I** hereto (which **Schedule I** shall be updated from time to time upon issuance of additional Class B Units in accordance with this Agreement). If any Unit outstanding immediately prior to the issuance of such Class B Unit is redeemed or repurchased by the Company, the Hurdle Amount applicable to each Class B Unit outstanding at the time of such redemption or repurchase shall be appropriately adjusted, as determined by the Board in good faith, such that the amount that would be received by such Class B Unit in a Hypothetical Liquidation immediately after such redemption or repurchase is the same as the amount that would be received by such Class B Unit in a Hypothetical Liquidation immediately prior to such redemption or repurchase. The Hurdle Amount for each outstanding Class B Unit shall be increased by the aggregate amount of all Capital Contributions made to the Company subsequent to the issuance of such Class B Unit.

"Hypothetical Liquidation" means as of any date, a hypothetical liquidation of the Company as of such date, assuming (i) that a sale of all the assets of the Company occurs at prices equal to their respective fair market values (as reasonably determined by the Board), (ii) the net proceeds of such sale are distributed to the Members pursuant to **Section 5.2**, and after payment of all actual Company indebtedness, and any other liabilities related to the Company's assets, limited, in the case of the hypothetical payment of non-recourse liabilities, to the collateral securing or otherwise available to satisfy such liabilities.

"Initial Capital Contributions" has the meaning given such term in **Section 3.1(a)**.

"Initial Valuations" has the meaning given such term in the definition of Appraisal Price.

"Interests" means the Class A Interests and the Class B Interests.

"IPO" has the meaning given to such term in **Section 9.3(a)**.

"IPO Co" has the meaning given to such term in **Section 9.3(a)**.

"IRS" means the U.S. Internal Revenue Service.

"Liquidator" has the meaning given such term in **Section 15.3(b)**.

"Majority in Interest" or ***"___% in Interest"*** means, with respect to Units of a particular class, vested Units of such class representing, (a) in the case of a Majority in Interest, more than 50%

of the aggregate number of vested Units of such class or, (b) for all other cases, at least the designated percentage of the aggregate number of vested Units of such class.

"Management Member" has the meaning given such term in the preamble.

"Management Member Redemption Units" has the meaning given such term in the **Section 11.1(a)**.

"Management Piggyback Transfer Notice" has the meaning given such term in **Section 9.2(a)**.

"Management Transfer Notice" has the meaning given such term in **Section 9.2(a)**.

"Management Units" means the Class B Units.

"Management Units Transferee" has the meaning given such term in **Section 3.5(a)(i)**.

"Manager" has the meaning given such term in **Section 4.1(a)**.

"Member Nonrecourse Debt" has the meaning given such term in Regulations Section 1.704-2(b)(4) for "partner nonrecourse debt."

"Member Nonrecourse Debt Minimum Gain" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if the Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

"Member Sponsors" has the meaning given such term in **Section 4.6(f)**.

"Members" has the meaning given such term in the preamble.

"New Units" has the meaning given such term in **Section 12.1(a)**.

"Newco" means an entity the securities of which become listed and traded on a national securities exchange in connection with a distribution described in clause (ii) of the definition herein of "Significant Transaction".

"Net Income" and ***"Net Loss"*** means, for each Fiscal Year or other period, an amount equal to the Company's taxable income or loss for such Fiscal Year or other period, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss) with the following adjustments (without duplication):

1. any income of the Company that is exempt from U.S. federal income tax and not otherwise taken into account in computing Net Income or Net Loss pursuant to this paragraph, shall be added to such income or loss;

2. any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as Section 705(a)(2)(B) of the Code expenditures pursuant to Regulations Section

1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Loss, shall be subtracted from such taxable income or loss;

3. in the event the Gross Asset Value of any Company asset is adjusted pursuant to clauses (b) or (c) of the definition of ***"Gross Asset Value"***, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Income or Net Loss;

4. gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for U.S. federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

5. in lieu of depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year, computed based on the Gross Asset Value of the property;

6. to the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Section 734(b) or Section 743(b) of the Code is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) to be taken into account in determining Capital Accounts, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Net Income or Net Loss; and

7. any items which are specially allocated pursuant to the provisions of **Section 6.3** shall not be taken into account in computing Net Income or Net Loss.

"Non-Corporate Member" means a Member other than a Corporate Member.

"Non-Corporate Tax Rate" means the highest combined marginal ordinary income U.S. federal, state and local tax rate (including for the avoidance of doubt the net investment income tax imposed by Code Section 1411 and corresponding provisions of state and local law) for an individual residing in New York City, New York.

"Nonrecourse Deductions" has the meaning given such term in Regulations Sections 1.704-2(b)(1) and 1.704-2(c).

"Nonrecourse Liability" has the meaning given such term in Regulations Section 1.704-2(b)(3).

"Note" has the meaning given such term in **Section 3.5(d)**.

"OB Holdings" has the meaning given such term in the recitals.

"Offered Class A Units" has the meaning given such term in **Section 8.2(a)**.

"Original Agreement" has the meaning given such term in the recitals.

"Other Unit Holders" has the meaning given such term in **Section 8.2(a)**.

"Parent" has the meaning given such term in the preamble.

"Parent Appraiser" has the meaning given such term in the definition of Appraisal Price.

"Parent Managers" has the meaning given such term in **Section 4.1(a)(ii)**.

"Partnership Representative" has the meaning given such term in **Section 7.2**.

"Percentage Interest" of any Member at any time means a fraction, expressed as a percentage, the numerator of which is the aggregate number of Class A Units held by such Member at such time, and the denominator of which is the aggregate number of Class A Units held by all Members at such time.

"Person" means an individual, a partnership, a joint venture, a corporation, an association, a joint stock company, a limited liability company, a trust, an unincorporated organization or a government or any department or agency or political subdivision thereof.

"Prime Rate" means the highest U.S. prime rate of interest published by The Wall Street Journal as the "base rate" on corporate loans at large money center commercial banks.

"Profits Interest" has the meaning given such term in **Section 3.4(b)**.

"Proposed Rules" has the meaning given such term in **Section 3.4(c)(i)**.

"Public Offering" means an offering and sale to the public of any Units or equity securities of the Company, any successor entity or any direct or indirect parent entity (other than Black Knight) thereof, any of its Subsidiaries, or any Person that holds all of the Securities or assets of the Company (other than Black Knight), pursuant to a registration statement in the United States.

"Put Accepting Party" has the meaning given such term in **Section 9.1(a)**.

"Put Units" has the meaning given such term in **Section 9.1(a)**.

"Putting Party" has the meaning given such term in **Section 9.1(a)**.

"Putting Unit Holder" has the meaning given such term in **Section 9.2(a)**.

"Quorum" means, with respect to any meeting of Managers of the Board, a group of Managers present at any meeting that includes at least a majority of Managers as of such time.

"***Redeeming Party***" has the meaning given such term in **Section 11.1(a)**.

"Redemption Closing" has the meaning given such term in **Section 11.2**.

"Redemption Date" has the meaning given such term in **Section 11.1(a)**.

"Redemption Notice" has the meaning given such term in **Section 11.1(a)**.

"Redemption Price" has the meaning given such term in **Section 11.1(c)**.

"Redemption Units" has the meaning given such term in **Section 11.1(a)**.

"Registration Rights Agreement" means that certain Registration Rights Agreement, dated as of the date hereof, by and among the Company, Parent, THL, Cannae and the other parties that may from time to time become party thereto.

"Regular Distributions" means all distributions other than Tax Distributions.

"Regulations" means the Income Tax Regulations promulgated under the Code, as amended.

"Regulatory Allocations" has the meaning given such term in **Section 6.3(g)**.

"Rejecting Holder" has the meaning given such term in **Section 12.1(a)**.

"Reserves" means the amount of proceeds that the Board determines in good faith and in its reasonable discretion is necessary to be maintained by the Company for the purpose of paying reasonably anticipated expenses, liabilities and obligations of the Company regardless of whether such expenses, liabilities and obligations are actual or contingent.

"Safe Harbor Election" has the meaning given such term in **Section 3.4(c)(i)**.

"Sale Notice" has the meaning given such term in **Section 8.2(a)**

"Sale of the Company" means the consummation of a transaction, whether in a single transaction or in a series of related transactions that are consummated contemporaneously (or consummated pursuant to contemporaneous agreements), with any other Person or group of Persons on an arm's-length basis other than an Affiliate of Cannae or THL, pursuant to which such party or parties (a) acquire (whether by merger, Unit purchase, recapitalization, reorganization, redemption, issuance of Units or otherwise) more than fifty-percent (50%) of the voting Units of the Company or (b) acquire assets constituting all or substantially all of the assets of the Company and its Subsidiaries on a consolidated basis; *provided, however,* that in no event shall a Sale of the Company be deemed to include any transaction effected for the purpose of (i) changing, directly or indirectly, the form of organization or the organizational structure of the Company or any of its Subsidiaries or (ii) contributing Securities to entities controlled by the Company; *provided*, that a Public Offering shall in no circumstances constitute a Sale of the Company.

"SEC" means the United States Securities and Exchange Commission.

"Second Appraisal Deadline" has the meaning given such term in **Section 9.1(b)**.

"Second Election" has the meaning given such term in **Section 9.1(b)**.

"Second Parent Appraiser" has the meaning given such term in the definition of Appraisal Price.

"Second Unit Holder Appraiser" has the meaning given such term in the definition of Appraisal Price.

"Second Valuations" has the meaning given such term in the definition of Appraisal Price.

"Securities" means securities of every kind and nature, including stock, notes, bonds, evidences of indebtedness, options to acquire any of the foregoing, and other business interests of every type, including interests in any Person.

"Securities Act" means the Securities Act of 1933 and the rules and regulation promulgated thereunder, all as the same have been or may be amended from time to time.

"Securities Exchange Act" means the Securities Exchange Act of 1934 and the rules and regulation promulgated thereunder, all as the same have been or may be amended from time to time.

"Sellers" has the meaning given such term in the recitals.

"Selling Holder" has the meaning given such term in **Section 8.2(a)**.

"Significant Transaction" means any of (i) a Public Offering or (ii) a distribution of stock of a Person holding Class A Units, which distribution is intended to qualify as a tax-free distribution under Section 355 of the Code which, in each case, results in the Units or other securities (either of the Company, of a Person holding Class A Units, or of a person described in the definition of "Public Offering" above) becoming listed on a national securities exchange; *provided* however, that for the avoidance of doubt, a distribution by any Member to Black Knight or Cannae shall not be considered a Significant Transaction.

"Subsidiary" means, with respect to any specified Person, any other Person in which such specified Person, directly or indirectly through one or more Affiliates or otherwise, beneficially owns at least fifty percent (50%) of either the ownership interest (determined by equity or economic interests) in, or the voting control of, such other Person.

"Subsidiary Security Equivalents" means (without duplication with any other Subsidiary Security Equivalents) rights, warrants, options, convertible equity securities, or exchangeable equity securities or indebtedness, or other rights, exercisable for or convertible or exchangeable into, directly or indirectly, equity securities or securities exercisable for or convertible or exchangeable into equity securities, as the case may be, whether at the time of issuance or upon the passage of time or the occurrence of some future event.

"Tag-Along Notice" has the meaning given such term in **Section 8.2(b)**.

"Tag-Along Portion" means, for any Selling Holder or Tagging Person in a Tag-Along Sale, that number of Units equal to the product of (i) the total number of Units to be sold in the Tag-Along Sale (assuming the conversion of all vested Class B Units in accordance with **Section 8.2(c)**), and (ii) such Selling Holder's or Tagging Person's Percentage Interest (assuming the conversion of all vested Class B Units in accordance with **Section 8.2(c)**).

"Tag-Along Sale" has the meaning given such term in **Section 8.2(a)**.

"Tag-Along Sale Percentage" has the meaning given such term in **Section 8.2(a)**.

"Tagging Persons" has the meaning given such term in **Section 8.2(b)**.

"Target" has the meaning given such term in the recitals.

"Tax Distribution" means a distribution under **Section 5.3**.

"Termination Date" has the meaning given such term in **Section 3.5(a)(i)**.

"Terminated Employee" has the meaning given such term in **Section 3.5(a)(i)**.

"Termination Event" has the meaning given such term in **Section 3.5(a)(i)**.

"Termination Price" has the meaning given such term in **Section 3.5(c)**.

"Termination Securities" has the meaning given such term in **Section 3.5(a)(i)**.

"Third Appraiser" has the meaning given such term in the definition of Appraisal Price.

"Third Election" has the meaning given such term in **Section 9.1(b)**.

"THL" has the meaning given such term in the preamble.

"THL Holders" has the meaning given such term in the preamble.

"THL Holding Company" has the meaning given such term in the preamble.

"THL Holding Company Interests" means the stock and indebtedness (if any) of each THL Holding Company.

"THL Manager" has the meaning given such term in **Section 4.1(a)(i)**.

"THL Redemption Units" has the meaning given such term in **Section 11.1(a)**.

"THL Sellers" means, in connection with a disposition of THL Units or THL Holding Company Interests, the Persons that disposed of such THL Units or THL Holding Company Interests, respectively.

"THL Threshold Multiple of Investor Capital" means, as of any date of determination, the quotient obtained by dividing (a) an amount as determined by the applicable sale price (irrespective of form of consideration) of THL's aggregate investment in the Company (whether directly or indirectly) taking into account all Cash Distributions received by THL and sale proceeds received by THL (other than as a result of a Transfer pursuant to clauses (d) through (f) of the definition of Exempt Transfer) in respect of all THL Units prior to such date of determination by (b) THL's total gross cumulative amount of investment in the Company as of such date of determination.

"THL Units" means Units and any other Unit Equivalents held by THL.

"Transaction" has the meaning given such term in the recitals.

"Transaction Expenses" has the meaning given such term in **Section 4.6.**

"Transaction Fees" means, in connection with the Transaction, the transaction fees to be paid pursuant to that certain letter agreement, dated as of September 15, 2020, between the Company, Trasimene Capital Management, LLC, Black Knight and THL.

"Transfer" means (in either the noun or the verb form, including with respect to the verb form, all conjugations thereof within their correlative meanings) with respect to any security, the gift, sale, assignment, transfer, pledge, hypothecation or other disposition (whether for or without consideration, whether directly or indirectly, and whether voluntary, involuntary or by operation of law) of such security or any interest therein; *provided*, *however*, that transfers of all or any portion of stock, partnership interests (general or limited), membership interests or other similar securities or any securities convertible into or exercisable or exchangeable therefor in (i) Black Knight, (ii) Cannae or (iii) THL shall not constitute a "Transfer".

"Transfer Notice" has the meaning given such term in **Section 9.1(a)**.

"Transferee" means any Person to whom a Member may Transfer Units.

"Transferor" means the transferor in a Transfer.

"Unit Holder" means the owner of a Unit.

"Unit Holder Appraiser" has the meaning given such term in the definition of Appraisal Price.

"Units" means the Class A Units, the Class B Units and any other class or series of authorized units of the Company.

"Unit Equivalents" means (without duplication with any Class A Units, Class B Units or other Unit Equivalents) rights, warrants, options, convertible Units, or exchangeable Units or indebtedness, or other rights, exercisable for or convertible or exchangeable into, directly or indirectly, Units or securities exercisable for or convertible or exchangeable into Units, as the case may be, whether at the time of issuance or upon the passage of time or the occurrence of some future event.

"Unreturned Capital Contributions" means, with respect to each Class A Member, at any time of determination, the aggregate amount of such Class A Member's Capital Contributions less the amount of distributions received by such Class A Member (or its predecessors in interest) under **Section 5.2(a)**.

"Vice Chairman" has the meaning given such term in **Section 4.1(c)**.

16.2 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

16.3 Entire Agreement. Except as otherwise expressly set forth herein, this document (including the Company Incentive Plan and any other exhibits and schedules hereto), together with any applicable terms of any Award Agreement between any Management Member, on the one hand, and the Company, on the other hand, embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

16.4 Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Company and its successors and assigns and the Members and any subsequent holders of Units and the respective successors and assigns of each of them, so long as they hold Units.

16.5 Counterparts. This Agreement may be executed in separate counterparts (including by means of telecopied, facsimile or electronic pdf signature pages) each of which shall be an original and all of which taken together shall constitute one and the same agreement.

16.6 Remedies. The Company and the Members shall be entitled to enforce their rights under this Agreement specifically, to recover damages by reason of any breach of any provision of this Agreement (including costs of enforcement) and to exercise all other rights existing in their favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that the Company or any Member may in its or his sole discretion apply to any court of law or equity of competent jurisdiction for specific performance or injunctive relief (without posting a bond or other security) in order to enforce or prevent any violation of the provisions of this Agreement.

16.7 Notices. Any notice provided for in this Agreement shall be in writing and shall be either emailed, personally delivered, or mailed first class mail (postage prepaid) or sent by reputable overnight courier service (charges prepaid) to the Company at the address set forth below and to any other recipient at the address indicated on the Company's records, or at such address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder when sent by email (with no message of error or non-delivery), delivered personally, 5 days after deposit in the U.S. mail and one day after deposit with a reputable overnight courier service. Notices to the Company will be sent to:

Optimal Blue Holdco, LLC

601 Riverside Avenue
Jacksonville, FL 32204
Attention: Chief Financial Officer
Email: Kirk.Larsen@bkfs.com

with copies (which shall not constitute notice) to:

Cannae Holdings, LLC

1701 Village Center Circle
Las Vegas, NV 89134
Attention: General Counsel
Email: mgravelle@fnf.com

Weil, Gotshal & Manges LLP

767 Fifth Avenue
New York, NY 10153
Attention: Michael J. Aiello; Sachin Kohli
Email: michael.aiello@weil.com; sachin.kohli@weil.com

Thomas H. Lee Partners, L.P.

100 Federal Street
Boston, MA 02110
Attention: Shari Wolkon
Email: swolkon@thl.com

Notices to any Member will be sent to the address set forth opposite such Member's name on **Exhibit A** attached hereto.

16.8 Governing Law. The Act shall govern all questions arising under this Agreement concerning the relative rights of the Company and its Members. All other questions concerning the construction, validity and interpretation of this Agreement shall be governed by and construed in accordance with the domestic laws of the State of Delaware applicable to contracts made and to be performed in the State of Delaware. The parties hereto hereby irrevocably and unconditionally submit to the exclusive jurisdiction of the Chancery Court of the State of Delaware and any state appellate court therefrom sitting in New Castle County in the State of Delaware (or, if the Chancery Court of the State of Delaware declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware) over any suit, action or proceeding arising out of or relating to this Agreement. The parties hereby agree that service of any process, summons, notice or document by U.S. registered mail addressed to any such party shall be effective service of process for any action, suit or proceeding brought against a party in any such court. The parties hereto hereby irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. The parties hereto agree that a final judgment in any such suit, action or proceeding brought in any such court shall be conclusive and binding upon any party and may be enforced in any other courts to whose jurisdiction any party is or may be subject, by suit upon such judgment.

16.9 Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

16.10 Business Opportunities. Except to the extent otherwise agreed between any Manager or any Member, on the one hand, and the Company or any of its Affiliates, on the other hand, any Manager or Member and any Affiliate of such Member may engage in or possess an interest in other investments, business ventures or entities of any nature or description, independently or with others, similar or dissimilar to, or that compete with, the investments or business of the Company, and may provide advice and other assistance to any such investment, business venture or entity, and the Company and the Members shall have no rights by virtue of this Agreement in and to such investments, business ventures or entities or the income or profits derived therefrom, and the pursuit of any such investment or venture, even if competitive with the business of the Company, shall not be deemed wrongful or improper. No Manager, Member nor any Affiliate thereof shall be obligated to present any particular investment or business opportunity to the Company even if such opportunity is of a character that, if presented to the Company, could be taken by the Company, and any Manager, Member or any Affiliate thereof shall have the right to take for its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment opportunity; provided, however, that Black Knight shall present to the Board all investment or business opportunities of which it becomes aware and which are within the scope of the business of the Company and its Subsidiaries or are otherwise competitive with the business of the Company and its Subsidiaries (each such investment or business opportunity, a "**Corporate Opportunity**"), and Black Knight shall not pursue, negotiate or consummate any Corporate Opportunity unless the Board declines to pursue such Corporate Opportunity.

16.11 Appointment of Board as Attorney-in-Fact. Each Class B Member hereby irrevocably constitutes, appoints and empowers the Board and its duly authorized officers, managers, agents, successors and assignees, with full power of substitution and resubstitution, as its true and lawful attorneys-in-fact, in its name, place and stead and for its use and benefit, to execute, certify, acknowledge, file, record and swear to all instruments, agreements and documents necessary or advisable to carrying out the following:

a. any and all amendments to this Agreement that may be permitted or required by this Agreement or the Act, including amendments required to effect the admission of a Member pursuant to and as permitted by this Agreement or to revoke any admission of a Member which is prohibited by this Agreement;

b. any certificate of cancellation of the Certificate that may be necessary upon the termination of the Company;

c. any business certificate, certificate of formation, amendment thereto, or other instrument or document of any kind necessary to accomplish the Company Business;

d. all conveyances and other instruments or documents that the Board deems appropriate or necessary to effectuate or reflect the dissolution, termination and liquidation of the Company pursuant to the terms of this Agreement;

e. all conveyances and other instruments or documents that the Board deems appropriate or necessary to effectuate or reflect the conversion, contribution or other actions contemplated by this Agreement; and

f. all other instruments that may be required or permitted by law to be filed on behalf of the Company and that are not inconsistent with this Agreement. The Board shall not take action as attorney-in-fact for any Member which would in any way increase the liability of the Member beyond the liability expressly set forth in this Agreement or which would diminish the substantive rights of such Member.

16.12 Limited Authorization of Board. Each Class B Member authorizes such attorneys-in-fact to take any further action which such attorneys-in-fact shall consider necessary or advisable in connection with any of the foregoing, hereby giving such attorneys-in-fact full power and authority to do and perform each and every act or thing whatsoever necessary or advisable to be done in and about the foregoing as fully as such Member might or could do if personally present, and hereby ratifying and confirming all that such attorneys-in-fact shall lawfully do or cause to be done by virtue hereof. The appointment by each such Member of the Board and its duly authorized officers, agents, successors and assigns with full power of substitution and resubstitution, as aforesaid, as attorneys-in-fact shall be deemed to be a power coupled with an interest in recognition of the fact that each of the Members under this Agreement shall be relying upon the power of the Board and such officers, managers, agents, successors and assigns to act as contemplated by this Agreement in such filing and other action by it on behalf of the Company. The foregoing power of attorney shall survive the assignment by any Member of the whole or any part of its Interest hereunder. The foregoing power of attorney may be exercised by such attorneys-in-fact by listing all of such Members executing any agreement, certificate, instrument or document with the signatures of such attorneys-in-fact acting as attorneys-in-fact for all of them.

16.13 No Third Party Beneficiaries. It is understood and agreed among the parties that this Agreement and the covenants made herein are made expressly and solely for the benefit of the parties hereto, and that no other Person, other than an indemnified Person, including any Member Sponsor pursuant to **Section 4.5** and Black Knight pursuant to **Article XI,** shall be entitled or be deemed to be entitled to any benefits or rights hereunder, nor be authorized or entitled to enforce any rights, claims or remedies hereunder or by reason hereof.

16.14 Other Instruments and Acts. The Members other than Parent, Cannae and THL agree to execute any other instruments and perform any other acts that are or may be necessary to effectuate and carry on the affairs of the Company.

16.15 Construction. Definitions in this Agreement shall be equally applicable to both the singular and plural forms of the terms defined, and references to the masculine, feminine or neuter gender shall include each other gender. Where used herein, the term “Federal” shall refer to the U.S. Federal government. As used herein, (a) “or” shall mean “and/or” and (b) “including” or “include” shall mean “including without limitation.” It is the intention of the parties that every covenant, term, and provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any party (notwithstanding any rule of law requiring an Agreement to be strictly construed against the drafting party), it being understood that the parties to this Agreement are sophisticated and have had adequate opportunity and means to retain counsel to represent their interests and to otherwise negotiate the provisions of this Agreement.

16.16 Waiver of Action for Partition. Each of the Members irrevocably waives during the term of the Company any right that such Member may have to maintain an action for partition with respect to the property of the Company.

16.17 Relations with Members. Unless named in this Agreement as a Member, or unless admitted to the Company as a Member as provided in this Agreement, no Person shall be considered a Member. Subject to **Article VIII**, the Company and the Board owe duties only to the Company and its Members and the provisions of this Agreement applicable to Members (other than **Section 4.5** and **Article XI**, which are enforceable by the Person specified therein) are only enforceable by Persons so named or admitted as Members.

16.18 Accounting Considerations. Notwithstanding anything contained herein or in any Award Agreement to the contrary, except with respect to redemptions pursuant to **Article XI**, the sale or other disposition (whether pursuant to a call right, put right or otherwise) of Class B Units shall be delayed (and the terms upon which such sale or disposition occurs shall be modified) to the extent the Company determines that such delay or modification is necessary for the award pursuant to which such Class B Units were made to be classified as an equity award under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, Stock Compensation (or any applicable successor standards).

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGES FOLLOW]

In Witness Whereof, the parties hereto have executed this Amended and Restated Limited Liability Company Agreement on the day and year first above written.

Optimal Blue Holdco, LLC

By:*/s/Michael L. Gravelle*

Name: Michael L. Gravelle

Title: Executive Vice President and
General Counsel

Black Knight Technologies, LLC

By:*/s/ Kirk T. Larsen*

Name: Kirk T. Larsen

Title: Executive Vice President and
Chief Financial Officer

THL Optimal Blue Blocker Corp.

By:*/s/Mark Garcia*

Name: Mark Garcia

Title: Vice President

Cannae Holdings, LLC

By:*/s/ Michael L. Gravelle*

Name: Michael L. Gravelle

Title: Managing Director, General Counsel
and Corporate Secretary

For the Purposes of Articles VII, IX, XI and XVI Solely:

Black Knight, Inc.

By:*/s/Kirk T. Larsen*

Name: Kirk T. Larsen

Title: Executive Vice President and
Chief Financial Officer

SCHEDULE I

LIST OF MEMBERS

Name of Member	Address	Units	Initial Capital Contributions
Class A Members:			
Black Knight Technologies, LLC	601 Riverside Avenue Jacksonville, FL 32204 Attention: Chief Financial Officer	60,000	$867,000,000
Cannae Holdings, LLC	1701 Village Center Circle Las Vegas, NV 89134 Attention: General Counsel	20,000	$289,000,000
THL Optimal Blue Blocker Corp.	c/o Thomas H. Lee Partners, L.P. 100 Federal Street Boston, MA 02110 Attention: General Counsel	20,000	$289,000,000
Class B Members:			

SCHEDULE II

Intercompany Agreements

1. Corporate Services Agreement, dated as of the date hereof, between Black Knight and/or one or more of its Affiliates and the Company.

SCHEDULE III

Company Notes

1. That certain Intercompany Note, dated as of September 15, 2020, by and between Optimal Blue Holdco, LLC as the Borrower and Black Knight Infoserv, LLC as the Lender in an original principal amount of $500,000,000.

Exhibit A

Notice

Cannae

Cannae Holdings, LLC

1701 Village Center Circle
Las Vegas, NV 89134
Attention: General Counsel
Email: mgravelle@fnf.com

with a copy to (which shall not constitute notice):

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
Attention: Michael J. Aiello; Sachin Kohli
Email: michael.aiello@weil.com; sachin.kohli@weil.com

THL Holders

THL Optimal Blue Blocker Corp.
c/o Thomas H. Lee Partners, L.P.
100 Federal Street, 35th Floor
Boston, MA 02110
Attention: Shari Wolkon
Email: swolkon@thl.com

Parent

Black Knight Technologies, LLC
601 Riverside Avenue
Jacksonville, FL 32204
Attention: Chief Financial Officer
Email: Kirk.Larsen@bkfs.com

with a copy to (which shall not constitute notice):

Black Knight, Inc.
601 Riverside Avenue
Jacksonville, FL 32204
Attention: General Counsel
Email: michael.gravelle@bkfs.com

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
Attention: Michael J. Aiello; Sachin Kohli
Email: michael.aiello@weil.com; sachin.kohli@weil.com

Exhibit B

FORM OF JOINDER AGREEMENT

This JOINDER AGREEMENT (this ***"Joinder"***), dated [___], 20[__] is entered into by and between [●], a Delaware limited liability company (the ***"Company"***), and _________________ (***"New Member"***). Capitalized terms used herein but not otherwise defined shall have the meanings assigned to such terms in the Amended and Restated Limited Liability Company Agreement (as hereinafter defined).

Whereas, the Members of the Company are parties to the Second Amended and Restated Limited Liability Company Agreement, dated as of November 24, 2020, pursuant to which the parties thereto have been granted certain rights (as amended from time to time, the ***"Amended and Restated Limited Liability Company Agreement"***);

Whereas, in accordance with the terms of the Amended and Restated Limited Liability Company Agreement, New Member may join as a party thereto following the issuance of, or Transfer of, Units to New Member in accordance with, and subject to the terms and conditions of, the Amended and Restated Limited Liability Company Agreement[, including the provisions of **Section 3.4(c)**]; and

Whereas, the Members wish New Member to be bound by and New Member desires to be bound by and enjoy the benefits of the Amended and Restated Limited Liability Company Agreement.

Now, Therefore, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Agreement to be Bound**. New Member hereby acknowledges and agrees that (i) New Member has received and reviewed a complete copy of the Amended and Restated Limited Liability Company Agreement; (ii) New Member shall be a party to the Amended and Restated Limited Liability Company Agreement; (iii) New Member shall be deemed to be a Class A Member"/"Class B Member."]; and (iv) if New Member is deemed to be a Class B Member, such New Member specifically acknowledges to have reviewed and to be bound by the provisions set forth in **Sections 10.1**, **16.11** and **16.12** of the Amended and Restated Limited Liability Company Agreement.

2. **Acceptance by the Company**. The Company hereby (i) accepts New Member's agreement to be bound by the Amended and Restated Limited Liability Company Agreement and to become a party thereto; and (ii) agrees that New Member shall have all such rights provided under the Amended and Restated Limited Liability Company Agreement to [Class A Members/Class B Members] and Members generally. **Schedule I** to the Amended and Restated Limited Liability Company Agreement shall be amended and restated to include New Member thereon, and such schedule shall be included in the Company Register.

3. **Intended Beneficiaries; Successors and Assigns**. This Joinder is hereby executed by New Member for the benefit of the Company and the Members, and the Company, Members and their successors, assigns and legal representatives shall be entitled to rely upon and enforce the provisions of this Joinder and the agreements of New Member hereunder. This Joinder shall be binding upon and inure to the benefit of New Member and New Member's successors, assigns, heirs and legal representatives.

4. **Interpretation**. The headings preceding the text of Sections of this Joinder are for convenience only and shall not be deemed part of this Joinder or be given any effect in interpreting this Joinder.

5. **Counterparts**. This Joinder may be executed in separate counterparts (including by means of telecopied, facsimile or electronic pdf signature pages) each of which shall be an original and all of which taken together shall constitute one and the same Joinder.

6. **Governing Law**. The Act shall govern all questions arising under this Joinder concerning the relative rights of the Company and its Members. All other questions concerning the construction, validity and interpretation of this Agreement shall be governed by and construed in accordance with the domestic laws of the State of Delaware applicable to contracts made and to be performed in the State of Delaware. The parties hereto hereby irrevocably and unconditionally submit to the exclusive jurisdiction of the Chancery Court of the State of Delaware and any state appellate court therefrom sitting in New Castle County in the State of Delaware (or, if the Chancery Court of the State of Delaware declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware) over any suit, action or proceeding arising out of or relating to this Agreement. The parties hereby agree that service of any process, summons, notice or document by U.S. registered mail addressed to any such party shall be effective service of process for any action, suit or proceeding brought against a party in any such court. The parties hereto hereby irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. The parties hereto agree that a final judgment in any such suit, action or proceeding brought in any such court shall be conclusive and binding upon any party and may be enforced in any other courts to whose jurisdiction any party is or may be subject, by suit upon such judgment.

7. **Spousal Consent**. If New Member is a natural person, New Member shall cause his or her spouse, if any, to enter into a Spousal Consent substantially in the form attached hereto as **Schedule I**.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

In Witness Whereof, the parties hereto have duly executed this Joinder as of the date first above written.

Company:

Optimal Blue Holdco, LLC

By:__

Name:__

Title:__

New Member:

____

[Name]

SIGNATURE PAGE TO JOINDER AGREEMENT TO
SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF
Optimal Blue Holdco, LLC

Exhibit A

<u>**New Member**</u>	<u>**Number of [Class A Units/Class B Units]**</u>

Schedule I

FORM OF SPOUSAL CONSENT

I, _______________, spouse of ______________________, do hereby certify, acknowledge and agree as follows:

1. I have read and approve each and every provision set forth in the Second Amended and Restated Limited Liability Agreement of Optimal Blue Holdco, LLC (the "**Company**" and such agreement, including any joinder thereto, the "**Agreement**").

2. I accept and agree to be bound by the Agreement in all respects and in lieu of each other interest I may have in the Company, whether that interest may be community property or quasi-community property under the laws relating to marital property in effect in the state of our residence as of the date of the signing of the Agreement.

3. I hereby appoint my spouse as my attorney-in-fact with respect to the exercise of any rights under the Agreement.

4. I hereby consent to any amendments or modifications to the Agreement that are consented to, executed by or otherwise binding upon my spouse.

Dated: __________________, 20[__]

—

[Signature]

—

[Please Print Your Name]

Exhibit C

COMPANY INCENTIVE PLAN

EXHIBIT 21.1

CANNAE HOLDINGS, INC.
List of Subsidiaries December 31, 2020
Significant Subsidiaries

COMPANY	INCORPORATION
Cannae Holdings, LLC	Delaware
DNB Holdco, LLC	Delaware
Dun & Bradstreet Holdings, Inc.	Delaware
Optimal Blue Holdco, LLC	Delaware
RG Group Holdco, LLC	Delaware
Cannae Newport Holdings, LLC	Delaware
O' Charley's Holdings LLC	Delaware
O' Charley's LLC	Tennessee
99 Restaurants Holdings, LLC	Delaware
99 Restaurants, LLC	Delaware
Cannae Ventures Holdco III, LLC	Delaware
Accelerate Topco Holdings, LLC (AmeriLife)	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-221694 on Form S-8 and Registration Statement No. 333-235303 on Form S-3 of our reports dated February 25, 2021 relating to the financial statements of Cannae Holdings, Inc. (the “Company”) and the effectiveness of the Company’s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2020.

/s/ Deloitte & Touche LLP

Las Vegas, Nevada
February 25, 2021

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Dun & Bradstreet Holdings, Inc.:

We consent to the incorporation by reference in the registration statements (No. 333-235303) on Form S-3 and (No. 333-221694) on Form S-8 of Cannae Holdings, Inc. of our report dated February 25, 2021, with respect to the consolidated balance sheets of Dun & Bradstreet Holdings, Inc. as of December 31, 2020 and 2019, the related consolidated statements of operations and comprehensive income (loss), stockholder equity (deficit), and cash flows for the year ended December 31, 2020 and the period from January 1, 2019 to December 31, 2019 (Successor periods) and of The Dun & Bradstreet Corporation and subsidiaries (Predecessor) for the period from January 1, 2019 to February 7, 2019 (Predecessor period), and related notes, which report appears in the December 31, 2020 annual report on Form 10-K of Cannae Holdings, Inc. Our report includes an explanatory paragraph that states that effective February 8, 2019, the Predecessor was acquired in a business combination accounted for using the acquisition method. As a result of the acquisition, the consolidated financial information for the periods after the acquisition is presented on a different cost basis than that for the periods before the acquisition and, therefore, is not comparable.

/s/ KPMG LLP

Short Hills, New Jersey
February 25, 2021

Exhibit 23.3

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-221694) and on Form S-3 (333-235303) of Cannae Holdings, Inc. of our report dated April 1, 2019, except for the change in composition of reportable segments and the change in classification of revenues by customer solution set discussed in Note 1 and Note 18 to the consolidated financial statements, as to which the date is March 16, 2020, relating to the financial statements of The Dun & Bradstreet Corporation, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

New York, New York
February 25, 2021

Exhibit 23.4

Independent Auditor's Consent

The Partners
Star Parent, L.P.:

We consent to the incorporation by reference in the registration statements (No. 333-235303) on Form S-3 and (No. 333-221694) on Form S-8 of Cannae Holdings, Inc. of our report dated March 17, 2020, with respect to the consolidated balance sheet of Star Parent, L.P. as of December 31, 2019, the related consolidated statements of operations and comprehensive loss, partners' capital, and cash flows for the period from February 8, 2019 to December 31, 2019, and the related notes, which report appears in the December 31, 2020 annual report on Form 10-K of Cannae Holdings, Inc.

/s/ KPMG LLP

Short Hills, New Jersey
February 25, 2021

Exhibit 31.1

CERTIFICATIONS

I, David W. Ducommun, certify that:

1. I have reviewed this annual report on Form 10-K of Cannae Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

By: */s/ David W. Ducommun*
David W. Ducommun
President

Exhibit 31.2

CERTIFICATIONS

I, Bryan D. Coy, certify that:

1. I have reviewed this annual report on Form 10-K of Cannae Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

By: */s/ Bryan D. Coy*
Bryan D. Coy
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO 18 U.S.C. §1350

The undersigned hereby certifies that he is the duly appointed and acting Principal Executive Officer of Cannae Holdings, Inc., a Delaware corporation (the "Company"), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: February 25, 2021

By: */s/David W. Ducommun*
David W. Ducommun
President

Exhibit 32.2

CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO 18 U.S.C. §1350

The undersigned hereby certifies that he is the duly appointed and acting Chief Financial Officer of Cannae Holdings, Inc., a Delaware corporation (the “Company”), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: February 25, 2021

By: *\/s\/ Bryan D. Coy*
Bryan D. Coy
Chief Financial Officer

Exhibit 99.1

Dun & Bradstreet Holdings, Inc.
Financial Statements

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Dun & Bradstreet Holdings, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Dun & Bradstreet Holdings, Inc. and subsidiaries (the Company) as of December 31, 2020 and 2019, the related consolidated statements of operations and comprehensive income (loss), stockholder equity (deficit), and cash flows for the year ended December 31, 2020 and the period from January 1, 2019 to December 31, 2019 (Successor periods) and of The Dun & Bradstreet Corporation and subsidiaries (Predecessor) for the period from January 1, 2019 to February 7, 2019 (Predecessor period), and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the Successor periods, and the results of the Predecessor's operations and the Predecessor's cash flows for the Predecessor period, in conformity with U.S. generally accepted accounting principles.

New Basis of Accounting

As discussed in Note 1 to the consolidated financial statements, effective February 8, 2019, the Predecessor was acquired in a business combination accounted for using the acquisition method. As a result of the acquisition, the consolidated financial information for the periods after the acquisition is presented on a different cost basis than that for the periods before the acquisition and, therefore, is not comparable.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Determination of standalone selling price

As discussed in Note 1 of the consolidated financial statements, the Company’s contracts with clients often include multiple performance obligations. For these contracts, the Company allocates the transaction price to each performance obligation in the contract on a relative standalone selling price basis. The standalone selling price is the price at which the Company would sell the promised goods or services separately to a client. When the standalone selling price is not directly observable from actual standalone sales, the Company estimates a standalone selling price making maximum use of any observable data and estimates of what a client in the market would be willing to pay for the goods or services.

We identified the assessment of the determination of standalone selling prices as a critical audit matter. Subjective auditor judgment was required to evaluate standalone selling prices determined using ranges of observable standalone sales and ranges of selling price data when directly observable sales are not available.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the methodology used to determine standalone selling prices by considering whether there were any changes in goods and services sold or selling practices that could affect the methodology or the relevance of selling price data used in the methodology. We tested observable selling price reports by agreeing selling price inputs to revenue contracts. For a selection of standalone selling prices, we evaluated the Company’s assessment of the effect that observable selling price data has on the standalone selling price, including whether the standalone selling price is reasonable. For a selection of standalone selling prices that were changed from a previously established price, we assessed the revised standalone selling price by comparing it to the observable selling price data.

/s/ KPMG LLP

We have served as the Company's auditor since 2019

Short Hills, New Jersey
February 25, 2021

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of The Dun & Bradstreet Corporation

Opinion on the Financial Statements

We have audited the consolidated statements of operations and comprehensive income (loss), of stockholder equity (deficit) and of cash flows of The Dun & Bradstreet Corporation and its subsidiaries (the "Company" or "Predecessor") for the year ended December 31, 2018, including the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the results of operations and cash flows of the Company for the year ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, the Company changed the manner in which it accounts for revenue from contracts with customers in 2018.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

New York, New York
April 1, 2019, except for the change in composition of reportable segments and the change in classification of revenues by customer solution set discussed in Note 1 and Note 18 to the consolidated financial statements, as to which the date is March 16, 2020

We served as the Company's auditor from 1953 to 2019.

Dun & Bradstreet Holdings, Inc.
Consolidated Statements of Operations and Comprehensive Income (Loss)
(Tabular amounts in millions, except per share data)

	Successor		Predecessor	
	Year ended December 31, 2020	Period from January 1 to December 31, 2019 (1)	Period from January 1 to February 7, 2019 (1)	Year ended December 31, 2018
Revenue	$ 1,738.1	$ 1,413.9	$ 178.7	$ 1,716.4
Operating expenses	545.6	448.5	56.7	563.4
Selling and administrative expenses	557.8	651.2	122.4	610.0
Depreciation and amortization	536.9	482.4	11.1	88.7
Restructuring charges	34.8	51.8	0.1	25.4
Operating costs	1,675.1	1,633.9	190.3	1,287.5
Operating income (loss)	63.0	(220.0)	(11.6)	428.9
Interest income	0.8	2.4	0.3	1.9
Interest expense	(271.1)	(303.5)	(5.5)	(54.4)
Other income (expense) - net	(12.0)	(154.8)	(86.0)	(3.3)
Non-operating income (expense) - net	(282.3)	(455.9)	(91.2)	(55.8)
Income (loss) before provision (benefit) for income taxes and equity in net income of affiliates	(219.3)	(675.9)	(102.8)	373.1
Less: provision (benefit) for income taxes	(110.5)	(118.2)	(27.5)	81.6
Equity in net income of affiliates	2.3	4.2	0.5	2.8
Net income (loss)	(106.5)	(553.5)	(74.8)	294.3
Less: net (income) loss attributable to the non-controlling interest	(5.0)	(6.5)	(0.8)	(6.2)
Less: Dividends allocated to preferred stockholders	(64.1)	(114.0)	—	—
Net income (loss) attributable to Dun & Bradstreet Holdings, Inc. (Successor) / The Dun & Bradstreet Corporation (Predecessor)	$ (175.6)	$ (674.0)	$ (75.6)	$ 288.1
Basic earnings (loss) per share of common stock:				
Net income (loss) attributable to Dun & Bradstreet Holdings, Inc. (Successor) / The Dun & Bradstreet Corporation (Predecessor)	$ (0.48)	$ (2.14)	$ (2.04)	$ 7.76
Diluted earnings (loss) per share of common stock:				
Net income (loss) attributable to Dun & Bradstreet Holdings, Inc. (Successor) / The Dun & Bradstreet Corporation (Predecessor)	$ (0.48)	$ (2.14)	$ (2.04)	$ 7.72
Weighted average number of shares outstanding-basic	367.1	314.5	37.2	37.1
Weighted average number of shares outstanding-diluted	367.1	314.5	37.2	37.3
Other comprehensive income (loss), net of income taxes:				
Net income (loss)	$ (106.5)	$ (553.5)	$ (74.8)	$ 294.3
Foreign currency translation adjustments, net of tax (2)	26.4	(9.9)	5.9	(18.2)
Defined benefit pension plans:				
Prior service credit (cost), net of tax expense (benefit) (3)	(0.8)	2.2	(0.1)	4.5
Net actuarial gain (loss), net of tax expense (benefit) (4)	(105.7)	(18.0)	65.5	(24.1)
Derivative financial instrument, net of tax expense (benefit) (5)	0.7	(1.1)	(0.1)	(0.3)
Total other comprehensive income (loss), net of tax	(79.4)	(26.8)	71.2	(38.1)
Comprehensive income (loss), net of tax	(185.9)	(580.3)	(3.6)	256.2
Less: comprehensive (income) loss attributable to the non-controlling interest	(8.1)	(3.2)	(1.0)	(5.4)
Comprehensive income (loss) attributable to Dun & Bradstreet Holdings, Inc. (Successor) / The Dun & Bradstreet Corporation (Predecessor)	$ (194.0)	$ (583.5)	$ (4.6)	$ 250.8

(1) See Note 1 "Basis of Presentation" for further discussion.

(2) Tax Expense (Benefit) of $3.0 million, $(1.8) million, less than $0.1 million, and $(2.6) million for the Successor year ended December 31, 2020, for the Successor period from January 1 to December 31, 2019, for the Predecessor period from January 1 to February 7, 2019, and for Predecessor year ended December 31, 2018, respectively.

(3) Tax Expense (Benefit) of $(0.2) million, $0.9 million, and $1.2 million for the Successor year ended December 31, 2020, for the Successor period from January 1 to December 31, 2019, and for Predecessor year ended December 31, 2018, respectively.

(4) Tax Expense (Benefit) of $(34.6) million, $(6.1) million, $22.2 million, and $(6.7) million for the Successor year ended December 31, 2020, for the Successor period from January 1 to December 31, 2019, for the Predecessor period from January 1 to February 7, 2019, and for Predecessor year ended December 31, 2018, respectively.

(5) Tax Expense (Benefit) of $0.2 million, $(0.4) million, $(0.1) million, and $(0.1) million for the Successor year ended December 31, 2020, for the Successor period from January 1 to December 31, 2019, for the Predecessor period from January 1 to February 7, 2019, and for Predecessor year ended December 31, 2018, respectively.

The accompanying notes are an integral part of the consolidated financial statements.

Dun & Bradstreet Holdings, Inc.
Consolidated Balance Sheets
(Amounts in millions, except share data and per share data)

	December 31, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	$ 354.5	$ 98.6
Accounts receivable, net of allowance of $11.0 at December 31, 2020 and $7.3 at December 31, 2019 (Note 17)	313.7	269.3
Other receivables	7.6	10.0
Prepaid taxes	130.3	4.0
Other prepaids	38.6	31.4
Other current assets (Note 13)	29.3	4.6
Total current assets	874.0	417.9
Non-current assets		
Property, plant and equipment, net of accumulated depreciation of $14.0 at December 31, 2020 and $7.5 at December 31, 2019 (Note 17)	26.4	29.4
Computer software, net of accumulated amortization of $126.0 at December 31, 2020 and $52.9 at December 31, 2019 (Note 17)	432.7	379.8
Goodwill (Note 17 and 18)	2,856.2	2,840.1
Deferred income tax (Note 9)	14.0	12.6
Other intangibles (Note 17 and 18)	4,812.0	5,251.4
Deferred costs (Note 4)	83.6	47.0
Other non-current assets (Note 7)	120.5	134.6
Total non-current assets	8,345.4	8,694.9
Total assets	$ 9,219.4	$ 9,112.8
Liabilities		
Current liabilities		
Accounts payable	$ 61.2	$ 55.0
Accrued payroll	104.4	137.9
Accrued income tax	6.9	7.8
Short-term debt (Note 6)	25.3	81.9
Make-whole derivative liability (Note 11 and 22)	—	172.4
Other accrued and current liabilities (Note 7)	160.3	167.3
Deferred revenue (Note 4)	467.2	467.5
Total current liabilities	825.3	1,089.8
Long-term pension and postretirement benefits (Note 10)	293.5	206.6
Long-term debt (Note 6)	3,255.8	3,818.9
Liabilities for unrecognized tax benefits (Note 9)	18.9	16.8
Deferred income tax (Note 9)	1,105.0	1,233.5
Other non-current liabilities (Note 17)	143.2	137.7
Total liabilities	5,641.7	6,503.3
Commitments and contingencies (Note 8 and 19)		
Cumulative Series A Preferred Stock $0.001 par value per share,1,050,000 shares authorized and issued at December 31, 2019; Liquidation Preference of $1,067.9 at December 31, 2019 (Note 22)	—	1,031.8
Equity		
Successor Common Stock, $0.0001 par value per share, authorized—2,000,000,000 shares; 423,418,131 shares issued and 422,952,228 shares outstanding at December 31, 2020, and 314,494,968 shares issued and outstanding at December 31, 2019	—	—
Capital surplus	4,310.2	2,116.9
Accumulated deficit	(685.0)	(573.5)
Treasury Stock, 465,903 shares at December 31, 2020	—	—
Accumulated other comprehensive loss	(106.0)	(23.5)
Total stockholder equity	3,519.2	1,519.9
Non-controlling interest	58.5	57.8
Total equity	3,577.7	1,577.7
Total liabilities and stockholder equity	$ 9,219.4	$ 9,112.8

The accompanying notes are an integral part of the consolidated financial statements.

Dun & Bradstreet Holdings, Inc.
Consolidated Statements of Cash Flows
(Tabular amounts in millions)

	Successor		Predecessor	
	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018
Cash flows provided by (used in) operating activities:				
Net income (loss)	$ (106.5)	$ (553.5)	$ (74.8)	$ 294.3
Reconciliation of net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	536.9	482.4	11.1	88.7
Amortization of unrecognized pension loss (gain)	(0.4)	—	3.8	40.9
Pension settlement charge	0.6	—	85.8	—
Pension settlement payments	—	(105.9)	(190.5)	—
Income tax benefit from stock-based awards	—	—	10.3	4.9
Equity-based compensation expense	45.1	68.0	11.7	10.8
Restructuring charge	34.8	51.8	0.1	25.4
Restructuring payments	(17.0)	(39.1)	(2.1)	(33.8)
Change in fair value of make-whole derivative liability	32.8	172.4	—	—
Changes in deferred income taxes	(99.5)	(137.6)	(33.2)	46.2
Changes in prepaid and accrued income taxes	(131.7)	(10.0)	(8.1)	(24.8)
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	(42.3)	(15.2)	16.3	9.5
(Increase) decrease in other current assets	(30.2)	5.9	(1.2)	0.3
Increase (decrease) in deferred revenue	4.1	66.1	20.8	(15.1)
Increase (decrease) in accounts payable	5.0	(19.6)	37.8	(12.6)
Increase (decrease) in accrued liabilities	29.0	(10.2)	(39.7)	(41.8)
Increase (decrease) in other accrued and current liabilities	(19.0)	43.9	25.1	0.4
(Increase) decrease in other long-term assets	(48.3)	(38.3)	(96.0)	(13.5)
Increase (decrease) in long-term liabilities	(40.8)	(57.0)	154.6	(55.8)
Non-cash foreign exchange impacts	(5.6)	15.1	—	2.1
Net, other non-cash adjustments (1)	48.6	17.8	2.8	(0.7)
Net cash provided by (used in) operating activities	195.6	(63.0)	(65.4)	325.4
Cash flows provided by (used in) investing activities:				
Payments for acquisitions of businesses, net of cash acquired	(20.6)	(6,078.0)	—	—
Cash settlements of foreign currency contracts	7.1	(7.9)	—	(7.8)
Capital expenditures	(7.7)	(12.5)	(0.2)	(5.1)
Additions to computer software and other intangibles	(113.7)	(56.4)	(5.1)	(53.1)
Net, other	0.6	0.2	—	0.7
Net cash provided by (used in) investing activities	(134.3)	(6,154.6)	(5.3)	(65.3)
Cash flows provided by (used in) financing activities:				
Net payments related to stock-based plans	—	—	—	(1.4)
Proceeds from issuance of Class A common stock in the IPO transaction and Private Placement, net (2)	2,248.2	—	—	—
Proceeds from investors	—	3,176.8	—	—
Payment for the redemption of Cumulative Series A Preferred Stock	(1,067.9)	—	—	—
Payment for make-whole liability	(205.2)	—	—	—
Payment for debt early redemption premiums	(50.1)	—	—	—
Payments of dividends	(64.1)	(96.1)	—	(58.1)
Proceeds from borrowings on Credit Facility	407.2	228.3	167.0	1,095.1
Proceeds from borrowings on Predecessor's Term Loan Facilities	—	—	—	300.0
Proceeds from issuance of Successor's Senior Notes	—	1,450.0	—	—
Proceeds from borrowings on Successor's Term Loan Facility - net of issuance discount	—	2,479.4	—	—
Retirement of Predecessor's Senior Notes	—	(625.1)	—	—
Payments of borrowings on Credit Facility	(407.2)	(228.3)	(70.0)	(1,578.2)
Payments of borrowing on Term Loan Facility	(19.0)	—	—	(360.0)
Payments of borrowings on Successor's Senior Notes	(580.0)	—	—	—
(Payments) proceeds of borrowings on Successor's Bridge Loan	(63.0)	63.0	—	—
Payment of debt issuance costs	(2.5)	(122.6)	—	(3.6)
Net, other	(7.1)	(3.6)	(0.1)	(3.5)
Net cash provided by (used in) financing activities	189.3	6,321.8	96.9	(609.7)
Effect of exchange rate changes on cash and cash equivalents	5.3	(5.6)	1.2	(2.6)
Increase (decrease) in cash and cash equivalents	255.9	98.6	27.4	(352.2)
Cash and Cash Equivalents, Beginning of Period	98.6	—	90.2	442.4
Cash and Cash Equivalents, End of Period	$ 354.5	$ 98.6	$ 117.6	$ 90.2
Supplemental Disclosure of Cash Flow Information:				
Cash Paid for:				
Income Taxes, Net of Refunds	$ 120.9	$ 29.3	$ 3.4	$ 55.1
Interest	$ 249.0	$ 232.4	$ 2.4	$ 53.8

(1) Includes non-cash adjustments for the write down of deferred debt issuance costs and discount of $23.2 million associated with the partial redemption of the Senior Unsecured Notes, Senior Secured Notes, and amendments of the revolver and the term loan during the year ended December 31, 2020. In addition, non cash amortization of deferred debt issuance cost and discount is $21.8 million and $23.2 million for the year ended December 31, 2020 and the period from January 1 to December 31, 2019, respectively.
(2) Net of IPO offering costs of $132.8 million of which $131.9 million was paid by proceeds raised from the offering (see Note 2) and $0.9 million was paid prior to the IPO and Private Placement.

The accompanying notes are an integral part of the consolidated financial statements.

Dun & Bradstreet Holdings, Inc.
Consolidated Statements of Stockholder Equity (Deficit)
(Tabular amounts in millions)

	Common Stock	Capital Surplus	(Accumulated Deficit) Retained Earnings	Treasury Stock	Cumulative Translation Adjustment	Defined Benefit Postretirement Plans	Cash Flow Hedging Derivative	Total Stockholder Equity (Deficit)	Non-Controlling Interest	Total Equity (Deficit)
Predecessor:										
Year ended December 31, 2018										
Balance, January 1, 2018	$ 0.8	$ 332.0	$ 3,176.3	$ (3,319.5)	$ (218.2)	$ (798.7)	$ —	$ (827.3)	$ 16.1	$ (811.2)
Net income (loss)	—	—	288.1	—	—	—	—	288.1	6.2	294.3
Payment to non-controlling interest	—	—	—	—	—	—	—	—	(5.5)	(5.5)
Equity-based compensation plans	—	0.8	—	9.2	—	—	—	10.0	—	10.0
Pension adjustments, net of tax benefit of $5.5	—	—	—	—	—	(19.6)	—	(19.6)	—	(19.6)
Dividend declared	—	—	(58.3)	—	—	—	—	(58.3)	—	(58.3)
Cumulative adjustment for Topic 606, net of tax benefit of $25.7	—	—	(81.1)	—	—	—	—	(81.1)	—	(81.1)
Change in cumulative translation adjustment, net of tax benefit of $2.6	—	—	—	—	(17.3)	—	—	(17.3)	(0.9)	(18.2)
Derivative financial instruments, net of tax benefit of $0.1	—	—	—	—	—	—	(0.3)	(0.3)	—	(0.3)
Balance, December 31, 2018	$ 0.8	$ 332.8	$ 3,325.0	$ (3,310.3)	$ (235.5)	$ (818.3)	$ (0.3)	$ (705.8)	$ 15.9	$ (689.9)
For the Period from January 1, 2019 to February 7, 2019										
Balance, December 31, 2018	$ 0.8	$ 332.8	$ 3,325.0	$ (3,310.3)	$ (235.5)	$ (818.3)	$ (0.3)	$ (705.8)	$ 15.9	$ (689.9)
Net income (loss)	—	—	(75.6)	—	—	—	—	(75.6)	0.8	(74.8)
Payment to non-controlling interest	—	—	—	—	—	—	—	—	(0.1)	(0.1)
Equity-based compensation plans	—	11.7	—	—	—	—	—	11.7	—	11.7
Pension adjustments, net of tax expense of $22.2	—	—	—	—	—	65.4	—	65.4	—	65.4
Change in cumulative translation adjustment, net of tax expense of less than $0.1	—	—	—	—	5.7	—	—	5.7	0.2	5.9
Derivative financial instruments, net of tax benefit of $0.1	—	—	—	—	—	—	(0.1)	(0.1)	—	(0.1)
Balance, February 7, 2019	$ 0.8	$ 344.5	$ 3,249.4	$ (3,310.3)	$ (229.8)	$ (752.9)	$ (0.4)	$ (698.7)	$ 16.8	$ (681.9)

	Common Stock	Capital Surplus	(Accumulated Deficit) Retained Earnings	Treasury Stock	Cumulative Translation Adjustment	Defined Benefit Postretirement Plans	Cash Flow Hedging Derivative	Total Stockholder Equity (Deficit)	Non-Controlling Interest	Total Equity (Deficit)
Successor:										
For the period from January 1, 2019 to December 31, 2019										
Balance, January 1, 2019	$ —	$ —	$ (13.5)	$ —	$ —	$ —	$ —	$ (13.5)	$ —	$ (13.5)
Net income (loss)	—	—	(560.0)	—	—	—	—	(560.0)	6.5	(553.5)
Take-Private Transaction	—	2,048.4	—	—	—	—	—	2,048.4	60.3	2,108.7
Capital contribution	—	100.0	—	—	—	—	—	100.0	—	100.0
Equity-based compensation plans	—	68.0	—	—	—	—	—	68.0	—	68.0
Preferred dividend	—	(96.1)	—	—	—	—	—	(96.1)	—	(96.1)
Accretion - Series A Preferred Stock	—	(3.4)	—	—	—	—	—	(3.4)	—	(3.4)
Payment to non-controlling interest	—	—	—	—	—	—	—	—	(5.7)	(5.7)
Pension adjustments, net of tax benefit of $5.4	—	—	—	—	—	(15.8)	—	(15.8)		(15.8)
Change in cumulative translation adjustment, net of tax benefit of $1.8	—	—	—	—	(6.6)	—	—	(6.6)	(3.3)	(9.9)
Derivative financial instruments, net of tax benefit of $0.4	—	—	—	—	—	—	(1.1)	(1.1)	—	(1.1)
Balance, December 31, 2019	$ —	$ 2,116.9	$ (573.5)	$ —	$ (6.6)	$ (15.8)	$ (1.1)	$ 1,519.9	$ 57.8	$ 1,577.7
Year ended December 31, 2020										
Balance, January 1, 2020	$ —	$ 2,116.9	$ (573.5)	$ —	$ (6.6)	$ (15.8)	$ (1.1)	$ 1,519.9	$ 57.8	$ 1,577.7
Net income (loss)	—	—	(111.5)	—	—	—	—	(111.5)	5.0	(106.5)
Accretion - Series A Preferred Stock	—	(36.1)	—	—	—	—	—	(36.1)	—	(36.1)
Issuance of Class A Common Stock in IPO and Private Placement, net of issuance costs	—	2,248.2	—	—	—	—	—	2,248.2	—	2,248.2
Equity-based compensation plans (1)	—	45.3	—	—	—	—	—	45.3	—	45.3
Pension adjustments, net of tax benefit of $34.8	—	—	—	—	—	(106.5)	—	(106.5)	—	(106.5)
Change in cumulative translation adjustment, net of tax expense of $3.0	—	—	—	—	23.3	—	—	23.3	3.1	26.4
Derivative financial instruments, net of tax expense of $0.2	—	—	—	—	—	—	0.7	0.7	—	0.7
Preferred dividend	—	(64.1)	—	—	—	—	—	(64.1)	—	(64.1)
Payment to non-controlling interest	—	—	—	—	—	—	—	—	(7.4)	(7.4)
Balance, December 31, 2020	$ —	$ 4,310.2	$ (685.0)	$ —	$ 16.7	$ (122.3)	$ (0.4)	$ 3,519.2	$ 58.5	$ 3,577.7

(1) Includes $0.2 million related to the conversion of pre-IPO liability classified equity-based awards into restricted stock units.

The accompanying notes are an integral part of the consolidated financial statements.

Note 1 -- Description of Business and Summary of Significant Accounting Policies

Description of Business. Dun & Bradstreet Holdings, Inc. through its operating company The Dun & Bradstreet Corporation ("Dun & Bradstreet" or "D&B") helps companies around the world improve their business performance. A global leader in business to business data and analytics, we glean insight from data to enable our clients to connect with the prospects, suppliers, clients and partners that matter most. Since 1841, companies of every size rely on Dun & Bradstreet to help them manage risk and reveal opportunity. We transform data into valuable business insights which are the foundation of our global solutions that clients rely on to make mission critical business decisions.

Dun & Bradstreet provides solution sets that meet a diverse set of clients' needs globally. Clients use Finance & Risk solutions to mitigate credit, compliance and supplier risk, increase cash flow and drive increased profitability. Our Sales & Marketing solutions help clients better use data to grow sales, digitally engage with clients and prospects, improve marketing effectiveness and also offer data management capabilities that provide effective and cost efficient marketing solutions to increase revenue from new and existing clients.

Basis of Presentation. The accompanying financial statements of Dun & Bradstreet Holdings, Inc. (formerly Star Intermediate I, Inc.) and its subsidiaries ("we" or "us" or "our" or the "Company") were prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of financial statements and related disclosures requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period reported. As discussed throughout this Note 1, we base our estimates on historical experience, current conditions and various other factors that we believe to be reasonable under the circumstances. Significant items subject to such estimates and assumptions include: valuation allowances for receivables and deferred income tax assets; tax liabilities related to our undistributed foreign earnings associated with the 2017 Tax Cuts and Jobs Act ("2017 Act"); liabilities for potential tax exposure and potential litigation claims and settlements; assets and obligations related to employee benefits; allocation of the purchase price in acquisition accounting; impairment assessment for goodwill and other intangible assets; long-term asset recoverability and estimated useful life; stock-based compensation; revenue deferrals; and restructuring charges. We review estimates and assumptions periodically and reflect the changes in the consolidated financial statements in the period in which we determine any changes to be necessary. Actual results could differ materially from those estimates under different assumptions or conditions.

Our consolidated financial statements presented herein reflect the latest estimates and assumptions made by management that affect the reported amounts of assets and liabilities and related disclosures as of the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting periods presented. Since early 2020, the novel coronavirus ("COVID-19") global pandemic has caused disruptions in the economy and volatility in the global financial markets. There is considerable uncertainty regarding its duration and the speed and nature of recovery. The extent of the impact of the COVID-19 global pandemic on our operations and financial performance will depend on the effects on our clients and vendors, which are uncertain at this time and cannot be predicted. In addition, the pandemic may affect management's estimates and assumptions of variable consideration in contracts with clients as well as other estimates and assumptions, in particular those that require a projection of our financial results, our cash flows or broader economic conditions.

The consolidated financial statements include our accounts, as well as those of our subsidiaries and investments in which we have a controlling interest. Investments in companies over which we have significant influence but not a controlling interest are recorded under the equity method of accounting. When events and circumstances warrant, equity investments accounted for under the equity method of accounting are evaluated for impairment. An impairment charge is recorded whenever a decline in value of an equity investment below its carrying amount is determined to be other-than temporary. We elect to account for investments over which we do not have significant influence at cost adjusted for impairment or other changes resulting from observable market data. Market values associated with these investments are not readily available. Our cost investments were not material as of December 31, 2020 and 2019.

Initial Public Offering ("IPO") and Private Placement

On July 6, 2020, we completed an IPO of 90,047,612 shares of our common stock, par value $0.0001 per share at a public offering price of $22.00 per share. Immediately subsequent to the closing of the IPO, a subsidiary of Cannae Holdings, Inc. ("Cannae Holdings"), a subsidiary of Black Knight, Inc. ("Black Knight") and affiliates of CC Capital Partners LLC ("CC Capital") purchased from us in a private placement $200.0 million, $100.0 million and $100.0 million, respectively, of our common stock at a price per share equal to 98.5% of the IPO price, or $21.67 per share. We issued 18,458,700 shares of common stock in connection with the private placement. A total of 108,506,312 shares of common stock were issued in the IPO and concurrent private placement for gross proceeds of $2,381.0 million. See Note 2 to the consolidated financial statements for further discussion, including the use of proceeds and the impact on common share and per share information.

The Take-Private Transaction

On August 8, 2018, a consortium of investors formed a Delaware limited partnership, Star Parent, L.P. ("Parent") and Star Merger Sub, Inc. ("Merger Sub"), and subsequently formed subsidiaries including Dun & Bradstreet Holdings, Inc., Star Intermediate II, LLC and Star Intermediate III, LLC. Also on August 8, 2018, Dun & Bradstreet entered into an Agreement and Plan of Merger (the "Merger Agreement") with Parent and Merger Sub. On February 8, 2019, pursuant to the terms of the Merger Agreement, Merger Sub merged with and into Dun & Bradstreet with Dun & Bradstreet continuing as the surviving corporation. The transaction is referred to as the "Take-Private Transaction." See further discussion on Note 15.

The completion of the Take-Private Transaction resulted in the following:

- Parent issued 206,787.3617 Class A units for $2,048.4 million, net of equity syndication fee of $19.5 million, which was contributed to Dun & Bradstreet Holdings, Inc. In addition, Parent issued 6,817.7428 units of Class B and 32,987.0078 units of Class C profits interest.

- Dun & Bradstreet Holdings, Inc. issued 314,494,968 shares of common stock to Parent and 1,050,000 shares of Series A Preferred Stock for $1,028.4 million, net of issuance discount of $21.6 million.

- Merger Sub entered into a credit agreement for new senior secured credit facilities (the "New Senior Secured Credit Facilities"). The New Senior Secured Credit Facilities provide for (i) a seven year senior secured term loan facility in an aggregate principal amount of $2,530.0 million (the "New Term Loan Facility"), (ii) a five year senior secured revolving credit facility in an aggregate principal amount of $400.0 million (the "New Revolving Facility") and (iii) a 364-day repatriation bridge facility in an aggregate amount of $63.0 million. Also on February 8, 2019, Merger Sub issued $700.0 million in aggregate principal amount of 6.875% senior secured notes (the "New Senior Secured Notes") and $750.0 million in aggregate principal amount of Senior Unsecured Notes due 2027 (the "New Senior Unsecured Notes"). See Note 6 for further discussion.

- The Company used the proceeds from the issuances of common and preferred shares and the debt financing to (i) finance and consummate the Take-Private Transaction and other transactions, including to fund nonqualified pension and deferred compensation plan obligations (ii) repay in full all outstanding indebtedness under Dun & Bradstreet's then-existing senior secured credit facilities, (iii) fund the redemption and discharge of all of Dun & Bradstreet's then-existing senior notes and (iv) pay related fees, costs, premiums and expenses in connection with these transactions.

- Merger Sub merged with and into D&B with D&B continuing as the surviving corporation.

As a result of the Take-Private Transaction on February 8, 2019, the merger was accounted for in accordance with ASC 805, "Business Combinations" ("ASC 805"), and Dun & Bradstreet Holdings, Inc. was determined to be the accounting acquirer. The accompanying consolidated financial statements and information are presented on a Successor and Predecessor basis. References to Predecessor refer to the results of operations, cash flows and financial position of The Dun & Bradstreet Corporation and its subsidiaries prior to the closing of the Take-Private Transaction. References to Successor refer to the consolidated financial position of Dun & Bradstreet Holdings, Inc. and its subsidiaries as of December 31, 2020 and December 31, 2019, and the results of operations and cash flows of Dun & Bradstreet Holdings, Inc. and its subsidiaries for the year ended December 31, 2020 and the period from January 1, 2019 to December 31, 2019. During the period from January 1, 2019 to February 7, 2019, Dun & Bradstreet Holdings, Inc. had no significant operations and limited assets and had only incurred transaction related expenses prior to the Take-Private Transaction. The Successor periods include the consolidated results of operations, cash flows and financial position of Dun & Bradstreet and its subsidiaries on and after February 8, 2019. The Predecessor and Successor consolidated financial information presented herein is not comparable primarily due to the impacts of the Take-Private Transaction including the application of acquisition accounting in the Successor financial statements as of February 8, 2019, as further described in Note 15, of which the most significant impacts are (i) the increased amortization expense for intangible assets; (ii) additional interest expense associated with debt financing arrangements entered into in connection with the Take-Private Transaction; (iii) higher non-recurring transaction costs and the pension settlement charge attributable to the Take-Private Transaction; and (iv) a shorter Successor period for our International operations.

All intercompany transactions and balances have been eliminated in consolidation.

Since the Take-Private Transaction, management has made changes to transform our business. As a result, during the fourth quarter of 2019, we changed the composition of our reportable segments, the classification of revenue by solution set and our measure of segment profit (from operating income to adjusted EBITDA (see Note 18 for further discussion of adjusted EBITDA) in the information that we provide to our chief operating decision makers ("CODMs") to better align with how they assess performance and allocate resources. Latin America Worldwide Network, which was previously included in the Americas reportable segment, is currently included in the International segment. Accordingly, prior period results have been recast to conform to the current presentation of segments, revenue by solution, and the measure of segment profit. These changes do not impact our consolidated results.

We manage our business and report our financial results through the following two segments:

- North America offers Finance & Risk and Sales & Marketing data, analytics and business insights in the United States and Canada; and
- International offers Finance & Risk and Sales & Marketing data, analytics and business insights directly in the United Kingdom/Ireland ("U.K."), Greater China, India and indirectly through our Worldwide Network alliances ("WWN alliances").

Except as described below, the consolidated financial statements reflect results of the subsidiaries outside of North America for the year ended November 30 in order to facilitate the timely reporting of the consolidated financial results and consolidated financial position. For the period from January 1, 2019 to December 31, 2019 (Successor), the results of subsidiaries outside of North America are reflected for the period from February 8, 2019 through November 30, 2019. For the period from January 1 to February 7, 2019 (Predecessor), the results of subsidiaries outside of North America are reflected for the period from December 1, 2018 to January 7, 2019.

As a result of the lag reporting in the International segment, we excluded the revenue and expenses for the period of January 8, 2019 to February 7, 2019, (the "International lag adjustment"), in connection with the Take-Private Transaction on February 8, 2019.

Where appropriate, we have reclassified certain prior year amounts to conform to the current year presentation.

Significant Accounting Policies

Revenue Recognition

Revenue is recognized when promised goods or services are transferred to clients in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services by following a five-step process, (1) identify the contract with a client, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price, and (5) recognize revenue when or as we satisfy a performance obligation.

We generate revenue from licensing our data and providing related data services to our clients. Our data is integrated into our hosted or on-premise software applications. Data is also delivered directly into client third-party applications (or our on-premise applications) using our application programming interfaces ("API") or as computer files. Some of our data and reports can be purchased through our websites individually or in packages.

Most of our revenue comes from clients we contract with directly. We also license data, trademarks and related technology and support services to our Worldwide Network partners for exclusive distribution of our products to clients in their territories. We also license our data to our alliance partners who use the data to enhance their own products or enable it to be seamlessly delivered to their customers.

Revenue is net of any sales or indirect taxes collected from clients, which are subsequently remitted to government authorities.

Performance Obligations and Revenue Recognition

All our clients license our data and/or software applications. The license term is generally a minimum of 12 months and non-cancelable. If the client can benefit from the license only in conjunction with a related service, the license is not distinct and is combined with the other services as a single performance obligation.

We recognize revenue when (or as) we satisfy a performance obligation by transferring promised licenses and or services underlying the performance obligation to the client. Some of our performance obligations are satisfied over time as the product is transferred to the client. Performance obligations which are not satisfied over time are satisfied at a point in time.

Determining whether the products and services in a contract are distinct and identifying the performance obligations requires judgment. When we assess contracts with clients we determine if the data we promise to transfer to the client is individually distinct or is combined with other licenses or services which together form a distinct product or service and a performance obligation. We also consider if we promise to transfer a specific quantity of data or provide unlimited access to data.

We determined that when clients can purchase a specified quantity of data based on their selection criteria and data layout, each data record is distinct and a performance obligation, satisfied on delivery. If we promise to update the initial data set at specified intervals, each update is a performance obligation, which we satisfy when the update data is delivered.

When we provide clients continuous access to the latest data using our API-based and online products, the client can consume and benefit from this content daily as we provide access to the data. We determined that for this type of offering our overall promise is a service of daily access to data which represents a single performance obligation satisfied over time. We recognize revenue ratably for this type of performance obligation.

Clients can purchase unlimited access to data in many of our products for the non-cancelable contract term. These contracts are priced based on their anticipated usage volume of the product and we have the right to increase the transaction price in the following contract year if usage in the current contract year exceeds certain prescribed limits. The limits are set at a level that the client is unlikely to exceed so in general, we fully constrain any variable consideration until it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty is resolved. For these contracts the performance obligation is satisfied over time as we provide continuous access to the data. We recognize revenue ratably over the contract term.

For products sold under our annual and monthly discount plans the client receives a discount based on the amount they commit to spend annually, or the actual amount spent at the end of each monthly billing cycle. Each report or data packet purchased is a separate performance obligation which is satisfied when the report or data packet is delivered. The client can also purchase a monitoring service on the report or data packet which is a performance obligation satisfied over time because the client benefits from the service as we monitor the data and provide alerts when the data changes. We recognize revenue ratably over the monitoring period.

In some contracts, including annual discount plans, the client commits to spend a fixed amount on the products. Breakage occurs if the client does not exercise all their purchasing rights under the contract. We recognize breakage at the end of the contract when the likelihood of the client exercising their remaining rights becomes remote.

Many of our contracts provide the client an option to purchase additional products. If the option provides the client a discount which is incremental to discounts typically given for those products, the contract provides the client a material right that it would not receive without entering into the contract. An amount of the transaction price is allocated to the material right performance obligation and is recognized when the client exercises the option or when the option expires.

We have long-term contracts with our Worldwide Network partners. These contracts are typically for an initial term of up to 10 years and automatically renew for further terms unless notice is given before the end of the initial or renewal term. We grant each partner the exclusive right to sell our products in the countries that constitute their territory. We provide them access to data, use of our brand and technology and other services and support necessary for them to sell our products and services in their territory. We determined this arrangement is a series of distinct services and represents a single performance obligation satisfied over time. These contracts contain multiple streams of consideration, some of which are fixed and some are variable. These variable amounts are allocated to the specific service period during which the sales or usage occurred if the variable amount is commensurate with the benefit to the client of the additional service and is consistent with our customary pricing practices. Otherwise the variable amount is accounted for as a change in the transaction price for the contract. We recognize revenue ratably for this performance obligation.

We license our data to our alliance partners. Most contracts specify the number of licensed records or data sets to be delivered. If the licenses are distinct, we satisfy them on delivery of the data. Contract consideration is often a sales or usage-based royalty, sometimes accompanied by a guaranteed minimum amount. Any fixed consideration is allocated to each performance obligation based on the standalone selling price of the data. We apply the variable consideration exception for license revenue in the form of royalties when the license is the sole or predominant item to which the royalty relates. Royalty revenue is recognized when the later of the following events have occurred: (1) the subsequent sale or usage occurs or (2) the performance obligation to which some or all the royalty has been allocated has been satisfied (or partially satisfied).

Contracts with Multiple Performance Obligations

Our contracts with clients often include promises to transfer multiple performance obligations. For these contracts we allocate the transaction price to each performance obligation in the contract on a relative standalone selling price basis. The standalone selling price is the price at which we would sell the promised service separately to a client. We use the observable price based on prices in contracts with similar clients in similar circumstances. When the standalone selling price is not directly observable from actual standalone sales, we estimate a standalone selling price making maximum use of any observable data and estimates of what a client in the market would be willing to pay for those goods or services.

We allocate variable consideration to a performance obligation or a distinct product if the terms of the variable payment relate specifically to our efforts to satisfy the performance obligation or transfer the distinct product and the allocation is consistent with the allocation objective. If these conditions are not met or the transaction price changes for other reasons after contract inception, we allocate the change on the same basis as at contract inception.

Contract Combinations and Modifications

Many of our clients have multiple contracts for various products. Contracts entered into at or near the same time with the same client are combined into a single contract when they are negotiated together with a single commercial objective or the contracts are related in other ways.

Contract modifications are accounted for as a separate contract if additional products are distinct and the transaction price increases by an amount that reflects the standalone selling prices of the additional products. Otherwise, we generally account for the modifications as if they were the termination of the existing contracts and creation of new contracts if the remaining products are distinct from the products transferred before the modification. The new transaction price is the unrecognized revenue from the existing contracts plus the new consideration. This amount is allocated to the remaining performance obligations based on the relative standalone selling prices.

Restructuring Charges. Restructuring charges have been recorded in accordance with Accounting Standards Codification ("ASC") 712-10, "Nonretirement Postemployment Benefits," or "ASC 712-10," and/or ASC 420-10, "Exit or Disposal Cost Obligations," or "ASC 420-10," as appropriate.

Effective January 1, 2019, we adopted ASU No. 2016-02, "Leases (Topic 842)," and as a result, terminated contracts that meet the lease definition are no longer accounted for under ASC 420-10. Terminated lease obligations or lease obligations for facilities we no longer occupy are accounted for in accordance with Topic 842. We have reclassified liabilities associated with such lease obligations to long-term and short-term lease liabilities (see Note 7 for further discussion). Certain termination costs and obligations that do not meet the lease criteria continue to be accounted for in accordance with ASC 420-10. Right of use assets are assessed for impairment in accordance to Topic 360. Right of use asset impairment charges and lease costs related to facilities we ceased to occupy are reflected in "Restructuring charges."

We record severance costs provided under an ongoing benefit arrangement once they are both probable and estimable in accordance with the provisions of ASC 712-10.

We account for one-time termination benefits, contract terminations and/or, prior to 2019, costs to terminate lease obligations less assumed sublease income in accordance with ASC 420-10, which addresses financial accounting and reporting for costs associated with restructuring activities. Under ASC 420-10, we establish a liability for a cost associated with an exit or disposal activity, including severance and prior to 2019 lease termination obligations, and other related costs, when the liability is incurred, rather than at the date that we commit to an exit plan. We reassess the expected cost to complete the exit or disposal activities at the end of each reporting period and adjust our remaining estimated liabilities, if necessary.

The determination of when we accrue for severance costs and which standard applies depends on whether the termination benefits are provided under an ongoing arrangement as described in ASC 712-10 or under a one-time benefit arrangement as defined by ASC 420-10. Inherent in the estimation of the costs related to the restructuring activities are assessments related to the most likely expected outcome of the significant actions to accomplish the exit activities. In determining the charges related to the restructuring activities, we have to make estimates related to the expenses associated with the restructuring activities. These estimates may vary significantly from actual costs depending, in part, upon factors that may be beyond our control. We will continue to review the status of our restructuring obligations on a quarterly basis and, if appropriate, record changes to these obligations in current operations based on management’s most current estimates.

Leases. In accordance with ASC 842, at the inception of a contract, we assess whether the contract is, or contains, a lease. A contract contains a lease if it conveys to us the right to control the use of property, plant and equipment (an identified asset). We control the identified asset if we have a right to substantially all the economic benefits from use of the asset and the right to direct its use for a period of time.

Most of our leases expire over the next nine years, with the majority expiring within two years. Leases may include options to early terminate the lease or renew at the end of the initial term. Generally, these lease terms do not affect the term of the lease because we are not reasonably certain that we will exercise our option.

We primarily use the incremental borrowing rate to determine the present value of the lease payments because the implicit rate is generally not available to a lessee. We determine the incremental borrowing rate using an applicable reference rate (LIBOR or LIBOR equivalent or local currency swap rates) considering both currency and lease term, combined with our estimated borrowing spread for secured borrowings.

We recognize operating lease expense on a straight-line basis over the term of the lease. Lease payments may be fixed or variable. Only lease payments that are fixed, in-substance fixed or depend on a rate or index are included in determining the lease liability. Variable lease payments include payments made to the lessor for taxes, insurance and maintenance of the leased asset and are recognized as operating expenses as incurred.

We apply certain practical expedients allowed by Topic 842. Lease payments for leases with an initial term of 12 months or less are not included in right of use assets or operating lease liabilities. Instead they are recognized as short term lease operating expense on a straight-line basis over the term. We have also elected not to separate lease and non-lease components for our office leases. We separate the lease components from the non-lease components using the relative standalone selling prices of each component for all our other leased asset classes. We estimate the standalone selling prices using observable prices, and if they are not available, we estimate the price. Non-lease components include maintenance and other services provided in the contract related to the leased asset. Non-lease components are recognized in accordance with other applicable accounting policies. See Note 7.

Prior to the adoption of ASC 842, we expensed the net fixed payments of operating leases on a straight-line basis over the lease term as required under the prior lease accounting standard ASC 840. Under the prior lease accounting standard, lease assets and liabilities were not required to be recognized.

Employee Benefit Plans. We provide various defined benefit plans to our employees as well as health care benefits to our retired employees. We use actuarial assumptions to calculate pension and benefit costs as well as pension assets and liabilities included in the consolidated financial statements. See Note 10.

Legal Contingencies. We are involved in legal proceedings, claims and litigation arising in the ordinary course of business for which we believe we have adequate reserves, and such reserves are not material to the consolidated financial statements. In addition, from time to time we may be involved in additional matters which could become material and for which we may also establish reserve amounts as discussed in Note 8. We record a liability when management believes that it is both probable that a liability has been incurred and we can reasonably estimate the amount of the loss. For such matters where management believes a liability is not probable but is reasonably possible, a liability is not recorded; instead, an estimate of loss or range of loss, if material individually or in the aggregate, is disclosed if reasonably estimable, or a statement will be made that an estimate of loss cannot be made. As additional information becomes available, we adjust our assessment and estimates of such liabilities accordingly.

Cash and Cash Equivalents. We consider all investments purchased with an initial term from the date of purchase by the Company to maturity of three months or less to be cash equivalents. These instruments are stated at cost, which approximates fair value because of the short maturity of the instruments.

Accounts Receivable Trade and Contract Assets. We classify the right to consideration in exchange for products or services transferred to a client as either a receivable or a contract asset. A receivable is a right to consideration that is unconditional. Receivables include amounts billed and currently due from clients.

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets include unbilled amounts typically resulting from sale of long-term contracts when the revenue exceeds the amount billed to the client, and the right to payment is not subject to the passage of time. Amounts may not exceed their net realizable value.

Accounts Receivable Allowances. In order to determine an estimate of expected credit losses, receivables are segmented based on similar risk characteristics including historical credit loss patterns and industry or class of customers to calculate reserve rates. The Company uses an aging method for developing its allowance for credit losses by which receivable balances are stratified based on aging category. A reserve rate is calculated for each aging category which is generally based on historical information. The reserve rate is adjusted, when necessary, for current conditions (e.g., macroeconomic or industry related) and forecasts about the future. The Company also considers customer specific information (e.g., bankruptcy or financial difficulty) when estimating its expected credit losses, as well as the economic environment of the customers, both from an industry and geographic perspective, in evaluating the need for allowances.

Expected credit losses are subtracted or added to the accounts receivable allowance. Actual uncollectible account write-offs are recorded against the allowance. The Company adopted the new accounting standard on Financial Instruments - Credit Losses (Topic 326) effective January 1, 2020. See Note 3.

Property, Plant and Equipment. Property, plant and equipment are stated at cost less accumulated depreciation, except for property, plant and equipment that have been impaired for which the carrying amount is reduced to the estimated fair value at the impairment date. Property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful lives. Buildings are depreciated over a period of 40 years. Equipment, including furniture, is depreciated over a period of three to ten years. Leasehold improvements are amortized on a straight-line basis over the shorter of the term of the lease or the estimated useful life of the improvement.

Computer Software. Computer software includes capitalized software development costs for various computer software applications for internal use, including systems which support our databases and common business services and processes (back-end systems), our financial and administrative systems (back-office systems) and systems which we use to deliver our information solutions to clients (client-facing systems). Computer software also includes purchased software and software recognized in connection with acquisitions.

Costs incurred during a software development project’s preliminary stage and post-implementation stage are expensed as incurred. Development activities that are eligible for capitalization include software design and configuration, development of interfaces, coding, testing, and installation. Capitalized costs are amortized on a straight-line basis over the estimated lives which range from three to eight years, beginning when the related software is ready for its intended use.

We enter into cloud computing arrangements to access third party software without taking possession of the software. We assess development activities required to implement such services and defer certain implementation costs directly related to the hosted software that would be eligible for capitalization for internal-use software projects. Deferred implementation costs related to these service arrangements do not qualify as capitalized software and are required to be expensed over the term of the service arrangement, beginning when the implementation activities, including testing, are substantially completed and the related software is operational for users.

We periodically reassess the estimated useful lives of our computer software considering our overall technology strategy, the effects of obsolescence, technology, competition and other economic factors on the useful life of these assets.

Computer software and deferred implementation costs are tested for impairment along with other long-lived assets (See Impairment of Long-Lived Assets).

Goodwill and Other Intangible Assets. Goodwill represents the excess of the purchase consideration over the fair value of assets and liabilities of businesses acquired. Goodwill is not subject to regular periodic amortization. Instead, the carrying amount of goodwill is tested for impairment at least annually at December 31, and between annual tests if events or circumstances warrant such a test.

We assess recoverability of goodwill at the reporting unit level. A reporting unit is an operating segment or a component of an operating segment which is a business and for which discrete financial information is available and reviewed by a segment manager. At December 31, 2020, our reporting units are Finance & Risk and Sales & Marketing within the North America segment, and United Kingdom, Greater China, India and our WWN alliances within the International segment.

In accordance with ASU No. 2017-04, Intangibles—Goodwill and Other (Topic 350): Simplifying the Accounting for Goodwill Impairment we record goodwill impairment charges if a reporting unit’s carrying value exceeds its fair value. The impairment charge is also limited to the amount of goodwill allocated to the reporting unit. An impairment charge, if any, is recorded as an operating expense in the period that the impairment is identified.

For the purpose of the goodwill impairment test, we first assess qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If an initial qualitative assessment identifies that it is more likely than not that the carrying value of a reporting unit exceeds its estimated fair value, an additional quantitative evaluation is performed. Alternatively, we may elect to proceed directly to the quantitative goodwill impairment test.

For the qualitative goodwill impairment test, we analyze actual and projected reporting unit growth trends for revenue and profits, as well as historical performance. We also assess critical factors that may have an impact on the reporting units, including macroeconomic conditions, market-related exposures, regulatory environment, cost factors, changes in the carrying amount of net assets, any plans to dispose of all or part of the reporting unit, and other reporting unit specific factors such as changes in key personnel, strategy, customers or competition.

For the quantitative goodwill impairment test, we determine the fair value of our reporting units based on the market approach and also in certain instances using the income approach to further validate our results. Under the market approach, we estimate the fair value based on market multiples of current year EBITDA for each individual reporting unit. We use judgment in identifying the relevant comparable company market multiples (e.g., recent divestitures/acquisitions, facts and circumstances surrounding the market, dominance, growth rate, etc.). For the income approach, we use the discounted cash flow method to estimate the fair value of a reporting unit. The projected cash flows are based on management’s most recent view of the long-term outlook for each reporting unit. Factors specific to each reporting unit could include revenue growth, profit margins, terminal value, capital expenditure projections, assumed tax rates, discount rates and other assumptions deemed reasonable by management.

For 2020 and 2019, we performed the qualitative test for each of our reporting units and the results of our tests indicated that it was not more likely than not that the goodwill in any reporting unit was impaired. We performed a quantitative goodwill impairment test during 2018, which resulted in no impairment.

The value of goodwill increased significantly as a result of the Take-Private Transaction on February 8, 2019. See Note 18 to the consolidated financial statements for further detail on goodwill by segment.

Indefinite-lived intangibles other than goodwill are also assessed annually for impairment at December 31, or, under certain circumstances which indicate there may be an impairment. An impairment loss is recognized if the carrying value exceeds the fair value. The estimated fair value is determined by utilizing the expected present value of the future cash flows of the assets. We perform both qualitative and quantitative impairment tests to compare the fair value of the indefinite-lived intangible asset with its carrying value. We perform a qualitative impairment test based on macroeconomic and market conditions, industry considerations, overall performance and other relevant factors. We may also perform a quantitative impairment test primarily using an income approach based on projected cash flows.

No impairment charges related to goodwill and indefinite-lived intangibles have been recognized for the year ended December 31, 2020, the period from January 1, 2019 to December 31, 2019 (Successor), the period from January 1, 2019 to February 7, 2019 (Predecessor) and the year ended December 31, 2018 (Predecessor).

Other amortizable intangible assets are recognized in connection with acquisitions. They are amortized over their respective remaining useful life ranging 5 to 12 years as of December 31, 2020, based on the timing of the benefits derived from each of the intangible assets.

Impairment of Long-Lived Assets. Long-lived assets, including property, plant and equipment, right of use assets, internal-use software and other intangible assets held for use, are tested for impairment when events or circumstances indicate the carrying amount of the asset group that includes these assets is not recoverable. An asset group is the lowest level for which its cash flows are independent of the cash flows of other asset groups. The carrying value of an asset group is considered unrecoverable if the carrying value exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset group. The impairment loss is measured by the difference between the carrying value of the asset group and its fair value. We generally estimate the fair value of an asset group using an income approach or quoted market price, whichever is applicable.

Income Taxes. We are subject to income taxes in the United States and many foreign jurisdictions. In determining our consolidated provision for income taxes for financial statement purposes, we must make certain estimates and judgments. These estimates and judgments affect the determination of the recoverability of certain deferred tax assets and the calculation of certain tax liabilities, which arise from temporary differences between the tax and financial statement recognition of revenue, expenses and net operating losses.

In evaluating our ability to recover our deferred tax assets, we consider all available positive and negative evidence, including our past operating results, the existence of cumulative losses in the most recent years and our forecast of future taxable income. In estimating future taxable income, we develop assumptions, including the amount of future pre-tax operating income, the reversal of temporary differences, and the implementation of feasible and prudent tax planning strategies. These assumptions require judgment about the forecasts of future taxable income and are consistent with the plans and estimates we are using to manage the underlying businesses.

We currently have recorded valuation allowances that we will maintain until it is more likely than not the deferred tax assets will be realized. Our income tax expense recorded in the future may be reduced to the extent of decreases in our valuation allowances. The realization of our remaining deferred tax assets is primarily dependent on future taxable income in the appropriate jurisdiction. Any reduction in future taxable income may require that we record an additional valuation allowance against our deferred tax assets. An increase in a valuation allowance could result in additional income tax expense in such period and could have a significant impact on our future earnings. Changes in tax laws and rates could also affect recorded deferred tax assets and liabilities in the future. Management records the effect of a tax rate or law change on our deferred tax assets and liabilities in the period of enactment. Future tax rate or law changes could have a material effect on our financial condition, results of operations or cash flows.

Foreign Currency Translation. For all operations outside the United States where the local currency is the functional currency, assets and liabilities are translated using the end-of-year exchange rates, and revenues and expenses are translated using monthly average exchange rates. For those countries where the local currency is the functional currency, translation adjustments are accumulated in a separate component of stockholder equity. Foreign currency transaction gains and losses are recognized in earnings in the consolidated statement of operations and comprehensive income (loss). We recorded net foreign currency transaction losses of $7.5 million, $15.8 million, $0.8 million and $2.2 million for the year ended December 31, 2020 (Successor), the period from January 1, 2019 to December 31, 2019 (Successor), the period from January 1, 2019 to February 7, 2019 (Predecessor), and the year ended December 31, 2018 (Predecessor), respectively.

Earnings Per Share ("EPS") of Common Stock. Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding for the period. Diluted earnings per share is computed based on the weighted average number of common shares outstanding plus the dilutive effect of our outstanding stock incentive awards. In the case of a net loss, the dilutive effect of the awards outstanding under our then-existing stock incentive plans are not included in the computation of the diluted loss per share as the effect of including these shares in the calculation would be anti-dilutive. The dilutive effect of awards outstanding under the stock incentive plans reflected in diluted earnings per share was calculated under the treasury stock method.

Stock-Based Compensation. Stock-based compensation expense is recognized over the award's vesting period on a straight-line basis. The compensation expense is determined based on the grant date fair value. For restricted stock, grant date fair value is based on the closing price of our stock on the date of grant. For stock options, we estimate the grant date fair value using the Black-Scholes valuation model. We recognize forfeitures and the corresponding reductions in expense as they occur. Subsequent to the Take-Private Transaction, our common stock was not publicly traded for a period of time. Thus, estimating grant date fair value prior to the IPO required us to make assumptions including stock price, expected time to liquidity, expected volatility and discount for lack of marketability. The fair value of the underlying shares prior to the IPO was determined contemporaneously with the grants.

For our 2019 grants, we determined stock price per unit equal to the closing price of our Class A equity unit price on February 8, 2019, also the closing date of the Take-Private Transaction. Approximately 94% of the units issued in 2019 were granted in February and March 2019 and almost all of the rest were granted by June 2019. As these grant dates were shortly after the Take-Private Transaction and there were no indications that the value of our Company changed, we believe the Take-Private Transaction date price approximates our fair value on each of the grant dates.

For the expected time to liquidity assumption, management estimated, on the valuation date, the expected change of control or liquidity event was approximately three and half years. The estimate was based on available facts and circumstances on the valuation date, such as our performance and outlook, investors' strategy and need for liquidity, market conditions, and our financing needs, among other things.

During the time that our stock was not traded publicly, to quantify the appropriate illiquidity or lack of marketability discount inherent in the profits interest units, the protective put method was used. The lack of marketability discount was estimated as the value (or cost) of an at-the-money put option with the same expected holding period as the profits interest units, divided by the stock value.

For the expected volatility assumption after the Take-Private Transaction, we utilize the observable data of a group of similar public companies ("peer group") to develop our volatility assumption. The expected volatility of our stock is determined based on the range of the measure of the implied volatility and the historical volatility for our peer group of companies, re-levered to reflect our capital structure and debt, for a period which is commensurate with the expected holding period of the units.

Our stock-based compensation programs are described more fully in Note 11.

Financial Instruments. From time to time we use financial instruments, including foreign exchange forward contracts, foreign exchange option contracts and interest rate derivatives, to manage our exposure to movements in foreign exchange rates and interest rates. The use of these financial instruments modifies our exposure to these risks in order to minimize the potential negative impact and/or to reduce the volatility that these risks may have on our financial results.

We may use foreign exchange forward and foreign exchange option contracts to hedge certain non-functional currency denominated intercompany and third-party transactions. In addition, foreign exchange forward and foreign exchange option contracts may be used to hedge certain of our foreign net investments. From time to time, we may use interest rate swap contracts to hedge our long-term fixed-rate debt and/or our short-term variable-rate debt.

We recognize all such financial instruments on the balance sheet at their fair values, as either assets or liabilities, with an offset to earnings or other comprehensive earnings, depending on whether the derivative is designated as part of an effective hedge transaction and, if it is, the type of hedge transaction. If a derivative instrument meets hedge accounting criteria as prescribed in the applicable guidance, it is designated as one of the following on the date it is entered into:

Cash Flow Hedge—A hedge of the exposure to variability in the cash flows of a recognized asset, liability or a forecasted transaction. For qualifying cash flow hedges, the changes in fair value of hedging instruments are reported as Other Comprehensive Income (Loss) ("OCI") and are reclassified to earnings in the same line item associated with the hedged item when the hedged item impacts earnings.

Fair Value Hedge—A hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment. For qualifying fair value hedges, the change in fair value of the hedged item attributable to the hedged risk and the change in the fair value of the hedge instrument is recognized in earnings and presented in the same income statement line item.

We formally document all relationships between hedging instruments and hedged items for a derivative to qualify as a hedge at inception and throughout the hedged period, and we have documented policies for managing our exposures. Derivative financial instruments qualifying for hedge accounting must maintain a specified level of effectiveness between the hedge instrument and the item being hedged. The hedge accounting effectiveness is monitored on an ongoing basis, and if considered ineffective, we discontinue hedge accounting prospectively. See Note 13.

Fair Value Measurements. We account for certain assets and liabilities at fair value, including purchase accounting applied to assets and liabilities acquired in a business combination and long-lived assets that are written down to fair value when they are impaired. Upon the completion of an acquisition, we identify the acquired assets and liabilities, including intangible assets and estimate their fair values. We define fair value as the exchange price that would be received for an asset or paid to transfer a liability (in either case an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level Input	Input Definition
Level I	Observable inputs utilizing quoted prices (unadjusted) for identical assets or liabilities in active markets at the measurement date.
Level II	Inputs other than quoted prices included in Level I that are either directly or indirectly observable for the asset or liability through corroboration with market data at the measurement date.
Level III	Unobservable inputs for the asset or liability in which little or no market data exists, therefore requiring management’s best estimate of what market participants would use in pricing the asset or liability at the measurement date.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date. The determination of fair value often involves judgments about assumptions such as determining an appropriate discount rate that factors in both risk and liquidity premiums, identifying the similarities and differences in market transactions, weighting those differences accordingly and then making the appropriate adjustments to those market transactions to reflect the risks specific to our assets and liabilities being valued. Fair value measurements also require us to project our future cash flows based on our business plans and outlook which can be significantly impacted by our future growth opportunities, general market and geographic sentiment. Accordingly, the estimates presented herein may not necessarily be indicative of amounts we could realize in a current market sale.

(Tabular dollar amounts, except share data and per share data, in millions)

Note 2 -- IPO and Private Placement

On July 6, 2020, we completed an IPO of 90,047,612 shares of our common stock, par value $0.0001 per share at a public offering price of $22.00 per share. Immediately subsequent to the closing of the IPO, a subsidiary of Cannae Holdings, a subsidiary of Black Knight and affiliates of CC Capital purchased a total of 18,458,700 shares of common stock from us in a private placement at a price per share equal to 98.5% of the IPO price, or $21.67 per share, for proceeds of $200.0 million, $100.0 million and $100.0 million, respectively. A total of 108,506,312 shares of common stock were issued in the IPO and concurrent private placement for gross proceeds of $2,381.0 million. The use of the proceeds from the IPO and concurrent private placement was as follows:

Gross proceeds	$	2,381.0
Less:		
Underwriter fees		89.1
IPO related expenses (a)		42.8
Redemption of Series A Preferred Stock		1,067.9
Make-whole payment on redemption of Series A Preferred Stock		205.2
Partial redemption of 10.250% New Senior Unsecured Notes and accrued interest		312.0
Call premium on partial redemption of 10.250% New Senior Unsecured Notes		30.8
Partial redemption of 6.875% New Senior Secured Notes and accrued interest		282.2
Call premium on partial redemption of 6.875% New Senior Secured Notes		19.3
Cash to balance sheet	$	331.7

(a) Includes payment of $30.0 million to the Originating Sponsors (see Note 19), in connection with the waiver and termination of anti-dilution rights in the Star Parent Partnership Agreement. Also in connection with the IPO transaction, we paid fees of $2.5 million each to Thomas H. Lee Partners, L.P. ("THL") Managers and entities affiliated with William P. Foley II and Chinh E. Chu (Bilcar, LLC and CC Star Holdings, LP, respectively) for services provided.

In connection with the IPO, the following transactions occurred:

- On June 23, 2020, we increased our authorized common stock to 2,000,000,000 and our authorized preferred stock to 25,000,000 and effected a 314,494.968 for 1 stock split of our common stock. All of the common share and per share information in the consolidated financial statements for the Successor periods have been retroactively adjusted to reflect the increase in authorized common stock and stock split;

- All outstanding equity incentive awards in the form of profits interests were converted into common units of Star Parent, L.P. which retain the original time-based vesting schedule and are subject to the same forfeiture terms applicable to such unvested units.

- In connection with the IPO, we adopted the Dun & Bradstreet 2020 Omnibus Incentive Plan (the "2020 Omnibus Incentive Plan"). See further discussion in Note 11.

Note 3 -- Recent Accounting Pronouncements

We consider the applicability and impact of all Accounting Standards Updates (“ASUs”) and applicable authoritative guidance. The ASUs not listed below were assessed and determined to be either not applicable or are expected to have an immaterial impact on our consolidated financial position, results of operations and/or cash flows.

Recently Adopted Accounting Pronouncements

In August 2018, the FASB issued ASU No. 2018-15, “Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract: Disclosures for Implementation Costs Incurred for Internal-Use Software and Cloud Computing Arrangements - a consensus of the EITF.” The standard aligns the accounting for costs incurred to implement a cloud computing arrangement that is a service arrangement with the guidance on capitalizing costs associated with developing or obtaining internal-use software. Costs incurred during the planning and post implementation stages are typically expensed, while costs incurred during the development stage are typically capitalized. The capitalized implementation costs are to be expensed over the term of the hosting arrangement including renewal options to the extent those options are expected to be utilized. This update also requires the capitalized implementation costs to be presented in the consolidated financial statements consistent with the presentation of the ongoing fees and payments associated with the cloud arrangement. We adopted this update as of January 1, 2020 and applied its amendments prospectively to implementation costs incurred after the date of adoption. This update did not have a material effect on our consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)." ASU No. 2016-02 and its related amendments (the new lease standard or Topic 842) requires lessees to recognize all operating leases as right of use assets and lease liabilities on their balance sheet. The lease liability is initially measured at the present value of unpaid lease payments payable over the lease term including renewal periods that the lessee is reasonably certain to renew. The right of use asset is initially equal to the lease liability adjusted for any lease payments paid at or before the lease commencement date or lease incentives received and deferred rent liability. The standard also requires additional disclosures about the amount, timing and uncertainty of cash flows from leases.

On January 1, 2019, we adopted the new lease standard using the effective date transition method which allows us to report comparative periods in accordance with prior lease guidance. We have adopted the package of transition practical expedients which allows us to not reassess our existing lease classifications, initial direct costs, and whether or not an existing contract contains a lease. The lease liability for existing leases at the transition date was measured using the unpaid minimum rental payments. We recognized $91.9 million and $112.9 million of existing operating leases as right of use assets and lease liabilities, respectively, effective January 1, 2019. The adoption of the new lease standard did not have a material effect on our consolidated statement of operations and cash flows.

In June 2016, the FASB issued ASU No. 2016-13, “Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.” The standard changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, held-to-maturity debt securities, loans and other instruments, entities are required to use a new forward-looking “expected loss” model that generally will result in the earlier recognition of allowances for losses. For available-for-sale debt securities with unrealized losses, entities measure credit losses in a manner similar to what is required under the existing guidance, except that the losses will be recognized as allowances rather than reductions in the amortized cost of the securities. We adopted this update as of January 1, 2020. This update did not have a material effect on our consolidated financial statements and related disclosures.

In August 2018, the FASB issued ASU No. 2018-14, “Compensation-Retirement Benefits-Defined Benefit Plans-General (Topic 715-20): Changes to the Disclosure Requirements for Defined Benefit Plans.” The standard amends ASC 715, “Compensation - Retirement Benefits,” to add, remove, and clarify disclosure requirements related to defined benefit pension and other postretirement plans. The amendments are to be applied retrospectively. The standard is effective for public business entities for fiscal years ending after December 15, 2020, and for all other entities for fiscal years ending after December 15, 2021. Early adoption is permitted. We adopted this update as of December 31, 2020. See Note 10.

(Tabular dollar amounts, except share data and per share data, in millions)

Recently Issued Accounting Pronouncements

In December 2019, the FASB issued ASU No. 2019-12, "Income Taxes (Topic 740)." The amendments in this Update simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify GAAP for other areas of Topic 740 by clarifying and amending existing guidance. For public business entities, the amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. For all other entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022. We do not expect the adoption of this authoritative guidance to have a material impact on our consolidated financial statements.

Note 4 -- Revenue

The total amount of the transaction price for our revenue contracts allocated to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2020 (Successor) is as follows:

	2021	2022	2023	2024	2025	Thereafter	Total
Future revenue	$ 1,138.2	$ 534.2	$ 261.1	$ 94.6	$ 66.2	$ 134.8	$ 2,229.1

The table of future revenue does not include any amount of variable consideration that is a sales or usage-based royalty in exchange for distinct data licenses or that is allocated to a distinct service period within a single performance obligation that is a series of distinct service periods.

Contract Balances

	Successor		Predecessor
	At December 31, 2020	At December 31, 2019	At December 31, 2018
Accounts receivable, net	$ 313.7	$ 269.3	$ 270.8
Short-term contract assets	$ 1.4	$ 1.0	$ 1.3
Long-term contract assets	$ 3.8	$ 2.8	$ 2.6
Short-term deferred revenue	$ 467.2	$ 467.5	$ 529.1
Long-term deferred revenue	$ 16.3	$ 7.8	$ 7.3

The increase in deferred revenue of $8.2 million from December 31, 2019 to December 31, 2020 was primarily due to cash payments received or due in advance of satisfying our performance obligations, largely offset by approximately $472.5 million of revenue recognized that were included in the deferred revenue balance at December 31, 2019, net of the purchase accounting fair value adjustment as a result of our Take-Private Transaction in February 2019.

The increase in contract assets of $1.4 million is primarily due to new contract assets recognized, net of new amounts reclassified to receivables during 2020, largely offset by $3.2 million of contract assets included in the balance at January 1, 2020 that were reclassified to receivables when they became unconditional.

The decrease in deferred revenue of $61.1 million from December 31, 2018 (Predecessor) to December 31, 2019 (Successor) was primarily due to $390.1 million of revenue recognized that was included in the deferred revenue balance at December 31, 2018 (Predecessor), net of the purchase accounting fair value adjustment as a result of our Take-Private Transaction in February 2019, largely offset by cash payments received or due in advance of satisfying our performance obligations. The change in short-term and long-term contract assets was not significant.

(Tabular dollar amounts, except share data and per share data, in millions)

See Note 18 for schedule of disaggregation of revenue.

Assets Recognized for the Costs to Obtain a Contract

Commission assets, net of accumulated amortization included in deferred costs, were $83.6 million and $47.0 million as of December 31, 2020 and December 31, 2019, respectively.

The amortization of commission assets is as follows:

Period	Amortization	
Year ended December 31, 2020 (Successor)	$	17.0
Period from January 1 to December 31, 2019 (Successor)	$	4.7
Period from January 1 to February 7, 2019 (Predecessor)	$	3.2
Year ended December 31, 2018 (Predecessor)	$	26.9

Note 5 -- Restructuring Charges

We incurred restructuring charges (which generally consist of employee severance and termination costs, and contract terminations). These charges were incurred as a result of eliminating, consolidating, standardizing and/or automating our business functions.

We recorded a restructuring charge of $34.8 million for the year ended December 31, 2020 (Successor). This charge consists of:

- Severance costs of $9.9 million under ongoing benefit arrangements. Approximately 165 employees were impacted. Most of the employees impacted exited the Company by the end of 2020. The cash payments for these employees will be substantially completed by the end of the second quarter of 2021; and

- Contract termination, impairment of right of use assets and other exit costs, including those to consolidate or close facilities of $24.9 million.

We recorded a restructuring charge of $51.8 million for the year ended December 31, 2019 (Successor) and $0.1 million for the period from January 1, 2019 to February 7, 2019 (Predecessor). These charges consist of:

- Severance costs of $36.6 million (Successor) and $0.1 million (Predecessor) under ongoing benefit arrangements. Approximately 540 employees were impacted and exited the Company by the end of 2019. The cash payments for these employees were substantially completed by the end of the first quarter of 2020; and

- Contract termination, write down of right of use assets and other exit costs, including those to consolidate or close facilities of $15.2 million (Successor).

We recorded a restructuring charge of $25.4 million for the year ended December 31, 2018 (Successor). This charge consists of:

- Severance costs of $22.3 million under ongoing benefit arrangements. Approximately 390 employees were impacted and exited the Company by the end of 2018. The cash payments for these employees were completed by the end of 2019; and

- Contract termination, lease termination obligations and other exit costs, including those to consolidate or close facilities of $3.1 million.

(Tabular dollar amounts, except share data and per share data, in millions)

The following table sets forth the restructuring reserves and utilization:

	Severance and Termination	Contract Termination and Other Exit Costs	Total
Predecessor:			
Balance as of December 31, 2017	$ 12.7	$ 3.5	$ 16.2
Charge taken during 2018	22.3	3.1	25.4
Payments made during 2018	(30.3)	(3.7)	(34.0)
Balance remaining as of December 31, 2018	$ 4.7	$ 2.9	$ 7.6
Charge taken from January 1 to February 7, 2019	0.1	—	0.1
Payments made through February 7, 2019	(1.6)	(0.5)	(2.1)
Reclassification related to leases pursuant to the adoption of Topic 842	—	(2.4)	(2.4)
Balance remaining as of February 7, 2019	$ 3.2	$ —	$ 3.2
Successor:			
Balance as of December 31, 2018	$ —	$ —	$ —
Impact of purchase accounting	3.2	—	3.2
Charge taken during 2019 (1)	36.6	12.2	48.8
Payments and other adjustments made during 2019	(33.5)	(7.4)	(40.9)
Balance remaining as of December 31, 2019	$ 6.3	$ 4.8	$ 11.1
Charge taken during 2020 (1)	9.9	5.9	15.8
Payments made during 2020	(13.7)	(3.3)	(17.0)
Balance remaining as of December 31, 2020	$ 2.5	$ 7.4	$ 9.9

(1) Balance excludes charges accounted for under Topic 842. See Note 7 "Leases" for further discussion.

Note 6 -- Notes Payable and Indebtedness

Successor Debt

In connection with the Take-Private Transaction on February 8, 2019, the Company entered into a credit agreement governing its New Senior Secured Credit Facilities. The New Senior Secured Credit Facilities provided for (i) a seven year senior secured term loan facility in an aggregate principal amount of $2,530 million; (ii) a five year senior secured revolving credit facility in an aggregate principal amount of $400 million; and (iii) a 364-day repatriation bridge facility in an aggregate amount of $63 million. The closing of the New Senior Secured Credit Facilities was conditional on the redemption of the Predecessor debt. Also on February 8, 2019, Merger Sub, which was merged into Dun & Bradstreet upon the closing of the Take-Private Transaction, issued $700 million in aggregate principal amount of 6.875% New Senior Secured Notes due 2026 and $750 million in aggregate principal amount of 10.250% New Senior Unsecured Notes due 2027. Together with the equity contributions from the investors, the proceeds from these financing transactions were used to (i) finance and consummate the Take-Private Transaction and other transactions, including to fund non-qualified pension and deferred compensation plan obligations; (ii) repay in full all outstanding indebtedness under the Company's then-existing senior secured credit facilities; (iii) fund the redemption and discharge of all of the Company’s then-existing senior notes; and (iv) pay related fees, costs, premiums and expenses in connection with these transactions.

In connection with the IPO transaction (see Note 2), we committed to repay as of June 30, 2020 and on July 6, 2020 repaid $300 million in aggregate principal amount of our 10.250% New Senior Unsecured Notes. As a result, the associated deferred debt issuance costs and discount of $10.5 million were written off. In addition, we were required to pay a premium of

$30.8 million related to the repayment, for which we recorded an expense. Both were recorded within “Non-operating income (expense) – net” for the year ended December 31, 2020. Initial debt issuance costs of $31.6 million related to the 10.250% New Senior Unsecured Notes were recorded as a reduction of the carrying amount of the notes and amortized over the contractual term of the notes, through the date of partial repayment. The remaining debt issuance costs of $15.7 million continue to be amortized over the remaining term of the notes.

On September 11, 2020, we amended our credit agreement dated February 8, 2019, specifically related to the New Revolving Facility. The amendment increased the aggregate amount available under the New Revolving Facility from $400 million to $850 million, and reset the New Revolving Facility maturity date, from February 8, 2024, to September 11, 2025. As a result of the amendment, we wrote off $0.8 million deferred debt issuance costs related to changes in syndication lenders and reported within “Non-operating income (expense) – net” for the year ended December 31, 2020. Initial debt issuance costs of $9.6 million were included in "Other non-current assets" on the consolidated balance sheet and amortized over the initial term of the New Revolving Facility, through the date of the amendment. The remaining deferred debt issuance costs of $6.5 million, together with the additional issuance costs of $1.7 million incurred in connection with the amendment, are being amortized over the new five-year term.

On September 26, 2020, we repaid $280 million in aggregate principal amount of our 6.875% New Senior Secured Notes. As a result, the associated deferred debt issuance costs and discount of $5.7 million were written off. In addition, we were required to pay a premium of $19.3 million related to the repayment, for which we recorded an expense. Both were recorded within “Non-operating income (expense)-net” for the year ended December 31, 2020. Initial debt issuance costs of $17.9 million related to the 6.875% New Senior Secured Notes were recorded as a reduction of the carrying amount of the notes and amortized over the contractual term of the notes, through the date of the partial repayment. The remaining debt issuance costs of $8.6 million continue to be amortized over the remaining term of the notes.

On November 18, 2020, we amended our credit agreement dated February 8, 2019, specifically related to the Term Loan Facility. The amendment establishes Incremental Term Loans in an aggregate principle amount of $300 million. The proceeds of the Incremental Term Loans were drawn and used in January 2021 to finance a portion of the purchase price for the acquisition of the outstanding shares of Bisnode Business Information Group AB. See further discussion in Note 23. The Incremental Term Loans have the same terms as the existing term loans. As of December 31, 2020, we did not have any outstanding borrowing under the Incremental Term Loans.

(Tabular dollar amounts, except share data and per share data, in millions)

Our borrowings are summarized in the following table:

		December 31, 2020			At December 31, 2019		
	Maturity	Principal Amount	Debt Issuance Costs and Discount*	Carrying Value	Principal Amount	Debt Issuance Costs and Discount*	Carrying Value
Debt Maturing Within One Year:							
New Repatriation Bridge Facility (1)	February 7, 2020	$ —	$ —	$ —	$ 63.0	$ 0.1	$ 62.9
New Term Loan Facility (1)		25.3	—	25.3	19.0	—	19.0
Total short-term debt		$ 25.3	$ —	$ 25.3	$ 82.0	$ 0.1	$ 81.9
Debt Maturing After One Year:							
New Term Loan Facility (1)	February 8, 2026	$ 2,485.7	$ 77.1	$ 2,408.6	$ 2,511.0	$ 98.3	$ 2,412.7
New Revolving Facility (1) (2)	September 11, 2025	—	—	—	—	—	—
6.875% New Senior Secured Notes (1)	August 15, 2026	420.0	8.2	411.8	700.0	15.8	684.2
10.250% New Senior Unsecured Notes (1)	February 15, 2027	450.0	14.6	435.4	750.0	28.0	722.0
Total long-term debt		$ 3,355.7	$ 99.9	$ 3,255.8	$ 3,961.0	$ 142.1	$ 3,818.9
Total debt		$ 3,381.0	$ 99.9	$ 3,281.1	$ 4,043.0	$ 142.2	$ 3,900.8

*Represents unamortized portion of debt issuance costs and discounts.

(1) The New Senior Secured Credit Facilities and Successor notes contain certain covenants that limit our ability to incur additional indebtedness and guarantee indebtedness, create liens, engage in mergers or acquisitions, sell, transfer or otherwise dispose of assets, pay dividends and distributions or repurchase capital stock, prepay certain indebtedness and make investments, loans and advances. We were in compliance with these non-financial covenants at December 31, 2020 and December 31, 2019.

(2) The New Revolving Facility contains a springing financial covenant requiring compliance with a maximum ratio of first lien net indebtedness to consolidated EBITDA of 6.75. The financial covenant applies only if the aggregate principal amount of borrowings under the New Revolving Facility and certain outstanding letters of credit exceed 35% of the total amount of commitments under the New Revolving Facility on the last day of any fiscal quarter. The financial covenant did not apply at December 31, 2020 and December 31, 2019.

New Senior Secured Credit Facilities

Borrowings under the New Senior Secured Credit Facilities bear interest at a rate per annum equal to an applicable margin over a LIBOR rate for the interest period relevant to such borrowing, subject to interest rate floors, and they are secured by substantially all of the Company's assets.

Other details of the New Senior Secured Credit Facilities:

- As required by the credit agreement, beginning June 30, 2020, the principal amount of the New Term Loan Facility is being paid down in equal quarterly installments in an aggregate annual amount equal to 1.00% of the original principal amount, with the balance being payable on February 8, 2026. Debt issuance costs of $62.1 million and discount of $50.6 million were recorded as a reduction of the carrying amount of the New Term Loan Facility and are being amortized over the term of the facility. The margin to LIBOR was 500 basis points initially. On February 10, 2020, an amendment was made to the credit agreement, specifically related to the New Term Loan Facility, which reduced the margin to LIBOR to 400 basis points. The maturity date for the New Term Loan Facility remains February 8, 2026 and no changes were made to the financial covenants or scheduled amortization. Subsequent to the IPO transaction, the spread was further reduced by 25 basis points to 375 basis points. The interest rates associated with the outstanding balances of the New Term Loan Facility at December 31, 2020 and December 31, 2019 were 3.898% and 6.792%, respectively. In connection with the term loan repricing, we incurred $0.8 million of third-party fees and wrote off $6.2 million of deferred debt issuance costs and discount related to changes in syndicated lenders. Both were recorded within “Other income (expense)-net” for the year ended December 31, 2020.

(Tabular dollar amounts, except share data and per share data, in millions)

- The margin to LIBOR for borrowings under the New Revolving Facility was 350 basis points initially. Subsequent to the IPO transaction, the spread was reduced by 25 basis points to 325 basis points, subject to a ratio-based pricing grid.

- The New Repatriation Bridge Facility matured on February 7, 2020. Debt issuance costs of $1.5 million were recorded as a reduction of the carrying amount of the New Repatriation Bridge Facility and were amortized over the term of the New Repatriation Bridge Facility. The margin to LIBOR was 350 basis points. The interest rate associated with the Repatriation Bridge Facility at December 31, 2019 was 5.292%. The outstanding balance of the New Repatriation Bridge Facility was fully repaid in February 2020.

New Senior Notes

The New Senior Secured Notes and the New Senior Unsecured Notes may be redeemed at our option, in whole or in part, following specified events and on specified redemption dates and at the redemption prices specified in the indenture governing the New Senior Secured Notes and the New Senior Unsecured Notes.

The scheduled maturities and interest payments for our total debt outstanding as of December 31, 2020, plus the draw down of the $300 million Incremental Term Loan on January 8, 2021 discussed above, are as follows:

	2021	2022	2023	2024	2025	Thereafter	Total
Principal	$ 28.3	$ 28.3	$ 28.3	$ 28.3	$ 28.3	$ 3,539.5	$ 3,681.0
Interest	181.1	183.0	181.9	180.7	179.6	109.0	1,015.3
Total Debt	$ 209.4	$ 211.3	$ 210.2	$ 209.0	$ 207.9	$ 3,648.5	$ 4,696.3

Retired Predecessor Debt

In connection with the Take-Private Transaction, we repaid in full all outstanding indebtedness under the Predecessor Term Loan Facility and Revolving Credit Facility and funded the redemption and discharge of the Predecessor senior notes, inclusive of a make-whole payment of $25.1 million, which was considered in our determination of the acquisition date fair value of the Predecessor senior notes as part of purchase accounting. The transactions were accounted for as a debt extinguishment in accordance with ASC 470-50, "Debt—Modifications and Extinguishments." The payoff of the Predecessor debt was a condition of the closing of Successor debt financing. Total unamortized debt issuance costs and discount of $6.6 million related to the Predecessor Term Loan Facility and Revolving Credit Facility were allocated zero value as part of purchase accounting. The weighted average interest rate associated with the outstanding balances related to the Predecessor Revolving Credit Facility prior to retirement as of February 7, 2019 was 3.66% and as of December 31, 2018 was 3.72%. The interest rate associated with the outstanding balances related to the Predecessor Term Loan Facility prior to retirement as of February 7, 2019 was 4.00% and as of December 31, 2018 was 4.01%.

Other

We were contingently liable under open standby letters of credit and bank guarantees issued by our banks in favor of third parties totaling $5.9 million at December 31, 2020 and $1.0 million at December 31, 2019 (Successor).

On April 20, 2018, we entered into three-year interest rate swaps with an aggregate notional amount of $300 million in year 1, $214 million in year 2 and $129 million in year 3. The objective of the swaps is to mitigate the variation of future cash flows from changes in the floating interest rates on our existing debt. See Note 13 to our consolidated financial statements.

(Tabular dollar amounts, except share data and per share data, in millions)

Note 7 — Leases

Effective January 1, 2019, we adopted Topic 842. We recognized $91.9 million and $112.9 million of existing operating leases as right of use assets and lease liabilities effective January 1, 2019.

The right of use assets and lease liabilities included in our balance sheet are as follows:

	December 31, 2020	December 31, 2019
Right of use assets included in other non-current assets	$ 72.9	$ 87.9
Short-term operating lease liabilities included in other accrued and current liabilities	$ 23.3	$ 22.4
Long-term operating lease liabilities included in other non-current liabilities	68.4	71.2
Total operating lease liabilities	$ 91.7	$ 93.6

We recognized $12.9 million for both right of use assets and lease liabilities related to new operating leases for the year ended December 31, 2020.

The operating lease cost, supplemental cash flow and other information, and maturity analysis for leases is as follows:

	Successor		Predecessor
	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019
Operating lease costs	$ 27.5	$ 24.6	$ 2.8
Variable lease costs	3.6	3.9	1.0
Short-term lease costs	0.4	0.2	—
Sublease income	(0.8)	(0.7)	(0.1)
Total lease costs	$ 30.7	$ 28.0	$ 3.7

We recorded impairment charge of $14.8 million for the year ended December 31, 2020, primarily as a result of our decision to shift our workforce model to working remotely in the United States and certain international markets.

Cash paid for operating leases is included in operating cash flows and was $28.1 million, $23.7 million and $5.9 million for the year ended December 31, 2020 (Successor), the period from January 1, 2019 to December 31, 2019 (Successor) and for the period from January 1, 2019 to February 7, 2019 (Predecessor), respectively.

Rent expense under operating leases (cancelable and non-cancelable) was $32.9 million for the year ended 2018 (Predecessor).

(Tabular dollar amounts, except share data and per share data, in millions)

The maturity analysis for operating lease liabilities is as follows:

	December 31, 2020
2021	$ 27.7
2022	24.0
2023	15.3
2024	10.9
2025	9.5
Thereafter	17.5
Undiscounted cash flows	104.9
Less imputed interest	13.2
Total operating lease liabilities	$ 91.7

Other supplemental information on remaining lease term and discount rate is as follows:

	December 31, 2020	December 31, 2019
Weighted average remaining lease term (in years)	5.0	5.0
Weighted average discount rate	5.5 %	5.9 %

Note 8 -- Contingencies

In the ordinary course of business, we are involved in various pending and threatened litigation and regulatory matters related to our operations, such as claims brought by our clients in connection with commercial disputes, defamation claims by subjects of our reporting, and employment claims made by our current or former employees, some of which include claims for punitive or exemplary damages. Our ordinary course litigation may also include class action lawsuits, which make allegations related to various aspects of our business. From time to time, we are also subject to regulatory investigations or other proceedings by state and federal regulatory authorities, some of which take the form of civil investigative demands or subpoenas. Some of these regulatory inquiries may result in the assessment of fines for violations of regulations or settlements with such authorities requiring a variety of remedies. We believe that none of these actions depart from customary litigation or regulatory inquiries incidental to our business.

We review lawsuits and other legal and regulatory matters (collectively "legal proceedings") on an ongoing basis when making accrual and disclosure decisions. When assessing reasonably possible and probable outcomes, management bases its decision on its assessment of the ultimate outcome assuming all appeals have been exhausted. For legal proceedings where it has been determined that a loss is both probable and reasonably estimable, a liability based on known facts and which represents our best estimate has been recorded. Actual losses may materially differ from the amounts recorded and the ultimate outcome of our pending cases is generally not yet determinable.

While some of these matters could be material to our operating results or cash flows for any particular period if an unfavorable outcome results, at present we do not believe the ultimate resolution of currently pending legal proceedings, either individually or in the aggregate, will have a material adverse effect on our financial condition.

Ellis v. Dun and Bradstreet, U.S. District Court for the Central District of California

On December 6, 2018, the Company was served with a complaint, captioned Dr. Jonathan C. Ellis v. Dun and Bradstreet, Inc. (the “Complaint”). The Complaint alleged that in or about April 2018, the Dun & Bradstreet report on Doheny Endosurgical Center, which is owned by the plaintiff, was updated to incorrectly include a reference to a Dr. Jonathon Ellis, who was charged with criminal activity relating to a minor. The Complaint contained two causes of action, libel per se and false light invasion of privacy, and sought compensatory and punitive damages. The parties reached a settlement in September 2020 and the case has been dismissed with prejudice.

(Tabular dollar amounts, except share data and per share data, in millions)

Federal Trade Commission Investigation

On April 10, 2018, the Federal Trade Commission (the "FTC") issued a Civil Investigative Demand ("CID") to Dun & Bradstreet, Inc. ("D&B Inc.," a wholly-owned subsidiary of the Company) related to an investigation by the FTC into potential violations of Section 5 of the Federal Trade Commission Act (the "FTC Act"), primarily concerning our credit managing and monitoring products such as CreditBuilder. D&B Inc. completed its response to the CID in November 2018. On May 28, 2019, the FTC staff informed D&B Inc. that it believes that certain of D&B's practices violated Section 5 of the FTC Act, and informed D&B that it had been given authority by the FTC's Bureau of Consumer Protection to engage in consent negotiations. Following discussions between the Company and the FTC staff, on September 9, 2019, the FTC issued a second CID seeking additional information, data and documents. We have completed our response to the second CID. In a letter dated March 2, 2020, the FTC staff identified areas of interest related to the CIDs and we completed our responses to the letter on April 7, 2020. On April 20, 2020, the FTC and D&B Inc. entered a tolling agreement with respect to potential claims related to the subject matter of the investigation. On February 23, 2021, the FTC staff provided D&B Inc. with a draft complaint and consent order outlining its allegations and the forms of relief sought, and advised that it has been given authority to engage in consent negotiations for 30 days until March 25, 2021.

At this time, the Company is unable to predict the final outcome of the FTC investigation and the terms of any potential final consent order due, among other things, to the current stage of the matter and the fact that it raises difficult factual and legal issues and is subject to many uncertainties and complexities. As a result, we are unable to make an estimate of a reasonably possible settlement or other resolution of the matters that are the subject of the FTC CID. Accordingly, there can be no assurance that we will not incur costs in the future related to the settlement or resolution of the CID that would be material, including but not limited to settlements, damages, fines or penalties, and legal costs, or be subject to other remedies. Therefore, it is reasonably possible that any settlement or other resolution of this matter could become material to the consolidated financial statements.

In addition, in the normal course of business, and including without limitation, our merger and acquisition activities, strategic relationships and financing transactions, the Company indemnifies other parties, including clients, lessors and parties to other transactions with the Company, with respect to certain matters. We have agreed to hold the other parties harmless against losses arising from a breach of representations or covenants, or arising out of other claims made against certain parties. These agreements may limit the time within which an indemnification claim can be made and the amount of the claim. The Company has also entered into indemnity obligations with its officers and directors.

Note 9 -- Income Taxes

Income (loss) before provision for income taxes consisted of:

	Successor		Predecessor	
	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018
U.S.	$ (398.1)	$ (811.5)	$ (131.7)	$ 229.8
Non-U.S	178.8	135.6	28.9	143.3
Income (loss) before provision for income taxes and equity in net income of affiliates	$ (219.3)	$ (675.9)	$ (102.8)	$ 373.1

(Tabular dollar amounts, except share data and per share data, in millions)

	Successor		Predecessor	
	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018
Current tax provision:				
U.S. Federal	$ (28.8)	$ (0.3)	$ (11.1)	$ (5.7)
State and local	7.4	1.6	(3.4)	1.0
Non-U.S.	28.6	15.8	4.8	23.5
Total current tax provision	$ 7.2	$ 17.1	$ (9.7)	$ 18.8
Deferred tax provision:				
U.S. Federal	$ (100.7)	$ (109.8)	$ (14.8)	$ 54.2
State and local	(16.9)	(23.5)	(3.0)	9.8
Non-U.S.	(0.1)	(2.0)	—	(1.2)
Total deferred tax provision	$ (117.7)	$ (135.3)	$ (17.8)	$ 62.8
Provision (benefit) for income taxes	$ (110.5)	$ (118.2)	$ (27.5)	$ 81.6

(Tabular dollar amounts, except share data and per share data, in millions)

The following table summarizes the significant differences between the U.S. Federal statutory tax rate and our effective tax rate for financial statement purposes:

	Successor		Predecessor	
	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018
Statutory tax rate	21.0 %	21.0 %	21.0 %	21.0 %
State and local taxes, net of U.S. Federal tax benefits	5.8	3.4	7.0	2.9
Nondeductible charges (1)	(1.2)	(3.7)	(1.4)	0.7
Change in fair value of make-whole derivative liability (2)	(3.1)	(5.4)	—	—
U.S. taxes on foreign income	(1.0)	(0.4)	(0.2)	0.8
Non-U.S. taxes	3.8	1.5	1.2	(1.1)
Valuation allowance (3)	(0.2)	4.0	—	(0.1)
Legacy transaction costs (4)	—	—	6.8	—
Interest	(0.2)	(0.1)	—	0.1
Tax credits and deductions	6.9	1.7	0.5	(2.7)
Tax impact of earnings repatriation (5)	—	—	—	3.8
Tax contingencies related to uncertain tax positions (4)	(0.8)	(0.4)	(8.2)	(0.2)
Impact of tax accounting method change (6)	—	—	—	(3.6)
GILTI tax	(8.5)	(4.4)	—	—
CARES Act (7)	26.4	—	—	—
Other	1.5	0.3	—	0.3
Effective tax rate	50.4 %	17.5 %	26.7 %	21.9 %

(1) The impact for 2020 reflects non-deductible transaction costs associated with our Initial Public Offering in July 2020. The impact for the 2019 Successor and Predecessor periods reflects non-deductible transaction costs associated with the Take-Private Transaction.

(2) The impact was due to the non-deductible mark to market expense for tax purposes. The change in fair value of make-whole derivative liability expense was associated with the make-whole provision liability for the Series A Preferred Stock.

(3) The impact for the recognition of deferred tax assets for net operating losses.

(4) The impact for the Predecessor period from January 1 to February 8, 2019 was primarily related to deductible legacy transaction costs incurred in predecessor historical periods.

(5) The impact was due to the mandatory one-time tax on undistributed earnings from our non-U.S. subsidiaries as a result of the enactment of the Tax Cuts and Jobs Act ("2017 Act") in December 2017, which included a provisional charge in 2017 and measurement period adjustments in 2018 to finalize the calculation consistent with the guidance in SAB 118.

(6) The impact was due to a U.S. tax accounting method change approved by the Internal Revenue Service in April 2018.

(7) The impact was due to the CARES Act which was signed into law on March 27, 2020. Among other provisions, the law provides that net operating losses arising in a tax year beginning in 2018, 2019, or 2020 can be carried back five years.

Income taxes paid were $122.1 million, $3.3 million, $29.9 million and $57.4 million for the year ended December 31, 2020 (Successor), the period from January 1, 2019 to February 7, 2019 (Predecessor), the period from January 1 to December 31, 2019 (Successor), and the year ended December 31, 2018 (Predecessor), respectively. Income taxes refunded were $1.2 million, less than $0.1 million, $0.5 million and $2.3 million for the year ended December 31, 2020 (Successor), the period from January 1, 2019 to February 7, 2019 (Predecessor), the period from January 1 to December 31, 2019 (Successor), and the year ended December 31, 2018 (Predecessor), respectively.

(Tabular dollar amounts, except share data and per share data, in millions)

Deferred tax assets (liabilities) are comprised of the following:

	December 31,	
	2020	2019
Deferred tax assets:		
Operating losses	$ 63.2	$ 68.4
Interest expense carryforward	93.5	62.3
Restructuring costs	2.3	3.9
Bad debts	4.9	3.9
Accrued expenses	9.0	21.0
Capital loss and credit carryforwards	13.8	11.5
Foreign exchange	—	2.4
Pension and postretirement benefits	71.2	49.9
ASC 842 - Lease liability	17.6	17.1
Other	9.0	5.0
Total deferred tax assets	$ 284.5	$ 245.4
Valuation allowance	(35.8)	(33.1)
Net deferred tax assets	$ 248.7	$ 212.3
Deferred tax liabilities:		
Intangibles	$ (1,318.2)	$ (1,408.3)
Foreign exchange	(6.3)	—
Deferred revenue	—	(4.1)
ASC 842 - ROU asset	(15.2)	(20.5)
Other	—	(0.3)
Total deferred tax liabilities	$ (1,339.7)	$ (1,433.2)
Net deferred tax (liabilities) assets	$ (1,091.0)	$ (1,220.9)

On December 22, 2017, the Tax Cuts and Jobs Act (the “2017 Act”) was signed into law in the U.S. Among other significant changes, the 2017 Tax Act reduced the statutory federal income tax rate for U.S. corporate taxpayers from a maximum of 35 percent to 21 percent and required the deemed repatriation of foreign earnings not previously subject to U.S. taxation. As a result of the enactment of the 2017 Act, we no longer assert indefinite reinvestment for any historical unrepatriated earnings through December 31, 2017. We intend to reinvest indefinitely all earnings from our China and India subsidiaries earned after December 31, 2017 and therefore have not provided for deferred income and foreign withholding taxes related to these jurisdictions.

We have federal, state and local, and foreign tax loss carryforwards, the tax effect of which was $63.2 million as of December 31, 2020. Of the $63.2 million, $28.3 million have an indefinite carry-forward period with the remainder of $34.9 million expiring at various times between 2021 and 2040. Additionally, we have non-U.S. capital loss carryforwards. The associated tax effect was $10.0 million and $8.7 million as of December 31, 2020 and 2019, respectively.

We have established valuation allowances against certain U.S. state and non-U.S. net operating losses and capital loss carryforwards in the amounts of $35.2 million and $32.8 million as of December 31, 2020 and 2019, respectively. In our opinion, certain U.S. state and non-U.S. net operating losses and capital loss carryforwards are more likely than not to expire before we can utilize them.

We or one of our subsidiaries file income tax returns in the U.S. federal, and various state, local and foreign jurisdictions. In the U.S. federal jurisdiction, we are no longer subject to examination by the Internal Revenue Service (“IRS”) for years prior to 2017. In state and local jurisdictions, with a few exceptions, we are no longer subject to examinations by tax authorities for years prior to 2017. In foreign jurisdictions, with a few exceptions, we are no longer subject to examinations by tax authorities for years prior to 2014.

(Tabular dollar amounts, except share data and per share data, in millions)

The following is a reconciliation of the gross unrecognized tax benefits:

Predecessor:		
Gross unrecognized tax benefits as of January 1, 2018	$	7.7
Additions for prior years' tax positions		1.7
Additions for current year's tax positions		0.9
Settlements with taxing authority		(1.8)
Reduction due to expired statute of limitations (1)		(3.1)
Gross unrecognized tax benefits as of December 31, 2018	$	5.4
Additions for current year's tax positions		8.9
Gross unrecognized tax benefits as of February 7, 2019	$	14.3
Successor:		
Gross unrecognized tax benefits as of January 1, 2019	$	—
Impact of purchase accounting		14.3
Additions for current year's tax positions		5.3
Settlements with taxing authority		(1.6)
Reduction in prior years' tax positions		(0.1)
Reduction due to expired statute of limitations (2)		(0.8)
Gross unrecognized tax benefits as of December 31, 2019	$	17.1
Additions for current year's tax positions		2.3
Increase in prior years' tax positions		0.3
Reduction due to expired statute of limitations (3)		(0.8)
Gross unrecognized tax benefits as of December 31, 2020	$	18.9

(1) The decrease was primarily due to the release of reserves as a result of the expiration of the statute of limitations for the 2014 tax year.
(2) The decrease was primarily due to the release of reserves as a result of the expiration of the statute of limitations for the 2015 tax year.
(3) The decrease was primarily due to the release of reserves as a result of the expiration of the statute of limitations for the 2016 tax year.

The amount of gross unrecognized tax benefits of the $18.9 million that, if recognized, would impact the effective tax rate is $18.3 million, net of tax benefits.

We recognize accrued interest expense related to unrecognized tax benefits in the Provision (Benefit) for Income Taxes line in the consolidated statement of operations and comprehensive income (loss). The total amount of interest expense, net of tax benefits, recognized for the year ended December 31, 2020 (Successor), the period from January 1, 2019 to February 7, 2019 (Predecessor), the period from January 1 to December 31, 2019 (Successor), and the year ended December 31, 2018 (Predecessor) was $0.6 million, $0.1 million, $0.3 million and $0.2 million, respectively. The total amount of accrued interest as of December 31, 2020 and 2019 was $0.7 million and $0.3 million, respectively.

Note 10 -- Pension and Postretirement Benefits

Through June 30, 2007, we offered coverage to substantially all of our U.S. based employees under a defined benefit plan called The Dun & Bradstreet Corporation Retirement Account ("U.S. Qualified Plan"). Prior to that time, the U.S. Qualified Plan covered active and retired employees. The benefits to be paid upon retirement were based on a percentage of the employee's annual compensation. The percentage of compensation allocated annually to a retirement account ranged from 3% to 12.5% based on age and years of service. Amounts allocated under the U.S. Qualified Plan receive interest credits based on the 30-year Treasury rate or equivalent rate published by the Internal Revenue Service. Pension costs are determined actuarially and are funded in accordance with the Internal Revenue Code.

Effective June 30, 2007, we amended the U.S. Qualified Plan. Any pension benefit that had been accrued through such date under the plan was "frozen" at its then current value and no additional benefits, other than interest on such amounts, will accrue under the U.S. Qualified Plan.

Our employees in certain of our international operations are also provided with retirement benefits through defined benefit plans, representing the remaining balance of our pension obligations.

Prior to February 7, 2019, we also maintained supplemental and excess plans in the United States ("U.S. Non-Qualified Plans") to provide additional retirement benefits to certain key employees of the Company. These plans were unfunded, pay-as-you-go plans. In connection with the Take-Private Transaction, a change in control was triggered for a portion of our U.S. Non-Qualified Plans upon the shareholder approval of the Take-Private Transaction on November 7, 2018 and a settlement payment of $190.5 million was made in January 2019. For the remainder of the U.S. Non-Qualified Plans, a change in control was triggered upon the close of the Take-Private Transaction on February 8, 2019 and a settlement payment of $105.9 million was made in March 2019, effectively settling our U.S. Non-Qualified Plan obligation.

Prior to January 1, 2019, we also provided various health care benefits for eligible retirees. Postretirement benefit costs and obligations are determined actuarially. The Company made multiple plan amendments since 2014 and as a result, effective January 1, 2019, the pre-65 health plan was terminated and the post-65 health plan is closed to new participants. In addition, we closed our retiree life insurance plan to new participants, effective January 1, 2019.

Certain of our non-U.S. based employees receive postretirement benefits through government-sponsored or administered programs.

We use an annual measurement date of December 31 for our U.S. and Canada plans and November 30 for all other non-U.S. plans.

(Tabular dollar amounts, except share data and per share data, in millions)

Benefit Obligation and Plan Assets

The following table sets forth the changes in our benefit obligations and plan assets for our pension and postretirement plans. The table also presents the line items in the consolidated balance sheet where the related assets and liabilities are recorded:

	Pension Plans			Postretirement Benefit Obligations		
	Successor		Predecessor	Successor		Predecessor
	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019
Change in Benefit Obligation:						
Benefit obligation at the beginning of the period	$ (1,762.4)	$ —	$ (1,897.2)	$ (2.0)	$ —	$ (5.3)
Take-Private Transaction assumed benefit obligation	—	(1,790.8)	—	—	(5.6)	—
Service cost	(1.7)	(1.4)	(0.3)	—	—	—
Interest cost	(42.2)	(46.7)	(6.8)	—	(0.1)	—
Benefits paid	86.6	187.6	198.9	0.8	0.7	0.1
Plan amendment	—	—	—	—	3.0	—
Settlement	7.5	—	—	—	—	—
Plan participant contributions	(0.1)	(0.2)	—	(0.1)	(0.1)	—
Actuarial (loss) gain	(162.5)	(111.2)	(80.5)	(0.3)	0.1	(0.4)
Effect of changes in foreign currency exchange rates	(11.1)	0.3	(4.9)	—	—	—
Benefit obligation at the end of the period	$ (1,885.9)	$ (1,762.4)	$ (1,790.8)	$ (1.6)	$ (2.0)	$ (5.6)
Change in Plan Assets:						
Fair value of plan assets at the beginning of the period	$ 1,572.9	$ —	$ 1,413.1	$ —	$ —	$ —
Take-Private Transaction acquired plan assets	—	1,477.3	—	—	—	—
Actual return on plan assets	109.6	169.5	67.3	—	—	—
Employer contributions	5.1	113.5	191.0	0.7	0.6	0.1
Plan participant contributions	0.1	0.2	—	0.1	0.1	—
Benefits paid	(86.6)	(187.6)	(198.9)	(0.8)	(0.7)	(0.1)
Settlement	(7.5)	—	—	—	—	—
Effect of changes in foreign currency exchange rates	10.5	—	4.8	—	—	—
Fair value of plan assets at the end of the period	$ 1,604.1	$ 1,572.9	$ 1,477.3	$ —	$ —	$ —
Net funded status of plan	$ (281.8)	$ (189.5)	$ (313.5)	$ (1.6)	$ (2.0)	$ (5.6)

(Tabular dollar amounts, except share data and per share data, in millions)

	Pension Plans		Postretirement Benefit Obligations	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Amounts recorded in the consolidated balance sheets:				
Prepaid pension costs	$ 4.3	$ 9.9	$ —	$ —
Short-term pension and postretirement benefits	(0.4)	(0.3)	(0.2)	(0.4)
Long-term pension and postretirement benefits	(285.7)	(199.1)	(1.4)	(1.6)
Net amount recognized	$ (281.8)	$ (189.5)	$ (1.6)	$ (2.0)
Accumulated benefit obligation	$ 1,878.7	$ 1,755.8	N/A	N/A
Amount recognized in accumulated other comprehensive loss consists of:				
Actuarial loss (gain)	$ 164.2	$ 24.3	$ 0.2	$ (0.2)
Prior service cost (credit)	0.5	—	(2.6)	(3.1)
Total amount recognized - pretax	$ 164.7	$ 24.3	$ (2.4)	$ (3.3)

The above actuarial loss (gain) and prior service cost and credit represent the cumulative effect of demographic, investment experience and plan amendment, as well as assumption changes that have been made in measuring the plans' liabilities. In connection with the Take-Private Transaction, we have remeasured our global pension and postretirement plans on February 8, 2019 in accordance with the guidance within ASC 805, "Business Combinations" and ASC 715, "Compensation - Retirement Benefits," to recognize as part of the Take-Private Transaction an asset or a liability representing the funded status of each of the plans. The unrecognized actuarial losses or gains and unrecognized prior service credits were set to zero as of February 8, 2019 as a result of purchase accounting.

In addition, we provide retirement benefits to certain former executives. At December 31, 2020 and 2019, the associated obligations were $6.9 million and $6.1 million, respectively, of which $6.3 million and $5.9 million, respectively, were also reflected within "Long-term pension and postretirement benefits."

The actuarial gain or loss, to the extent it exceeds the greater of 10% of the projected benefit obligation or market-related value of plan assets, will be amortized into expense each year on a straight-line and plan-by-plan basis, over the remaining expected future working lifetime of active participants or the average remaining life expectancy of the participants if all or almost all of the plan participants are inactive. Currently, the amortization periods range from six to 21 years for the U.S. pension and postretirement plans and six to 31 years for the non-U.S. plans. For our U.S. Qualified Plan and for certain of our non-U.S. plans, the amortization periods are the average life expectancy of all plan participants. This is as a result of almost all plan participants being deemed inactive.

For the year ended December 31, 2020 (Successor) significant changes in the pension projected benefit obligation include an actuarial loss of $162.5 million of which approximately $167 million loss was attributable to the change in discount rates, approximately $12 million gain resulting from the updates to the assumed cash balance conversion interest rates for our U.S. plan and approximately $11 million gain due to the change in mortality assumptions.

For the period from January 1, 2019 to December 31, 2019 (Successor), significant changes in the pension projected benefit obligation include an actuarial loss of $111.2 million of which approximately $151 million loss was attributable to the change in discount rates, approximately $43 million gain due to a change in the mortality assumption from RP-2014 projected generationally with MP-2018 to PRI-2012 projected generationally with MP-2019, approximately $19 million gain attributable the updates to the assumed cash balance conversion interest rates and the cash balance interest crediting rate and approximately
$17 million loss due to a change assumed benefit commencement rates for terminated vested participants made as a result of an experience study.

For the period from January 1, 2019 to February 7, 2019 (Predecessor), significant changes in the pension projected benefit obligation include an actuarial loss of $80.5 million, of which approximately $53 million loss attributable to the change in discount rates, approximately $22 million loss attributable to assumption changes required by the change in control provision in connection with the Take-Private Transaction and approximately $10 million gain attributable to the updates to the assumed cash balance conversion interest rates and the cash balance interest crediting rate.

(Tabular dollar amounts, except share data and per share data, in millions)

Underfunded or Unfunded Accumulated Benefit Obligations

At December 31, 2020 and December 31, 2019, our underfunded or unfunded accumulated benefit obligation and the related projected benefit obligation were as follows:

	2020	2019
Accumulated benefit obligation	$ 1,852.3	$ 1,437.9
Fair value of plan assets	1,572.2	1,240.0
Unfunded accumulated benefit obligation	$ 280.1	$ 197.9
Projected benefit obligation	$ 1,858.2	$ 1,439.5

The underfunded or unfunded accumulated benefit obligations at December 31, 2020 consisted of $268.7 million and $11.4 million related to our U.S. Qualified Plan and non-U.S. defined benefit plans, respectively.

The underfunded or unfunded accumulated benefit obligations at December 31, 2019 consisted of $190.4 million and $7.5 million related to our U.S. Qualified Plan and non-U.S. defined benefit plans, respectively.

Net Periodic Pension Cost

The following table sets forth the components of the net periodic cost (income) associated with our pension plans and our postretirement benefit obligations:

	Pension Plans				Postretirement Benefit Obligations			
	Successor		Predecessor		Successor		Predecessor	
	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018
Components of net periodic cost (income):								
Service cost	$ 1.7	$ 1.4	$ 0.3	$ 3.7	$ —	$ —	$ —	$ 0.5
Interest cost	42.2	46.7	6.8	57.2	—	0.1	—	0.3
Expected return on plan assets	(87.7)	(82.7)	(10.6)	(96.4)	—	—	—	—
Amortization of Prior Service Cost (Credit)	—	—	—	0.2	(0.4)	—	(0.1)	(0.3)
Recognized actuarial loss (gain)	—	—	4.0	42.5	—	—	(0.1)	(1.5)
Net periodic cost (income)	$ (43.8)	$ (34.6)	$ 0.5	$ 7.2	$ (0.4)	$ 0.1	$ (0.2)	$ (1.0)

We incurred settlement charges of $0.6 million, $85.8 million and $0.4 million for the year ended December 31, 2020 (Successor), for the period from January 1, 2019 to February 7, 2019 (Predecessor) and for the year ended December 31, 2018 (Predecessor), respectively. Settlement charges for the period from January 1, 2019 to February 7, 2019 (Predecessor) was due to the settlement of a portion of our U.S. Non-Qualified plans triggered by the shareholder approval of the Take-Private Transaction.

(Tabular dollar amounts, except share data and per share data, in millions)

The following table sets forth other changes in plan assets and benefit obligations recognized in Other Comprehensive Income (Loss):

	Pension Plans				Postretirement Benefit Obligations			
	Successor		Predecessor		Successor		Predecessor	
	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018
Other changes in plan assets and benefit obligations recognized in other comprehensive income (loss)								
Actuarial (loss) gain arising during the year, before tax benefit (expense) of $34.6 and $6.1 for the year ended December 31, 2020 and period from February 8 to December 31, 2019, respectively, and $15.7 in 2018 (1)	$ (139.9)	$ (24.3)	$ —	$ (71.7)	$ (0.4)	$ 0.2	$ —	$ (0.1)
Prior service credit (cost) arising during the year, before tax benefit (expense) of $0.1 and $(0.8) for the year ended December 31, 2020 and period from February 8 to December 31, 2019, respectively, and $(1.2) in 2018 (1)	$ (0.5)	$ —	$ —	$ (4.0)	$ (0.1)	$ 3.1	$ —	$ 9.8
Less:								
Amortization of actuarial (loss) gain, before tax benefit (expense) of $(22.2) for the period from January 1 to February 7, 2019, and $(9.0) in 2018 (2)	$ —	$ —	$ (87.7)	$ (42.5)	$ —	$ —	$ 0.1	$ 1.5
Amortization of prior service (cost) credit, before tax benefit (expense) of $(0.1) for the year ended December 31, 2020	$ —	$ —	$ —	$ (0.2)	$ 0.4	$ —	$ 0.1	$ 0.3

(1) In connection with the Take-Private Transaction, we have remeasured our global pension and postretirement plans on February 8, 2019 in accordance with the guidance within ASC 805 and ASC 715 to recognize as part of the transaction an asset or a liability representing the funded status of each of the plans. The unrecognized actuarial losses or gains were set to zero as of February 8, 2019 as a result of purchase accounting.

(2) For the period from January 1 to February 7, 2019, amortization of actuarial loss included the impact of the settlement charge related to the U.S. Non-Qualified plans.

We apply the long-term expected rate of return assumption to the market-related value of assets to calculate the expected return on plan assets, which is a major component of our annual net periodic pension expense. The market-related value of assets recognizes short-term fluctuations in the fair value of assets over a period of five years, using a straight-line amortization basis. The methodology has been utilized to reduce the effect of short-term market fluctuations on the net periodic pension cost.

(Tabular dollar amounts, except share data and per share data, in millions)

Since the market-related value of assets recognizes gains or losses over a five-year period, the future value of assets will be impacted as previously deferred gains or losses are amortized.

Assumptions

The following table sets forth the significant weighted-average assumptions we used to determine the projected benefit obligation and the periodic benefit cost:

	Pension Plans				Postretirement Benefit Obligations			
	Successor		Predecessor		Successor		Predecessor	
	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018
Discount rate for determining projected benefit obligation at December 31	2.00 %	2.79 %	3.57 %	3.86 %	1.20 %	2.35 %	3.64 %	3.88 %
Discount rate in effect for determining service cost	2.11 %	3.11 %	3.16 %	2.99 %	N/A	N/A	N/A	3.15 %
Discount rate in effect for determining interest cost	2.48 %	3.29 %	3.51 %	2.90 %	2.10 %	3.25 %	3.52 %	2.85 %
Weighted average expected long-term return on plan assets	6.19 %	6.72 %	6.56 %	6.72 %	N/A	N/A	N/A	N/A
Rate of compensation increase for determining projected benefit obligation at December 31	3.00 %	3.00 %	3.00 %	2.99 %	N/A	N/A	N/A	N/A
Rate of compensation increase for determining net pension cost	3.00 %	3.07 %	3.04 %	6.10 %	N/A	N/A	N/A	N/A

The expected long-term rate of return assumption was 6.50% for 2020 and 7.00% for each of 2019 and 2018 for the U.S. Qualified Plan, our principal pension plan. This assumption is based on the plan’s target asset allocation. The expected long-term rate of return assumption reflects long-term capital market return forecasts for the asset classes employed, assumed excess returns from active management within each asset class, the portion of plan assets that are actively managed, and periodic rebalancing back to target allocations. Current market factors such as inflation and interest rates are evaluated before the long-term capital market assumptions are determined. In addition, peer data and historical returns are reviewed to check for reasonableness. Although we review our expected long-term rate of return assumption annually, our plan performance in any one particular year does not, by itself, significantly influence our evaluation. Our assumption is generally not revised unless there is a fundamental change in one of the factors upon which it is based, such as the target asset allocation or long-term capital market return forecasts.

We use discount rates to measure the present value of pension plan obligations and postretirement health care obligations at year-end, as well as, to calculate next year’s pension income or cost. It is derived by using a yield curve approach which matches projected plan benefit payment streams with bond portfolios reflecting actual liability duration unique to the plans. The rate is adjusted at each remeasurement date, based on the factors noted above. We measure service and interest costs by applying the specific spot rates along that yield curve to the plans’ liability cash flows (“Spot Rate Approach”). We believe the approach provides a more precise measurement of service and interest costs by improving the correlation between projected benefit cash flows and their corresponding spot rates on the yield curve.

For the mortality assumption we used PRI 2012 mortality table (“PRI-2012”) for our U.S. plans at December 31, 2020 and 2019, together with mortality improvement projection scales MP-2020 and MP-2019, respectively.

Plan Assets (U.S. Qualified Plan and non-U.S. pension plans)

The investment objective for our principal plan, the U.S. Qualified Plan, is to achieve over the investment horizon a long-term total return, which at least matches our expected long-term rate of return assumption while maintaining a prudent level of portfolio risk. We emphasize long-term growth of principal while avoiding excessive risk so as to use plan asset returns to help finance pension obligations, thus improving our plan’s funded status. We predominantly invest in assets that can be sold readily and efficiently to ensure our ability to reasonably meet expected cash flow requirements.

We define our primary risk concern to be the plan’s funded status volatility and to a lesser extent total plan return volatility. Understanding that risk is present in all types of assets and investment styles, we acknowledge that some risk is necessary to produce long-term investment results that are sufficient to meet the plan’s objectives. However, we monitor and ensure that the investment strategies we employ make reasonable efforts to maximize returns while controlling for risk parameters.

Investment risk is also controlled through diversification among multiple asset classes, managers, investment styles and periodic rebalancing toward asset allocation targets. Risk is further controlled at the investment strategy level by requiring underlying managers to follow formal written investment guidelines which enumerate eligible securities, maximum portfolio concentration limits, excess return and tracking error targets as well as other relevant portfolio constraints. Investment results and risk are measured and monitored on an ongoing basis and quarterly investment reviews are conducted.

The plan assets are primarily invested in funds offered and managed by Aon Hewitt Investment Consulting.

Our plan assets are currently invested mainly in funds overseen by our delegated manager using manager of manager funds which are a combination of both active and passive (indexed) investment strategies. The plan’s return seeking assets include equity securities that are diversified across U.S. and non-U.S. stocks, including emerging market equities, in order to further reduce risk at the total plan level. Additional diversification in return seeking assets is achieved by using multi-asset credit, real estate and hedge fund of funds strategies.

A portion of the plan assets are invested in a liability hedging portfolio to reduce funded status volatility and reduce overall risk for the plan. The portfolio uses manager of manager funds that are diversified principally among securities issued or guaranteed by the U.S. government or its agencies, mortgage-backed securities, including collateralized mortgage obligations, corporate debt obligations and dollar-denominated obligations issued in the U.S. by non-U.S. banks and corporations.

We have formally identified the primary objective for each asset class within our plan. U.S. equities are held for their long-term capital appreciation and dividend income, which is expected to exceed the rate of inflation. Non-U.S. equities are held for their long-term capital appreciation, as well as diversification relative to U.S. equities and other asset classes. Multi-asset credit, real estate and hedge fund of funds further diversifies the return-seeking assets with reduced correlation due to different return expectations and flows. These diversifying asset classes also provide a hedge against unexpected inflation. Liability hedging assets are held to reduce overall plan volatility and as a source of current income. Additionally, they are designed to provide a hedge relative to the interest rate sensitivity of the plan’s liabilities. Cash is held only to meet liquidity requirements.

Investment Valuation

Our pension plan assets are measured at fair value in accordance with ASC 820, “Fair Value Measurement and Disclosures.” ASC 820 defines fair value and establishes a framework for measuring fair value under current accounting pronouncements. See Note 1 to our consolidated financial statements for further detail on fair value measurement.

The following is a description of the valuation methodologies used for the investments measured at fair value, including the general classification of such investments pursuant to the valuation hierarchy.

A financial instrument's level or categorization within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Aon Hewitt Collective Trust Investment Funds

Aon Hewitt Collective Trust Funds are offered under the Aon Hewitt Collective Trust and their units are valued at the reported Net Asset Value ("NAV"). Some Funds are within Level 1 of the valuation hierarchy as the NAV is determined and published daily and are the basis for current transactions, while other Funds do not publish a daily NAV, therefore, are excluded from the fair value hierarchy.

- Equity funds' investment objectives are to achieve long-term growth of capital by investing diversified portfolio of primarily U.S. and non-U.S. equity securities and approximate as closely as practicable the total return of the S&P 500® and global stock indices.
- Fixed income funds' investment objectives are to seek current income and capital appreciation by investing in a diversified portfolio of domestic and foreign debt securities, government obligations and bond funds with various durations.
- Real estate funds' investment objective is to achieve a return by investing primarily in securities of U.S. and foreign real estate investment trusts, real estate operating companies and other companies that principally engaged in the real estate industry or derive at least 50% of their revenues or earnings owning, operating, developing and /or managing real estate.

Aon Alternative Investment Funds

These investments are valued at the reported NAV; however, these investments do not publish a daily NAV, therefore, are excluded from the fair value hierarchy.

The Aon Private Credit Opportunities Fund is established as a fund-of-funds for investors seeking exposure to a diversified portfolio of private credit investments by allocating to a select pool of United States and European-based private credit funds.

The Aon Liquid Alternatives Fund LTD Class A seeks to generate consistent long-term capital appreciation, it is also concerned with preservation of capital. The Fund diversifies its holdings among a number of Managers that collectively implement a range of alternative investment strategies.

The Aon Opportunistic Alternatives SP Shareholder Summary Class A's investment objective is to generate attractive returns over a full market cycle by investing in a range of alternative investment opportunities with sources of return that have a low correlation to the broader financial markets, while also seeking to preserve capital under the direction of the Investment Manager.

The Aon Opportunistic Credit Portfolio SP is a segregated portfolio of Aon Alternatives Fund SPC, a Cayman Islands exempted company registered as a segregated portfolio company. The Portfolio's investment objective is to seek to generate attractive returns by investing in a range of credit opportunities.

Aon Hewitt Group Trust Funds

All Aon Hewitt Collective Trust Funds are offered under the Aon Hewitt Collective Trust and their units are valued at the reported NAV. They are within Level 1 of the valuation hierarchy as the NAV is determined and published daily, and are the basis for current transactions of the units based on the published NAV. During 2020 the assets in the Aon Hewitt Group Trust Funds were transferred to Aon Hewitt Collective Trust Investment Funds.

- Equity funds’ investment objectives are to achieve long-term growth of capital by investing diversified portfolio of primarily U.S. and non-U.S. equity securities and approximate as closely as practicable the total return of the S&P 500® and global stock indices.
- Fixed income funds’ investment objectives are to seek current income and capital appreciation by investing in a diversified portfolio of domestic and foreign debt securities, government obligations and bond funds with various durations.
- Real estate funds’ investment objective is to achieve high total return, consisting of capital appreciation and current income.

Short-Term Investment Funds (STIF)

These investments include cash, bank notes, corporate notes, government bills and various short-term debt instruments. The investment objective is to provide safety of principal and daily liquidity by investing in high quality money market instruments. They are valued at the reported NAV and within Level 1 of the valuation hierarchy as the NAV is determined and published daily, and are the basis for current transactions of the units based on the published NAV.

The Venture Capital Fund

The Fund is structured as a conventional, private venture capital firm. The Fund will target investments that are in early-stage technology companies. The Fund expects to invest in seed stage development companies, principally in the software and technology-enabled businesses sector. It is classified as other investments measured at the NAV and is excluded from the fair value hierarchy.

The U.S. Qualified Plan has an additional unfunded commitment of $0.3 million to the Equity Fund included in the Aon Hewitt Collective Trust Investment Funds at December 31, 2020, and $19.9 million and $0.9 million to the Venture Capital Funds at December 31, 2020 and 2019, respectively.

There were no transfers among the levels of the fair value hierarchy during the years ended December 31, 2020 and 2019.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

(Tabular dollar amounts, except share data and per share data, in millions)

The following table sets forth by level, within the fair value hierarchy, the plan assets at fair value as of December 31, 2020 (Successor):

Asset category	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Total
Short-term investment funds	$ 21.2	$ —	$ —	$ 21.2
Aon Hewitt Collective Trust Investment Funds:				
Equity funds	$ 448.5	$ —	$ —	$ 448.5
Fixed income funds	475.3	—	—	475.3
Real estate funds	6.8	—	—	6.8
Total Aon Hewitt Collective Trust Investment Funds	$ 930.6	$ —	$ —	$ 930.6
Total	$ 951.8	$ —	$ —	$ 951.8
Other Investments Measured at Net Asset Value				
Aon Hewitt Collective Investment Trust Funds				$ 147.5
Aon Alternative Investment Funds:				
Fixed income funds				137.3
Venture Capital Fund				4.7
Other Non-U.S. commingled equity and fixed income				362.9
Total other investments measured at net asset value				$ 504.9
Total investments at fair value				$ 1,604.2

(Tabular dollar amounts, except share data and per share data, in millions)

The following table sets forth by level, within the fair value hierarchy, the plan assets at fair value as of December 31, 2019 (Successor):

Asset category	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Total
Short-Term investment funds	$ 16.1	$ —	$ —	$ 16.1
Aon Hewitt Collective Trust Funds:				
Equity funds	$ 450.8	$ —	$ —	$ 450.8
Fixed income funds	565.4	—	—	565.4
Real estate funds	76.1	—	—	76.1
Total Aon Hewitt Trust Funds	$ 1,092.3	$ —	$ —	$ 1,092.3
Total	$ 1,108.4	$ —	$ —	$ 1,108.4
Other Investments Measured at Net Asset Value				
Aon Alternative Investment Funds:				
Fixed income funds				$ 127.4
Venture Capital Fund				3.9
Other Non-U.S. commingled equity and fixed income				333.2
Total other investments measured at net asset value				$ 464.5
Total investments at fair value				$ 1,572.9

Allocations

We employ a total return investment approach in which a mix of equity, debt and alternative (e.g., real estate) investments is used to achieve a competitive long-term rate of return on plan assets at a prudent level of risk. Our weighted average plan target asset allocation is 61% return-seeking assets (range of 50% to 70%) and 39% liability-hedging assets (range of 30% to 50%).

The following table sets forth the weighted average asset allocations and target asset allocations by asset category, as of the measurement dates of the plans:

	Asset Allocations		Target Asset Allocations	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Return-Seeking assets	58 %	59 %	56 %	56 %
Liability-Hedging assets	42 %	41 %	44 %	44 %
Total	100 %	100 %	100 %	100 %

Contributions and Benefit Payments

We expect to contribute $2.3 million to our non-U.S. pension plans and $0.3 million to our postretirement benefit plan in 2021. We did not make contributions in 2020 and do not expect to make any required contributions to the U.S. Qualified Plan in 2021 for the 2020 plan year based on the minimum funding requirements as defined in the Pension Protection Act of 2006 as amended. Final funding requirements for 2020 will be determined based on our January 2021 funding actuarial valuation.

(Tabular dollar amounts, except share data and per share data, in millions)

The following table summarizes expected benefit payments from our pension plans and postretirement plans through 2030. Actual benefit payments may differ from expected benefit payments. These amounts are net of expected plan participant contributions:

	Pension Plans	Postretirement Benefit Plans
2021	$ 96.0	$ 0.3
2022	$ 97.4	$ 0.2
2023	$ 99.3	$ 0.2
2024	$ 100.3	$ 0.2
2025	$ 101.1	$ 0.2
2026 - 2030	$ 510.2	$ 0.6

Health Care Benefits

The following table presents healthcare trend assumptions used to determine the year end benefit obligation:

	2020	2019
Medical (1)	5.3 %	5.3 %
Prescription drug (1)	8.5 %	8.0 %

(1) The rates are assumed to decrease to 5.0% in 2026 and remain at that level thereafter.

401(k) Plan

We have a 401(k) Plan covering substantially all U.S. employees that provides for employee salary deferral contribution and employer contributions. Employees may contribute up to 50% of their pay on a pre-tax basis subject to IRS limitations. In addition, employees with age 50 or older are allowed to contribute additional pre-tax “catch-up” contributions. In addition, the Company matches up to 50% of seven percent (7%) of a team member’s eligible compensation, subject to certain 401(k) Plan limitations.

We had expense associated with our 401(k) Plan of $10.6 million, $9.4 million, $1.2 million, and $11.0 million for the year ended December 31, 2020 (Successor), the period from January 1, 2019 to December 31, 2019 (Successor), the period from January 1, 2019 to February 7, 2019 (Predecessor) and the year ended December 31, 2018 (Predecessor), respectively.

(Tabular dollar amounts, except share data and per share data, in millions)

Note 11 -- Stock Based Compensation

The following tables set forth the components of our stock-based compensation and expected tax benefit for years ended 2020, 2019 and 2018 related to the plans in effect during the respective year:

	Successor		Predecessor	
	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018
Stock-based compensation expense:				
Restricted stock and restricted stock units	$ 3.1	$ —	$ 11.7	$ 9.6
Stock options	23.0	—	—	—
Incentive units	19.0	11.7	—	—
Employee stock purchase plan ("ESPP")	—	—	—	1.2
Total compensation expense	$ 45.1	$ 11.7	$ 11.7	$ 10.8

In connection with the Take-Private Transaction on February 8, 2019, all outstanding stock options and restricted stock units, whether vested or unvested, were cancelled and converted into the right to receive $145 in cash per share, less any applicable exercise price. As a result, an expense of $10.4 million was included in the Predecessor’s net earnings for the period from January 1, 2019 to February 7, 2019 in connection with the acceleration of the vesting of the outstanding grants. In addition, we recorded $56.3 million related to incentive units granted to certain investors for the period from January 1 to December 31, 2019 (Successor). See further discussion below.

	Successor		Predecessor	
	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018
Expected tax benefit:				
Restricted stock and restricted stock units	$ 0.5	$ —	$ —	$ 2.3
Stock options	5.9	—	—	—
Total compensation expense	$ 6.4	$ —	$ —	$ 2.3

2020 Omnibus Incentive Plan

In connection with the IPO completed on July 6, 2020, we adopted the Dun & Bradstreet 2020 Omnibus Incentive Plan (the “Plan”). Under the Plan, we are authorized to issue up to 40,000,000 shares of the Company’s common stock in the form of stock-based awards, such as, but not limited to, restricted stock, restricted stock units ("RSUs") and stock options. As of December 31, 2020, a total of 31,647,101 shares of our common stock were available for future grants under the Plan.

(Tabular dollar amounts, except share data and per share data, in millions)

The following table summarizes the restricted stock, restricted stock units and stock options granted in 2020:

Date	Number of shares granted	Grant date fair value per share	Vesting period (in years)	Vesting Criteria
Restricted Stock & RSU's: (1)				
August 12, 2020	75,378	$25.87	1.0	Service
August 12, 2020	220,335	$25.87	2.6	Service
August 12, 2020	205,546	$25.87	1.7	Service
November 6, 2020	184,672	$26.13	3.0	Service
November 9, 2020	9,568	$25.88	3.0	Service
December 1, 2020	7,400	$27.03	3.0	Service
Stock Options:				
June 30, 2020 (2)	4,160,000	$4.80	0.0	N/A
June 30, 2020 (3)	3,840,000	$5.19	3.0	Service

(1) Employee awards generally vest ratably over three years and director awards vest 100% after one year.

(2) Awards were granted in connection with the IPO and fully vested at time of grant. See Note 19, "Related Parties" for further discussion.

(3) Awards vest ratably over three years in annual installments, commencing on the first anniversary of the grant date.

The following tables summarize the restricted stock, RSU's and stock options activity in 2020:

	Restricted Stock & RSU's			
	Number of Shares	**Weighted-Average Grant Date Fair Value**	**Weighted Average Remaining Contractual Term (in years)**	**Aggregate Intrinsic Value (in millions)**
Balances, January 1, 2020	—	$—		
Granted (4)	702,899	$25.95		
Forfeited	—	$—		
Vested	—	$—		
Balances, December 31, 2020	702,899	$25.95	1.3	$17.5

(4) Included in the RSU's granted during the period is the conversion of 205,546 phantom units.

	Stock Options			
	Number of Options	**Weighted-Average Exercise price**	**Weighted Average Remaining Contractual Term (in years)**	**Aggregate Intrinsic Value (in millions)**
Balances, January 1, 2020	—	$—		
Granted	8,000,000	$22.00		
Forfeited	(350,000)	$22.00		
Vested	—	$—		
Balances, December 31, 2020	7,650,000	$22.00	6.5	$22.2
Expected to vest as of December 31, 2020	3,490,000	$22.00	6.5	$10.1
Exercisable as of December 31, 2020	4,160,000	$22.00	6.5	$12.1

As of December 31, 2020, total unrecognized compensation cost related to non-vested restricted shares was $13.0 million, which is expected to be recognized over a weighted average period of 2.0 years. As of December 31, 2020, total unrecognized compensation cost related to stock options was $15.1 million, which is expected to be recognized over a weighted average period of 2.5 years.

We accounted for stock-based compensation based on grant date fair value. For restricted stock, grant date fair value was based on the closing price of our stock on the date of grant. For stock options, we estimated the grant date fair value using the Black-Scholes valuation model. The assumptions for the Black-Scholes valuation model related to stock options granted during the year ended December 31, 2020 are set forth in the following table:

Weighted Average Assumptions	
Expected Stock Price Volatility	28 %
Expected Dividend Yield	0.0 %
Expected Life of Option (in years)	3.98
Risk-Free Interest Rate	0.23 %
Black Scholes Value	$4.99
Exercise Price	$22.00

(Tabular dollar amounts, except share data and per share data, in millions)

Expected stock price volatility was derived from the historical volatility of companies in our peer group. The risk-free interest rate assumption corresponds to the time to liquidity assumption and is based on the U.S. Treasury yield curve in effect at the time.

Employee Stock Purchase Plan ("ESPP")

Effective December 2020, we adopted the Dun & Bradstreet Holdings, Inc. Employee Stock Purchase Plan that allows eligible employees to voluntarily make after-tax contributions ranging from 3% to 15% of eligible earnings. The Company contributes varying matching amounts to employees, as specified in the plan document, after a one year holding period. During the holding period, ESPP purchased shares are not eligible for sale or broker transfer. No purchases were made under this program during 2020. The first purchases for this program will begin in January 2021.

Incentive Units Program

Subsequent to the closing of the Take-Private Transaction, the Star Parent, L.P.'s long-term incentive plans were authorized to issue up to 19,629.25045 Class C incentive units ("profits interest") or phantom units to eligible key employees, directors and consultants of The Dun & Bradstreet Corporation. At December 31, 2019 (Successor), 18,443.42000 incentive units and 249.10000 phantom units were issued and outstanding. These units vest ratably over a three-year period and once vested are not subject to expiration. The terms of these units provided the opportunity for the grantees to participate in the future value of Dun & Bradstreet in excess of its grant date fair value, but only to the extent that the required payments to the other classes of units had been met. We account for these units in accordance with ASC 718, "Compensation—Stock Compensation" and ASU No. 2018-07. Compensation expense is recognized ratably over the three-year vesting period.

In addition, the Company issued 6,817.74280 Class B units and 15,867.80780 Class C units to certain investors, which vested immediately. We recognized an expense of $56.3 million related to these incentive units during the period from January 1, 2019 to December 31, 2019 (Successor).

The following table sets forth the profits interest units granted subsequent to the Take-Private Transaction during the 2019 Successor period:

Units Granted During Quarter Ended	Number of Units Granted	Weighted Average Exercise Price	Weighted Average Fair Value of Underlying Share	Weighted Average Fair Value Per Unit
March 31, 2019	32,987.0078	$10,329.70	$10,000.00	$2,449.59
June 30, 2019	1,726.5100	$10,329.70	$10,000.00	$2,366.59
September 30, 2019	74.7300	$10,329.70	$10,000.00	$2,198.20
December 31, 2019	198.0500	$10,329.70	$10,000.00	$2,140.61
Total	34,986.2978			$2,443.21

The fair value of the underlying shares was determined contemporaneously with the grants.

We determined that the incentive units are equity-classified awards and the compensation expense for these units was calculated by estimating the fair value of each unit at the date of grant. The fair value of each incentive unit was calculated on the date of grant using the Black-Scholes option valuation model. The Company's stock was not publicly traded when these units were granted. We did not have a history of market prices for the common stock. Thus, estimating grant date fair value required us to make assumptions including stock price, expected time to liquidity, expected volatility and discount for lack of marketability, etc. The weighted average assumptions used to estimate fair value for grants made under the Successor equity-based award program are summarized as follows:

(Tabular dollar amounts, except share data and per share data, in millions)

	Class B Units	Class C Units
Expected Stock Price Volatility	43.9 %	43.9 %
Risk-free interest rate	2.43 %	2.40 %
Time to liquidity (in years)	3.5	3.4
Expected dividend yield	—	—
Fair Value of units	$3,480	$3,332
Discount for lack of marketability	27 %	28 %
Adjusted fair value of units	$2,540	$2,443

We had determined that the phantom units were liability-classified awards and the initial compensation expense was calculated based on the same grant date fair value applied to the incentive units. We reassessed the fair value of the phantom units and adjusted expense accordingly. The amount associated with these phantom grants was immaterial at December 31, 2019.

In connection with the IPO, we converted the 18,245.79 outstanding profits interests of Star Parent, L.P. into 15,055,564 common units of Star Parent, L.P. The common units retain the original time-based vesting schedule and are subject to the same forfeiture terms. Upon settlement, each common unit will be converted into a share of common stock of the Company. The fair value of the common units was not greater than the fair value of the Star Parent, L.P. profits interests immediately prior to the conversion; therefore, no additional compensation expense was recognized. We accelerated the vesting of 1,342,909 common units, held by one of our directors, incurring an acceleration charge of $3.4 million during the year ended December 31, 2020. Subsequent to the IPO, 260,357 unvested common units were forfeited.

As of December 31, 2020, there were 14,795,207 common units outstanding, of which 9,730,550 remained unvested. These unvested common units have a total unrecognized compensation cost of $15.0 million, which is expected to be recognized over a weighted average period of 1.5 years.

Predecessor Programs

Under our Predecessor’s stock incentive plans certain employees and non-employee directors received stock-based awards, such as, but not limited to, restricted stock units, restricted stock and stock options. We also had an ESPP that allowed all eligible employees to purchase shares of our common stock at a discount. See further discussion below included in "Employee Stock Purchase Plan."

Restricted Stock Units

Our Predecessor’s restricted stock unit programs included both performance-based awards and service-based awards. The performance-based awards had either a market condition or a performance condition. All awards generally contained a service-based condition. The compensation expense for our performance-based awards was recognized on a graded-vesting basis over the requisite service period. The expense for the performance-based awards with market conditions was recognized regardless of whether the market condition was satisfied, provided that the requisite service had been met. The expense for the performance-based awards with performance conditions was initially recognized assuming that the target level of performance would be achieved. Each reporting period we assessed the probability of achieving the performance targets and if necessary adjusted the compensation expense based on this assessment. Final compensation expense recognized would ultimately depend on the actual number of shares earned against the performance condition as well as fulfillment of the requisite service condition. The expense for the awards earned based solely on the fulfillment of the service-based condition was recognized on a straight-line basis over the requisite service periods.

(Tabular dollar amounts, except share data and per share data, in millions)

Performance-based Restricted Stock Units

Prior to 2019, certain employees were granted target awards for restricted stock units that provided for payouts ranging from 0% to 200% of the target awards based on performance against one of the following:

- the Company’s stock price appreciation or depreciation over a one year, two year and three year performance period;
- the Company’s three-year total shareholder return ("TSR") performance relative to the Standard & Poor’s 500 companies; or
- the Company’s three-year revenue compounded annual growth rate.

These performance-based Restricted Stock Units were not entitled to received dividend equivalents.

For awards based on the Company’s stock price appreciation, we have calculated the fair value on the date of grant using a Monte Carlo simulation model, as these awards contained a market condition. The following table sets forth the weighted average assumptions:

	2018
Expected Stock Price Volatility	24 %
Expected dividend yield	1.7 %
Expected term (in years)	3.0
Risk-free interest rate	2.33 %
Fair value of RSUs granted	$141.44

Expected stock price volatility was based on a blend of historical volatility and, when available, implied volatility. The expected dividend yield assumption was determined by dividing our most recent quarterly dividend payment by the average of the stock price from the three months preceding the grant date. The result was then annualized and compounded. Expected term was based on the period from the date of grant through the end of the performance evaluation period. The risk-free interest rate was based on the U.S. Treasury yield curve in effect at the time of grant.

For awards based on the Company’s three-year TSR performance relative to Standard & Poor’s 500 companies, we have calculated the fair value on the date of grant using a Monte Carlo simulation model, as these awards contained a market condition. The following table sets forth the weighted average assumptions:

	2018
Expected Stock Price Volatility	25 %
Expected dividend yield	1.7 %
Expected term (in years)	2.8
Risk-free interest rate	2.32 %
Fair value of RSUs granted	$171.93

Expected stock price volatility was based on historical volatility. The expected dividend yield assumption was determined by dividing the most recent quarterly dividend payment by the average of the stock price from the three months preceding the grant date. The result was then annualized and compounded. Expected term was based on the period from the date of grant through the end of the performance evaluation period. The risk-free interest rate was based on the U.S. Treasury yield curve in effect at the time of grant.

For the awards based on the Company's three-year revenue compounded annual growth rate, as these awards contained a performance condition, the fair value was calculated by using the average of the high and low prices of our common stock on the date of grant.

Certain employees were provided an annual opportunity to receive an award of restricted stock units after the conclusion of the performance year. As these awards were based on the same internal performance goals used in the annual cash incentive plan, they were considered to have a performance condition and the fair value was calculated by using the average of the high and low prices of our common stock on the date of grant. The restricted stock units earned from the restricted stock opportunity were entitled to dividend equivalents, payable only if and when the underlying restricted stock unit vests.

Changes in our nonvested performance-based restricted stock units for the period from January 1, 2019 to February 7, 2019 are summarized as follows:

	Shares	Weighted Average Grant-Date Fair Value Per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Performance-based Restricted Stock Units:				
Nonvested Shares at December 31, 2018	143,236	$122.11	1.3	$20.4
Granted	—	—		
Adjustment For Shares Earned Against Target (1)	5,727	$0.00		
Vested	—	—		
Forfeited	(869)	$129.33		
Shares at February 7, 2019 (2)	148,094	$122.07		$21.5

(1) Represents share adjustment as a result of final and expected performance against specified performance targets.

(2) Options were exchanged for rights to receive $145 per share, less applicable exercise price, on February 8, 2019 upon the consummation of the Take-Private Transaction.

Total unrecognized compensation expense related to nonvested performance-based restricted stock units at February 7, 2019 was $5.7 million. This expense was accelerated and recognized at the time of the Take-Private Transaction. The weighted average grant date fair value per share of the performance based restricted stock units granted during the year ended December 31, 2018 (Predecessor) was $143.63.

Service-based Restricted Stock Units

Prior to 2019, the Company issued grants of restricted stock units to certain employees. These grants generally vested over a three to five-year period on a graded vesting basis. In addition, our non-employee directors received grants of restricted stock units as part of their annual equity retainer. These grants normally vested about one year from date of grant.

For the service-based restricted stock units, the fair value was calculated by using the average of the high and low prices of our common stock on the date of grant. The service-based restricted stock units were entitled to dividend equivalents, payable only if and when the underlying restricted stock units vest.

Changes in our nonvested service-based restricted stock units for the period from January 1, 2019 to February 7, 2019 are summarized as follows:

	Shares	Weighted Average Grant-Date Fair Value Per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Service-based Restricted Stock Units:				
Nonvested Shares at December 31, 2018	122,757	$111.74	1.1	$17.5
Granted	—			
Vested	(1,253)	$117.91		
Dividend equivalent rights	4,692			
Forfeited	(869)	$121.65		
Nonvested Shares at February 7, 2019 (1)	125,327	$112.86	1.0	$18.2

(1) Shares were exchanged for rights to receive $145 per share on February 8, 2019 upon the consummation of the Take-Private Transaction.

Total unrecognized compensation expense related to nonvested service-based restricted stock units at February 7, 2019 was $4.6 million. This expense was recognized at the time of the Take-Private Transaction. The weighted average grant date fair value per share of the service-based restricted stock units granted during the year ended December 31, 2018 (Predecessor) was $123.54.

The total fair value of all restricted stock units vesting during the period from January 1, 2019 to February 7, 2019 and for the year ended December 31, 2018 was $39.8 million and $19.8 million, respectively. The expected tax benefit associated with the tax deduction from the vesting of restricted stock units totaled $9.5 million and $4.8 million for the period from January 1, 2019 to February 7, 2019 and the year ended December 31, 2018, respectively.

Stock Option Programs

The fair value of each stock option award was calculated on the date of grant using the Black-Scholes option valuation model that used the following assumptions:

An expected stock price volatility that was derived from the historical volatility of our common stock. An expected dividend yield that was determined by dividing the anticipated annual dividend payment by the stock price on the date of grant. The expected term was derived by using a midpoint scenario which combined our historical exercise data with hypothetical exercise data for our unexercised stock options. The risk-free interest rate corresponded to the expected term and was based on the U.S. Treasury yield curve in effect at the time of grant.

Changes in stock options for the period from January 1, 2019 to February 7, 2019 are summarized as follows:

	Shares	Weighted Average Grant-Date Fair Value Per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Stock Options:				
Outstanding at December 31, 2018	55,174	$84.15	3.2	$3.2
Granted	—	—		
Exercised	—	—		
Forfeited or expired	—	—		
Outstanding at February 7, 2019	55,174	$84.15	3.1	$3.4
Exercisable at February 7, 2019 (1)	55,174	$84.15	3.1	$3.4

(1) Options were exchanged for rights to receive $145 per share, less applicable exercise price, on February 8, 2019 upon the consummation of the Take-Private Transaction.

Stock options outstanding at December 31, 2018 were originally granted during the years 2008 through 2015 and were exercisable over periods ending no later than 2025. At December 31, 2018, stock options for 55,174 shares of our common stock were exercisable.

The total intrinsic value of stock options exercised during the year ended December 31, 2018 was $0.6 million. Cash received from the exercise of Dun & Bradstreet stock options for the year ended December 31, 2018 was $0.7 million. The expected tax benefit associated with the tax deduction from the exercise of stock options totaled $0.1 million for the year ended December 31, 2018.

As of December 31, 2018, there was no unrecognized compensation expense as all of our outstanding stock options were fully vested.

Employee Stock Purchase Plan

Under the Predecessor ESPP, employees could acquire shares of our common stock at semi-annual intervals at a 15% discount and subject to certain limitations set forth in the 2015 ESPP. The purchase price was 85% of the lower of the average of the high and low prices or our Predecessor's common stock (i) on the first trading day of the offering period or (ii) on the purchase date. Under the 2015 ESPP, we sold 53,785 shares to employees for the year ended December 31, 2018.

Expense for ESPP was based on the fair value of the first day of the offering period which was calculated using the Black-Scholes option valuation model that used the weighted average assumptions in the following table:

	2018
Expected Stock Price Volatility	22 %
Expected dividend yield	1.8 %
Expected term (in years)	0.5
Risk-free interest rate	1.96 %
Fair value of options granted	$24.25

Expected stock price volatility assumption was derived from the historical volatility of our Predecessor's common stock. The expected dividend yield assumption was determined by dividing the anticipated annual dividend payment by the stock price on the date of grant. The expected term assumption was equal to the six-month offering period. The risk-free interest rate assumption corresponded to the expected term assumption of the option and was based on the U.S. Treasury yield curve in effect at the time of grant. Cash received from employees participating in the ESPP for the year ended December 31, 2018 was $5.3 million.

(Tabular dollar amounts, except share data and per share data, in millions)

Note 12 -- Earnings (Loss) Per Share

Basic earnings (loss) per share is computed by dividing net income (loss) for the period by the weighted-average number of common shares outstanding during the period.

In periods when we report net income, diluted earnings per share is calculated by dividing net income by the weighted average number of common shares outstanding during the period plus the dilutive effect of our outstanding stock incentive awards. For periods when we report a net loss, diluted earnings per share is equal to basic earnings per share, as the impact of our outstanding stock incentive awards is considered to be antidilutive.

The following table sets forth the computation of basic and diluted earnings (loss) per share:

	Successor		Predecessor	
	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018
Net income (loss) attributable to Dun & Bradstreet Holdings, Inc. (Successor) / The Dun & Bradstreet Corporation (Predecessor)	$ (175.6)	$ (674.0)	$ (75.6)	$ 288.1
Weighted average number of shares outstanding-basic	367.1	314.5	37.2	37.1
Weighted average number of shares outstanding-diluted	367.1	314.5	37.2	37.3
Earnings (loss) per share of common stock:				
Basic	$ (0.48)	$ (2.14)	$ (2.04)	$ 7.76
Diluted	$ (0.48)	$ (2.14)	$ (2.04)	$ 7.72

Below is a reconciliation of our Successor common stock issued and outstanding:

Common shares issued and outstanding as of January 1, 2019	314,494,968
Shares issued	—
Common shares issued and outstanding as of December 31, 2019	314,494,968
Shares issued in connection with IPO and private placement	108,506,312
Issuance of restricted stock awards	416,851
Common shares issued as of December 31, 2020	423,418,131
Less: treasury shares	465,903
Common shares outstanding as of December 31, 2020	422,952,228

Note 13 -- Financial Instruments

We employ established policies and procedures to manage our exposure to changes in interest rates and foreign currencies. We use foreign exchange forward and option contracts to hedge certain short-term foreign currency denominated loans and third-party and intercompany transactions. We may also use foreign exchange forward contracts to hedge our net investments in our foreign subsidiaries. In addition, we may use interest rate derivatives to hedge a portion of the interest rate exposure on our outstanding debt or in anticipation of a future debt issuance, as discussed under "Interest Rate Risk Management" below.

We do not use derivative financial instruments for trading or speculative purposes. If a hedging instrument is not designated as a hedge or ceases to qualify as a hedge in accordance with hedge accounting guidelines, any subsequent gains and losses are recognized currently in income. Collateral is generally not required for these types of instruments.

By their nature, all such instruments involve risk, including the credit risk of non-performance by counterparties. However, at December 31, 2020 and December 31, 2019, there was no significant risk of loss in the event of non-performance of the counterparties to these financial instruments. We control our exposure to credit risk through monitoring procedures and by selection of reputable counterparties.

Our trade receivables do not represent a significant concentration of credit risk at December 31, 2020 and December 31, 2019, because we sell to a large number of clients in different geographical locations and industries.

Interest Rate Risk Management

Our objective in managing our exposure to interest rates is to limit the impact of interest rate changes on our earnings, cash flows and financial position, and to lower our overall borrowing costs. To achieve these objectives, we maintain a practice that floating-rate debt be managed within a minimum and maximum range of our total debt exposure. To manage our exposure and limit volatility, we may use fixed-rate debt, floating-rate debt and/or interest rate swaps. We recognize all derivative instruments as either assets or liabilities at fair value in the consolidated balance sheet.

We use interest rate swaps to manage the impact of interest rate changes on our earnings. Under the swap agreements, we make monthly payments based on the fixed interest rate and receive monthly payments based on the floating rate. The objective of the swaps is to mitigate the variation of future cash flows from changes in the floating interest rates on our existing debt. For further detail of our debt, see Note 6. The swaps are designated and accounted for as cash flow hedges. Changes in the fair value of the hedging instruments are recorded in Other Comprehensive Income (Loss) and reclassified to earnings in the same line item associated with the hedged item when the hedged item impacts earnings.

The notional amount of the interest rate swap was $129.0 million at December 31, 2020 and $214.0 million at December 31, 2019.

Foreign Exchange Risk Management

Our objective in managing exposure to foreign currency fluctuations is to reduce the volatility caused by foreign exchange rate changes on the earnings, cash flows and financial position of our international operations. From time to time, we follow a practice of hedging certain balance sheet positions denominated in currencies other than the functional currency applicable to each of our various subsidiaries. In addition, we are subject to foreign exchange risk associated with our international earnings and net investments in our foreign subsidiaries. We may use short-term, foreign exchange forward and, from time to time, option contracts to execute our hedging strategies. Typically, these contracts have maturities of 12 months or less. These contracts are denominated primarily in the British pound sterling, the Euro, the Singapore dollar and the Hong Kong dollar. The gains and losses on the forward contracts associated with our balance sheet positions are recorded in “Other Income (Expense) – Net” in the consolidated statements of operations and comprehensive income (loss) and are essentially offset by the losses and gains on the underlying foreign currency transactions. Our foreign exchange forward contracts are not designated as hedging instruments under authoritative guidance.

In prior years, to decrease earnings volatility, we hedged substantially all our intercompany balance positions denominated in a currency other than the functional currency applicable to each of our various subsidiaries with short-term, foreign exchange forward contracts. Beginning in the third quarter of 2019, certain balance sheet positions were no longer being hedged in order to reduce the volatility of cash flows required to settle these forward contracts. However, starting in the third quarter of 2020, we resumed our practice of hedging substantially all our intercompany balance positions. The underlying transactions and the corresponding foreign exchange forward contracts are marked to market at the end of each quarter and the fair value impacts are reflected within “Non-operating income (expense) – net” in the consolidated financial statements. In addition, in connection with the acquisition of the Bisnode, we entered into a zero-cost foreign currency collar in November 2020, with a notional amount of SEK 4.8 billion to reduce our foreign currency exposure. Unrealized gain associated with the instrument was $23.5 million at December 31, 2020. We settled the collar on January 8, 2021 with a gain of $21 million upon the close of the Bisnode transaction.

(Tabular dollar amounts, except share data and per share data, in millions)

As of December 31, 2020 and December 31, 2019, the notional amounts of our foreign exchange contracts were $229.2 million and $152.0 million, respectively. Realized gains and losses associated with these contracts were $18.5 million and $11.5 million, respectively, for the year ended December 31, 2020 (Successor); $16.5 million and $24.4 million, respectively, for the period from January 1 to December 31, 2019 (Successor); and $17.0 million and $24.0 million, respectively, for the year ended December 31, 2018 (Predecessor). Unrealized gains and losses associated with these contracts were $2.5 million and $1.0 million, respectively, at December 31, 2020 (Successor); $1.6 million and $2.6 million, respectively, at December 31, 2019 (Successor); and $0.9 million and $0.5 million, respectively, at December 31, 2018 (Predecessor).

Fair Values of Derivative Instruments in the Consolidated Balance Sheets

	Asset Derivatives				Liability Derivatives			
	December 31, 2020		December 31, 2019		December 31, 2020		December 31, 2019	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments								
Interest rate contracts	Other Current Assets	$ —	Other Current Assets	$ —	Other Accrued & Current Liabilities	$ 1.0	Other Accrued & Current Liabilities	$ 1.9
Total Derivatives designated as hedging instruments		$ —		$ —		$ 1.0		$ 1.9
Derivatives not designated as hedging instruments								
Make-whole derivative liability	Other Current Assets	$ —	Other Current Assets	$ —	Make-whole derivative liability	$ —	Make-whole derivative liability	$ 172.4
Foreign exchange collar	Other Current Assets	23.5	Other Current Assets	$ —				
Foreign exchange forward contracts	Other Current Assets	2.5	Other Current Assets	1.6	Other Accrued & Current Liabilities	1.0	Other Accrued & Current Liabilities	2.6
Total derivatives not designated as hedging instruments		$ 26.0		$ 1.6		$ 1.0		$ 175.0
Total Derivatives		$ 26.0		$ 1.6		$ 2.0		$ 176.9

The Effect of Derivative Instruments on the Consolidated Statement of Operations and Comprehensive Income (Loss)

	Amount of Gain or (Loss) Recognized in OCI on Derivative			
	Successor		Predecessor	
Derivatives in Cash Flow Hedging Relationships	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018
Interest Contracts	$ 0.9	$ (1.6)	$ —	$ (0.4)

	Amount of Gain or (Loss) Reclassified from Accumulated OCI Into Income			
	Successor		Predecessor	
Location of Gain or (Loss) Reclassified from Accumulated OCI Into Income	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018
Interest Expense	$ (2.8)	$ (0.7)	$ —	$ (0.9)

(Tabular dollar amounts, except share data and per share data, in millions)

	Amount of Gain or (Loss) Recognized in Income on Derivative			
	Successor		Predecessor	
Location of Gain or (Loss) Recognized in Income on Derivative	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018
Interest Expense	$ (2.8)	$ (0.7)	$ —	$ (0.9)

Derivatives Not Designated as Hedging Instruments	Location of Gain or (Loss) Recognized in Income on Derivatives	Amount of Gain (Loss) Recognized in Income on Derivatives			
		Successor		Predecessor	
		Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018
Make-whole derivative liability	Non-Operating Income (Expenses) – Net	$ (32.8)	$ (172.4)	$ —	$ —
Foreign exchange collar	Non-Operating Income (Expenses) – Net	$ 23.5	$ —	$ —	$ —
Foreign exchange forward contracts	Non-Operating Income (Expenses) – Net	$ 9.5	$ (11.1)	$ 1.8	$ (6.0)

Fair Value of Financial Instruments

Our financial assets and liabilities that are reflected in the consolidated financial statements include derivative financial instruments, cash and cash equivalents, accounts receivable, other receivables, accounts payable, short-term borrowings and long-term borrowings.

The following table summarizes fair value measurements by level at December 31, 2020 for assets and liabilities measured at fair value on a recurring basis:

	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Balance at December 31, 2020
Assets:				
Cash equivalents (1)	$ 212.3	$ —	$ —	$ 212.3
Other current assets:				
Foreign exchange forwards (2)	$ —	$ 2.5	$ —	$ 2.5
Foreign exchange collar (5)	$ —	$ 23.5	$ —	$ 23.5
Other accrued and current liabilities:				
Foreign exchange forwards (2)	$ —	$ 1.0	$ —	$ 1.0
Swap arrangements (3)	$ —	$ 1.0	$ —	$ 1.0

(Tabular dollar amounts, except share data and per share data, in millions)

The following table summarizes fair value measurements by level at December 31, 2019 for assets and liabilities measured at fair value on a recurring basis:

	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Balance at December 31, 2019
Assets:				
Cash equivalents (1)	$ 4.1	$ —	$ —	$ 4.1
Other current assets:				
Foreign exchange forwards (2)	$ —	$ 1.6	$ —	$ 1.6
Liabilities:				
Other accrued and current liabilities:				
Foreign exchange forwards (2)	$ —	$ 2.6	$ —	$ 2.6
Swap arrangements (3)	$ —	$ 1.9	$ —	$ 1.9
Make-whole derivative liability (4)	$ —	$ —	$ 172.4	$ 172.4

(1) The carrying value of cash equivalents represents fair value as they consist of highly liquid investments with an initial term from the date of purchase by the Company to maturity of three months or less.

(2) Primarily represents foreign currency forward contracts. Fair value is determined based on observable market data and considers a factor for nonperformance in the valuation.

(3) Represents interest rate swap agreements. Fair value is determined based on observable market data.

(4) Represents estimated fair value related to the make-whole provision associated with the Series A Preferred Stock based on level III market data.

(5) Represents foreign currency collar entered in connection with the acquisition of Bisnode. Fair value is determined based on observable market data.

There were no transfers between Levels I and II or transfers in or transfers out of Level III in the fair value hierarchy for the year ended December 31, 2020 (Successor), the period from January 1, 2019 to December 31, 2019 (Successor), and the period from January 1, 2019 to February 7, 2019 (Predecessor).

At December 31, 2020 and December 31, 2019, the fair value of cash and cash equivalents, accounts receivable, other receivables and accounts payable approximated carrying value due to the short-term nature of these instruments. The estimated fair values of other financial instruments subject to fair value disclosures, determined based on valuation models using discounted cash flow methodologies with market data inputs from globally recognized data providers and third-party quotes from major financial institutions (categorized as Level II in the fair value hierarchy), are as follows:

	Balance at			
	December 31, 2020		December 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Short-term and Long-term Debt (1)	$ 847.2	$ 1,056.1	$ 1,469.1	$ 1,811.8
New Term Loan Facility (2)	$ 2,433.9	$ 2,476.2	$ 2,431.7	$ 2,456.3

(1) Includes New Senior Notes (long-term) at December 31, 2020 and New Senior Notes (long-term) and New Repatriation Bridge Facility (short-term) at December 31, 2019.

(2) Includes short-term and long-term portions of the New Term Loan Facility.

(Tabular dollar amounts, except share data and per share data, in millions)

Items Measured at Fair Value on a Nonrecurring Basis

In addition to assets and liabilities that are recorded at fair value on a recurring basis, we record assets and liabilities at fair value on a nonrecurring basis as required by GAAP. Generally, assets are recorded at fair value on a nonrecurring basis as a result of impairment charges and for acquisition accounting in accordance with the guidance in ASC 805 "Business Combinations."

Note 14 -- Accumulated Other Comprehensive Income (Loss)

The following table summarizes the changes in the accumulated balances for each component of accumulated other comprehensive income (loss) ("AOCI"):

	Foreign Currency Translation Adjustments	Defined Benefit Pension Plans	Derivative Financial Instruments	Total
Predecessor:				
Balance, December 31, 2018	$ (235.5)	$ (818.3)	$ (0.3)	$ (1,054.1)
Other comprehensive income (loss) before reclassifications	5.7	62.6	(0.1)	68.2
Amounts reclassified from accumulated other comprehensive loss, net of tax	—	2.8	—	2.8
Balance, February 7, 2019	$ (229.8)	$ (752.9)	$ (0.4)	$ (983.1)
Successor:				
Balance, January 1, 2019	$ —	$ —	$ —	$ —
Other comprehensive income (loss) before reclassifications	(6.6)	(15.8)	(1.6)	(24.0)
Amounts reclassified from accumulated other comprehensive loss, net of tax	—	—	0.5	0.5
Balance, December 31, 2019	$ (6.6)	$ (15.8)	$ (1.1)	$ (23.5)
Other comprehensive income (loss) before reclassifications	23.3	(106.2)	(1.4)	(84.3)
Amounts reclassified from accumulated other comprehensive loss, net of tax	—	(0.3)	2.1	1.8
Balance, December 31, 2020	$ 16.7	$ (122.3)	$ (0.4)	$ (106.0)

The following table summarizes the reclassifications out of AOCI:

Details About Accumulated Other Comprehensive Income (Loss) Components	Affected Line Item in the Statement Where Net Income (Loss) is Presented	Successor		Predecessor	
		Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018
Defined Benefit Pension Plans:					
Amortization of prior service costs	Other Income (Expense)- Net	$ (0.4)	$ —	$ (0.1)	$ —
Amortization of actuarial gain/loss	Other Income (Expense) - Net	—	—	3.9	40.9
Derivative Financial Instruments:					
Interest contracts	Interest Expense	2.8	0.7	—	0.9
Total before tax		2.4	0.7	3.8	41.8
Tax benefit (expense)		(0.6)	(0.2)	(1.0)	(9.4)
Total after tax		1.8	0.5	2.8	32.4
Total reclassifications for the period, net of tax		$ 1.8	$ 0.5	$ 2.8	$ 32.4

Note 15 -- Take-Private Transaction

On August 8, 2018, Dun & Bradstreet entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Parent and Merger Sub. On February 8, 2019, pursuant to the terms of the Merger Agreement, Merger Sub merged with and into Dun & Bradstreet with Dun & Bradstreet continuing as the surviving corporation. Investors of Merger Sub believe that Dun & Bradstreet’s strong market position and financial performance can be further reinforced by executing additional growth initiatives and implementing cost saving initiatives.

The Take-Private Transaction was funded through $3,076.8 million of cash from the issuance of common and preferred shares, as well as $4,043.0 million borrowings from notes issuance and Credit Facilities (see Note 6 for further discussion). The net proceeds were used to (i) finance the consummation of the Take-Private Transaction, (ii) repay in full all outstanding indebtedness under Dun & Bradstreet’s then-existing credit facilities, (iii) fund the redemption of all Dun & Bradstreet’s then-existing senior notes and (iv) pay related fees, costs, premiums and expenses in connection with these transactions.

Upon the close of the Take-Private Transaction, each share of common stock of Dun & Bradstreet, formerly publicly-traded under the symbol of “DNB”, was cancelled and converted into the right to receive $145.00 in cash, without interest and subject to any applicable withholding taxes. In addition, each then-outstanding stock option and restricted stock units of Dun & Bradstreet, whether vested or unvested, was cancelled and converted into the right to receive $145.00 in cash, less applicable exercise price, without interest.

On February 8, 2019, as required by the related change in control provision in the following agreements, the Company repaid in full the outstanding borrowings under the then-existing Revolving Five-Year Credit Agreement and the Term Loan Credit Agreement, both dated as of June 19, 2018. In addition, on February 8, 2019, notices of full redemption with respect to the Company’s (i) 4.00% Senior Notes due 2020 (the “2020 Notes”), in an aggregate principal amount of $300 million, and (ii) 4.37% Senior Notes due 2022 (the “2022 Notes” and, together with the 2020 Notes, the “Existing Notes”), in an aggregate principal amount of $300 million, were delivered to the respective holders thereof, notifying those holders of the redemption of the entire outstanding aggregate principal amount of each series of Existing Notes on March 10, 2019.

The merger was accounted for in accordance with ASC 805, and the Company was determined to be the accounting acquiror.

The Take-Private Transaction was valued at $6,068.7 million of which $5,431.2 million was paid to acquire Dun & Bradstreet’s common stock, including stock options and restricted stock units, based on $145.00 per share and $637.5 million was paid to extinguish the then-existing debt on and following the Take-Private Transaction closing date. Assets and liabilities were recorded at the estimated fair value at the Take-Private Transaction closing date.

Transaction costs incurred by the Predecessor of $52.0 million were included in selling and administrative expenses of Predecessor’s results of operations for the period from January 1, 2019 to February 7, 2019. Transaction costs of $147.4 million incurred by Merger Sub were included in selling and administrative expenses of Successor’s results of operations for the period from January 1, 2019 to March 31, 2019. Successor’s accumulated deficit as of December 31, 2018 includes approximately $13 million related to Merger Sub’s transaction costs incurred in 2018.

(Tabular dollar amounts, except share data and per share data, in millions)

The table below reflects the purchase price related to the acquisition and the resulting purchase allocation:

	Weighted Average Amortization Period (years)	Initial Purchase Price Allocation	Measurement Period Adjustments	Purchase Price Allocation at December 31, 2019
Cash		$ 117.7	$ —	$ 117.7
Accounts receivable		267.8	(1.7)	266.1
Other current assets		46.8	(0.4)	46.4
Total current assets		432.3	(2.1)	430.2
Intangible assets:				
Customer relationships	16.9	2,589.0	(200.5)	2,388.5
Partnership agreements	14.3	—	230.3	230.3
Computer software	7.8	376.0	—	376.0
Database	17	1,769.0	(47.0)	1,722.0
Trademark	Indefinite	1,200.8	75.0	1,275.8
Goodwill		2,797.6	(10.0)	2,787.6
Property, plant & equipment		30.3	—	30.3
Right of use asset		103.9	7.4	111.3
Other		34.4	(0.1)	34.3
Total assets acquired		$ 9,333.3	$ 53.0	$ 9,386.3
Accounts payable		$ 74.2	$ —	$ 74.2
Deferred revenue		398.4	(0.6)	397.8
Accrued liabilities		240.1	(2.3)	237.8
Short-term pension and other accrued benefits		106.0	—	106.0
Other current liabilities		41.1	4.7	45.8
Total current liabilities		859.8	1.8	861.6
Long-term pension and postretirement obligations		213.6	7.4	221.0
Deferred tax liability		1,388.3	(7.7)	1,380.6
Long-term debt		625.1	—	625.1
Other liabilities		161.0	8.0	169.0
Total liabilities assumed		3,247.8	9.5	3,257.3
Non-controlling interest		16.8	43.5	60.3
Less: debt repayment		637.5	—	637.5
Amounts paid to equity holders		$ 5,431.2	$ —	$ 5,431.2

The fair value of the customer relationships and partnership agreements intangible assets were determined by applying the income approach through a discounted cash flow analysis, specifically a multi-period excess earnings method. The valuation was based on the present value of the net earnings attributable to the measured assets.

The computer software intangible asset represents our data supply and service platform to deliver customer services and solutions. The fair value of this intangible asset was determined by the cost replacement approach.

Trademark intangible asset represents our Dun & Bradstreet brand. Database represents our global proprietary market leading database. We applied the income approach to value trademark and database intangible assets, specifically, a relief from royalty method. The valuation was based on the present value of the net earnings attributable to the measured asset.

(Tabular dollar amounts, except share data and per share data, in millions)

The fair value of the deferred revenue was determined based on estimated direct costs to fulfill the related obligations, plus a reasonable profit margin based on selected peer companies' margins as a benchmark.

The fair values of the acquired assets and liabilities were subject to change within the one-year measurement period. We obtained information to determine the fair values of the net assets acquired at the acquisition date during the measurement period. Since the initial valuation reflected in our financial results as of March 31, 2019, we have allocated goodwill and intangible assets between our North America and International segments, as well as among reporting units based on their respective projected cash flows. In addition, we recorded adjustments to the deferred tax liability reflecting the allocation of intangible assets between segments. The above measurement period adjustments to the preliminary valuation of assets and liabilities resulted in a net reduction of goodwill of $10.0 million during 2019. We have completed the purchase accounting process as of December 31, 2019.

The value of the goodwill is primarily related to the expected cost savings and growth opportunity associated with product development. The intangible assets, with useful lives from 8 to 17 years, are being amortized over a weighted-average useful life of 16.5 years. The customer relationship and database intangible assets are amortized using an accelerating method. Computer software and partnership agreements intangible assets are amortized using a straight-line method. The amortization methods reflect the timing of the benefits derived from each of the intangible assets.

The goodwill acquired is not deductible for tax purposes.

Unaudited Pro Forma Financial Information

The following pro forma statement of operations data presents the combined results of the Company and its acquisition of Dun & Bradstreet, assuming the acquisition completed on February 8, 2019 had occurred on January 1, 2018.

	2019	2018
Reported revenue (Successor)	$ 1,413.9	$ —
Dun & Bradstreet pre-acquisition revenue	178.7	1,716.4
Deferred revenue fair value adjustment	134.3	(152.2)
Pro forma revenue	$ 1,726.9	$ 1,564.2
Reported net income (loss) attributable to Dun & Bradstreet Holdings, Inc.(Successor)	$ (674.0)	$ —
Dun & Bradstreet pre-acquisition net income (loss)	(75.6)	288.1
Pro forma adjustments - net of income tax (1):		
Deferred revenue fair value adjustment	104.4	(118.3)
Incremental amortization of intangibles	(15.5)	(350.7)
Amortization of deferred commissions	(2.0)	16.9
Transaction costs	154.9	(114.5)
Pension expense adjustment	69.5	38.9
Equity-based compensation adjustment	8.1	—
Preferred dividend adjustment	(21.8)	(128.7)
Incremental interest expense and facility cost adjustment	(21.9)	(215.4)
Pro forma net income (loss) attributable to Dun & Bradstreet Holdings, Inc. (Successor)	$ (473.9)	$ (583.7)

(1) The blended statutory tax rate of 22.3% was assumed for 2019 and 2018 for the purpose of pro forma presentation.

(Tabular dollar amounts, except share data and per share data, in millions)

Note 16 -- Acquisitions

2020 Acquisitions

On January 7, 2020 we acquired a 100% equity interest in Orb Intelligence (“Orb”) for a purchase price of $11.6 million. Orb Intelligence offers a high quality, global database of information, with a focus on building a digital view of businesses' presence.

On March 11, 2020, we acquired substantially all of the assets of coAction.com for a purchase price of $9.6 million, of which $4.8 million was paid upon the close of the transaction and the remaining $4.8 million was paid on September 11, 2020. coAction.com is a leader in revenue cycle management in the Order-to-Cash process, serving mid to large size companies across multiple industries.

The acquisitions were accounted for in accordance with ASC 805 “Business Combinations,” as purchase transactions, and accordingly, the assets and liabilities of both entities were recorded at their estimated fair values at the respective dates of the acquisitions. Transaction costs of $0.2 million were included in selling and administrative expenses in the consolidated statement of operations and comprehensive income (loss) for the year ended December 31, 2020 (Successor). We have included the financial results of Orb and coAction.com in our consolidated financial statements since their respective acquisition dates, and the results from each of these companies were not individually or in the aggregate material to our consolidated financial statements. We allocated goodwill and intangible assets to our North America segment and have completed the purchase accounting process as of December 31, 2020.

The table below reflects the aggregate purchase price related to the acquisitions and the resulting purchase allocation:

	Amortization Life (years)	Preliminary Purchase Price Allocation at March 31, 2020	Measurement Period Adjustments	Final Purchase Price Allocation at December 31, 2020
Cash		$ 0.5	$ —	$ 0.5
Accounts receivable		0.3	—	0.3
Other		0.2	0.1	0.3
Total current assets		1.0	0.1	1.1
Intangible assets:				
Customer relationships	7	2.4	—	2.4
Technology	11	6.8	—	6.8
Goodwill	Indefinite	10.7	0.2	10.9
Deferred tax asset		0.4	—	0.4
Total assets acquired		$ 21.3	$ 0.3	$ 21.6
Total liabilities assumed		0.2	0.2	0.4
Total purchase price		$ 21.1	$ 0.1	$ 21.2

The fair value of the customer relationships intangible assets was determined by applying the income approach through a discounted cash flow analysis, specifically a multi-period excess earnings method. The valuation was based on the present value of the net earnings attributable to the measured assets.

The fair value of the technology intangible assets was determined by applying the income approach; specifically, a relief from royalty method.

The value of the goodwill is primarily related to the acquired businesses’ capability associated with product development which provides opportunity to expand our products and services offerings as well as cost synergy generated from the combined business. The intangible assets are amortized using a straight-line method. The amortization method reflects the timing of the benefits derived from each of the intangible assets.

(Tabular dollar amounts, except share data and per share data, in millions)

The goodwill acquired is partially deductible for tax purposes.

2019 Acquisition

On July 1, 2019, the Company acquired a 100% ownership interest in Lattice Engines, Inc. ("Lattice"). Lattice is an artificial intelligence powered customer data platform, enabling business-to-business (“B2B”) organizations to scale their account-based marketing and sales programs across every channel. The results of Lattice have been included in our consolidated financial statements since the date of acquisition. We have finalized the purchase allocation as of March 31, 2020 and there were no changes compared to the amounts recorded as of December 31, 2019. In connection with the acquisition of Lattice, the Company received capital funding of $100 million from Parent’s partners.

The acquisition was accounted for in accordance with ASC 805. The acquisition was valued at $127 million. Transaction costs of $0.6 million were included in selling and administrative expenses in the consolidated statement of operations and comprehensive income (loss) for the period from January 1, 2019 to December 31, 2019 (Successor). The acquisition was accounted for as a purchase transaction, and accordingly, the assets and liabilities of the acquired entity were recorded at their estimated fair values at the date of the acquisition.

The table below reflects the purchase price related to the acquisition and the resulting purchase allocation:

	Amortization Life (years)	Initial Purchase Price Allocation	Measurement Period Adjustments	Final Purchase Price Allocation
Cash		$ 0.1	$ —	$ 0.1
Accounts receivable		1.9	—	1.9
Other		0.7	—	0.7
Total current assets		2.7	—	2.7
Intangible assets:				
Customer relationships	11	25.1	(10.6)	14.5
Technology	14	48.0	(0.6)	47.4
Goodwill		43.0	12.2	55.2
Deferred tax asset		18.4	(0.9)	17.5
Other assets		0.7	(0.2)	0.5
Total assets acquired		$ 137.9	$ (0.1)	$ 137.8
Deferred revenue		$ 6.5	$ —	$ 6.5
Other liabilities		4.4	(0.1)	4.3
Total liabilities assumed		10.9	(0.1)	10.8
Total purchase price		$ 127.0	$ —	$ 127.0

The fair value of the client relationships intangible assets was determined by applying the income approach through a discounted cash flow analysis, specifically a multi-period excess earnings method. The valuation was based on the present value of the net earnings attributable to the measured asset.

The technology intangible asset represents Lattice’s premier client data platform to deliver client services and solutions. The fair value of this intangible asset was determined by applying the income approach; specifically, a relief from royalty method.

(Tabular dollar amounts, except share data and per share data, in millions)

The fair value of the deferred revenue was determined based on estimated direct costs to fulfill the related obligations, plus a reasonable profit margin based on selected peer companies' margins as a benchmark.

The value of the goodwill is primarily related to Lattice's capability associated with product development which provides potential growth opportunity in the Sales & Marketing space as well as cost synergy generated from the combined business. The intangible assets are amortized using a straight-line method. The amortization method reflects the timing of the benefits derived from each of the intangible assets.

The goodwill acquired was not deductible for tax purposes.

Unaudited Pro Forma Financial Information

The following pro forma statements of operations data presents the combined results of the Company and Lattice, assuming that the acquisition had occurred on January 1, 2018.

	Successor	Predecessor	
	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018
Reported revenue	$ 1,413.9	$ 178.7	$ 1,716.4
Lattice revenue - pre-acquisition revenue	11.1	2.9	25.1
Add: deferred revenue adjustment	2.4	—	(4.8)
Total pro forma revenue	$ 1,427.4	$ 181.6	$ 1,736.7
Reported net income (loss) attributable to Dun & Bradstreet Holdings, Inc. (Successor)/The Dun & Bradstreet Corporation (Predecessor)	$ (674.0)	$ (75.6)	$ 288.1
Pro forma adjustments - net of tax effect			
Pre-acquisition net loss	(19.7)	(1.0)	(13.1)
Intangible amortization - net of tax benefits	(1.4)	(0.4)	(3.6)
Deferred revenue adjustment - net of tax benefits	1.8	—	(3.6)
Transaction costs - net of tax benefits	0.4	—	(0.4)
Pro forma net income (loss) attributable to Dun & Bradstreet Holdings, Inc. (Successor) / The Dun & Bradstreet Corporation (Predecessor)	$ (692.9)	$ (77.0)	$ 267.4

Note 17 -- Supplemental Financial Data

Other Non-Current Assets

	December 31, 2020	December 31, 2019
Right of use assets	$ 72.9	$ 87.9
Prepaid pension assets	4.3	9.9
Investments	27.0	23.7
Other non-current assets	16.3	13.1
Total	$ 120.5	$ 134.6

(Tabular dollar amounts, except share data and per share data, in millions)

Other Accrued and Current Liabilities:

	December 31, 2020	December 31, 2019
Restructuring accruals	$ 9.9	$ 11.1
Operating expenses accruals	76.5	58.7
Accrued interest expense	29.0	49.3
Short-term lease liability	23.3	22.4
Other accrued liabilities	21.6	25.8
Total	$ 160.3	$ 167.3

Other Non-Current Liabilities:

	December 31, 2020	December 31, 2019
Deferred revenue - long term	$ 16.3	$ 7.8
U.S. tax liability associated with the 2017 Act	49.8	55.0
Long-term lease liability	68.4	71.2
Other	8.7	3.7
Total	$ 143.2	$ 137.7

Property, Plant and Equipment - Net:

	December 31, 2020	December 31, 2019
Furniture	$ 24.3	$ 22.4
Less: Accumulated depreciation	9.2	4.4
Net:	$ 15.1	$ 18.0
Leasehold improvements, less:		
Accumulated amortization of $4.8 and $3.1 as of December 31, 2020 and 2019, respectively	11.3	11.4
Property, plant and equipment - net	$ 26.4	$ 29.4

Property, plant and equipment depreciation and amortization expense for the year ended December 31, 2020 (Successor), the period from January 1, 2019 to December 31, 2019 (Successor), the period from January 1, 2019 to February 7, 2019 (Predecessor), and the year ended December 31, 2018 (Predecessor) was $9.4 million, $8.2 million, $1.1 million and $10.9 million, respectively. We also recorded impairment charges of $3.6 million included in selling and administrative expenses in the consolidated statement of operations and comprehensive income (loss) for the year ended December 31, 2020 (Successor) and for the period from January 1 to December 31, 2019 (Successor), primarily related to leasehold improvements for offices we ceased to occupy.

(Tabular dollar amounts, except share data and per share data, in millions)

Computer Software and Goodwill:

	Computer Software	Goodwill
Predecessor:		
December 31, 2018	$ 133.8	$ 770.8
Additions at cost (1)	5.0	—
Amortization	(6.8)	—
Other (2)	0.1	2.7
February 7, 2019	$ 132.1	$ 773.5
Successor:		
January 1, 2019	$ —	$ —
Acquisitions (3)	376.0	2,842.8
Additions at cost (1)	56.4	—
Amortization	(48.4)	—
Other (2)	(4.2)	(2.7)
December 31, 2019	$ 379.8	$ 2,840.1
Acquisition (4)	—	10.9
Additions at cost (1)	113.1	—
Amortization	(70.8)	—
Write-off	(1.0)	—
Other	11.6	5.2
December 31, 2020	$ 432.7	$ 2,856.2

The computer software amortization expense for the year ended December 31, 2018 (Predecessor) was $44.9 million.

(Tabular dollar amounts, except share data and per share data, in millions)

Other Intangibles:

	Customer Relationships	Database and Other	Other Indefinite-Lived Intangibles	Total
Predecessor:				
December 31, 2018	$ 75.7	$ 50.0	$ 158.4	$ 284.1
Additions	—	0.1	—	0.1
Amortization	(1.7)	(1.5)	—	(3.2)
Other (2)	0.1	—	—	0.1
February 7, 2019 (5)	$ 74.1	$ 48.6	$ 158.4	$ 281.1
Successor:				
January 1, 2019	$ —	$ —	$ —	$ —
Acquisition (6)	2,403.0	1,999.7	1,275.8	5,678.5
Additions	—	0.6	—	0.6
Amortization	(239.5)	(186.3)	—	(425.8)
Other (2)	(1.4)	(0.5)	—	(1.9)
December 31, 2019 (5)	$ 2,162.1	$ 1,813.5	$ 1,275.8	$ 5,251.4
Acquisitions (4)	2.4	6.8		9.2
Additions	—	0.6	—	0.6
Amortization	(255.1)	(201.6)	—	(456.7)
Other (2)	3.1	4.4	—	7.5
December 31, 2020 (5)	$ 1,912.5	$ 1,623.7	$ 1,275.8	$ 4,812.0

(1) Primarily related to software-related enhancements on products.

(2) Primarily due to the impact of foreign currency fluctuations.

(3) Related to the Take-Private Transaction in February 2019 and Lattice acquisition in July 2019. See Note 15 and 16 for further detail.

(4) Related to the acquisition of Orb Intelligence and coAction.com.

(5) Customer Relationships—Net of accumulated amortization of $495.5 million, $239.5 million, and $56.6 million as of December 31, 2020 (Successor), December 31, 2019 (Successor), and February 7, 2019 (Predecessor), respectively.
Database and Other—Net of accumulated amortization of $388.5 million, $186.3 million, and $121.4 million as of December 31, 2020 (Successor), as of December 31,2019 (Successor), and February 7, 2019 (Predecessor), respectively.

(6) Related to fair values of identifiable intangible assets recorded from purchase accounting as a result of the Take-Private Transaction in February 2019 and the acquisition of Lattice in July 2019.

The other intangibles amortization expense for the year ended December 31, 2018 (Predecessor) was $32.9 million.

The table below sets forth the future amortization as of December 31, 2020 associated with computer software and other intangibles primarily recognized as a result of the Take-Private Transaction and the acquisition of Lattice:

	2021	2022	2023	2024	2025	Thereafter	Total
Computer Software	$ 101.6	$ 92.5	$ 83.6	$ 56.4	$ 48.4	$ 50.2	$ 432.7
Customer Relationship	239.3	223.3	207.3	191.1	175.0	876.5	1,912.5
Database	190.3	179.1	167.8	156.6	145.3	784.6	1,623.7
Total	$ 531.2	$ 494.9	$ 458.7	$ 404.1	$ 368.7	$ 1,711.3	$ 3,968.9

(Tabular dollar amounts, except share data and per share data, in millions)

Allowance for Doubtful Accounts:

Predecessor:		
January 1, 2018	$	24.2
Additions charged to costs and expenses		6.7
Write-offs		(9.1)
Recoveries		2.7
Other (7)		(10.4)
December 31, 2018		14.1
Additions charged to costs and expenses		0.7
Write-offs		(0.6)
Recoveries		0.2
Other		0.2
February 7, 2019	$	14.6

Successor:		
January 1, 2019	$	—
Additions charged to costs and expenses		5.2
Recoveries		2.3
Other		(0.2)
December 31, 2019		7.3
Additions charged to costs and expenses		7.8
Write-offs		(5.7)
Recoveries		1.7
Other		(0.1)
December 31, 2020	$	11.0

(7) Primarily due to the reclassification of reserve for sales cancellation to Accounts Payable resulting from the adoption of Topic 606.

(Tabular dollar amounts, except share data and per share data, in millions)

Deferred Tax Asset Valuation Allowance:

Predecessor:	
January 1, 2018	$ 39.1
Additions charged (credited) to costs and expenses	(2.8)
Additions charged (credited) due to foreign currency fluctuations	(1.9)
Additions charged (credited) to other accounts	—
December 31, 2018	34.4
Additions charged (credited) to costs and expenses	—
Additions charged (credited) due to foreign currency fluctuations	—
Additions charged (credited) to other accounts	—
February 7, 2019	$ 34.4

Successor:	
January 1, 2019	$ —
Additions charged (credited) to costs and expenses	(27.2)
Additions charged (credited) due to foreign currency fluctuations	(0.5)
Acquisition	60.8
December 31, 2019	33.1
Additions charged (credited) to costs and expenses	0.5
Additions charged (credited) due to foreign currency fluctuations	2.2
Additions charged (credited) to other accounts	—
December 31, 2020	$ 35.8

Other Income (Expense) — Net

Other income (expense) - net was as follows:

	Successor		Predecessor	
	Year ended December 31, 2020	**Period from January 1 to December 31, 2019**	**Period from January 1 to February 7, 2019**	**Year ended December 31, 2018**
Non-operating pension income (expense) (1)	$ 45.9	$ 35.9	$ (85.7)	$ (2.4)
Change in fair value of make-whole derivative liability (2)	(32.8)	(172.4)	—	—
Partial debt redemption premium (3)	(50.1)	—	—	—
Miscellaneous other income (expense) – Net (4)	25.0	(18.3)	(0.3)	(0.9)
Other income (expense) – net	$ (12.0)	$ (154.8)	$ (86.0)	$ (3.3)

(1) Higher non-operating pension income for the year ended December 31, 2020 (Successor) compared to the period from January 1, 2019 to December 31, 2019 (Successor) was primarily driven by lower interest cost and higher expected asset return. Higher non-operating pension expense for the period from January 1, 2019 to February 7, 2019 was due to a one-time pension settlement charge of $85.8 million related to the then-existing U.S. Non-Qualified plans.

(2) Related to the make-whole provision associated with the Series A Preferred Stock. See Note 22 to the consolidated financial statements.

(3) See Note 6 to the consolidated financial statements.

(4) The increase in Miscellaneous Other Expense - Net for the year ended December 31, 2020 compared to each of the prior periods was primarily driven by the change in fair value related to the foreign currency collar we entered into in connection with the Bisnode acquisition and higher foreign currency exchange gains related to the revaluation of our intercompany loans.

(Tabular dollar amounts, except share data and per share data, in millions)

Note 18 -- Segment Information

Since the Take-Private Transaction, management has made changes to transform our business. As a result, during the fourth quarter of 2019, we changed the composition of our reportable segments, the classification of revenue by solution set and our measure of segment profit (from operating income to adjusted EBITDA) in the information that we provide to our CODMs to better align with how they assess performance and allocate resources. Latin America Worldwide Network, which was previously included in the Americas reportable segment, is currently included in the International segment. Accordingly, prior period results have been recast to conform to the current presentation of segments, revenue by solution set, and the measure of segment profit. These changes do not impact our consolidated results.

Our segment disclosure is intended to provide the users of our consolidated financial statements with a view of the business that is consistent with management of the Company.

We manage our business and report our financial results through the following two segments:

- North America offers Finance & Risk and Sales & Marketing data, analytics and business insights in the United States and Canada; and
- International offers Finance & Risk and Sales & Marketing data, analytics and business insights directly in the U.K., Greater China, India and indirectly through our WWN alliances.

We define adjusted EBITDA as net income (loss) attributable to Dun & Bradstreet Holdings, Inc. (Successor)/The Dun & Bradstreet Corporation (Predecessor) excluding the following items: (i) depreciation and amortization; (ii) interest expense and income; (iii) income tax benefit or provision; (iv) other expenses or income; (v) equity in net income of affiliates; (vi) net income attributable to non-controlling interests; (vii) dividends allocated to preferred stockholders; (viii) revenue and expense adjustments to include results for the period from January 8 to February 7, 2019, for the Predecessor related to the International lag adjustment; (ix) other incremental or reduced expenses from the application of purchase accounting (e.g. commission asset amortization); (x) equity-based compensation; (xi) restructuring charges; (xii) merger and acquisition-related operating costs; (xiii) transition costs primarily consisting of non-recurring incentive expenses associated with our synergy program; (xiv) legal reserve and costs associated with significant legal and regulatory matters; and (xv) asset impairment. Our client solution sets are Finance & Risk and Sales & Marketing. Inter-segment sales are immaterial, and no single client accounted for 10% or more of our total revenue.

	Successor		Predecessor	
	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018
Revenue:				
North America	$ 1,459.9	$ 1,316.5	$ 148.2	$ 1,420.6
International	299.3	236.3	56.4	295.8
Corporate and other (1)	(21.1)	(138.9)	(25.9)	—
Consolidated total	$ 1,738.1	$ 1,413.9	$ 178.7	$ 1,716.4

(1) Revenue for Corporate and other represents deferred revenue purchase accounting adjustments recorded in accordance with GAAP related to the Take-Private Transaction and Lattice acquisition included in each of the Successor periods and recent acquisitions for the year ended December 31, 2020 (Successor), and the International lag adjustment (see Note 1) included in the period from January 1 to February 7, 2019 (Predecessor).

(Tabular dollar amounts, except share data and per share data, in millions)

	Successor		Predecessor	
	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018
Adjusted EBITDA				
North America	$ 696.4	$ 634.6	$ 55.3	$ 575.9
International	94.8	78.2	20.3	91.2
Corporate and other (1)	(75.8)	(210.7)	(9.3)	(98.5)
Consolidated total	$ 715.4	$ 502.1	$ 66.3	$ 568.6
Depreciation and amortization	(536.9)	(482.4)	(11.1)	(88.7)
Interest expense - net	(270.3)	(301.1)	(5.2)	(52.5)
Dividends allocated to preferred stockholders	(64.1)	(114.0)	—	—
Benefit (provision) for income taxes	110.5	118.2	27.5	(81.6)
Other income (expense) - net	(12.0)	(154.8)	(86.0)	(3.3)
Equity in net income of affiliates	2.3	4.2	0.5	2.8
Net income (loss) attributable to non-controlling interest	(5.0)	(6.5)	(0.8)	(6.2)
Lag adjustment	—	—	(2.7)	—
Other incremental or reduced expenses from the application of purchase accounting	18.8	20.7	—	—
Equity-based compensation	(45.1)	(11.7)	(11.7)	(10.8)
Restructuring charges	(34.8)	(51.8)	(0.1)	(25.4)
Merger and acquisition-related operating costs	(14.1)	(156.0)	(52.0)	(11.6)
Transition costs	(31.9)	(37.7)	(0.3)	(0.3)
Legal expense associated with significant legal and regulatory matters	(3.9)	0.2	—	(2.9)
Asset impairment	(4.5)	(3.4)	—	—
Net income (loss) attributable to Dun & Bradstreet Holdings, Inc. (Successor) / The Dun & Bradstreet Corporation (Predecessor)	$ (175.6)	$ (674.0)	$ (75.6)	$ 288.1

(1) Corporate and other includes deferred revenue purchase accounting adjustments recorded in accordance with GAAP related to the Take-Private Transaction and recent acquisitions of $21.1 million for the Successor year ended December 31, 2020, $138.9 million for the period from January 1, 2019 to December 31, 2019 (Successor), and the International lag adjustment of $(2.7) million for the period from January 1 to February 7, 2019 (Predecessor).

(Tabular dollar amounts, except share data and per share data, in millions)

	Successor		Predecessor	
	Year ended December 31, 2020	Period from January 1 to December 31, 2019	Period from January 1 to February 7, 2019	Year ended December 31, 2018
Depreciation and amortization:				
North America	$ 45.9	$ 34.8	$ 5.8	$ 41.3
International	7.9	5.9	1.5	8.5
Total segments	53.8	40.7	7.3	49.8
Corporate and other (1)	483.1	441.7	3.8	38.9
Consolidated total	$ 536.9	$ 482.4	$ 11.1	$ 88.7
Capital expenditures:				
North America	$ 1.9	$ 9.6	$ 0.2	$ 3.6
International	5.6	1.9	0.1	0.7
Total segments	7.5	11.5	0.3	4.3
Corporate and other	0.2	1.0	(0.1)	0.8
Consolidated total	$ 7.7	$ 12.5	$ 0.2	$ 5.1
Additions to computer software and other intangibles:				
North America	$ 106.2	$ 48.0	$ 4.3	$ 39.5
International	6.1	6.4	0.8	4.9
Total segments	112.3	54.4	5.1	44.4
Corporate and other	1.4	2.0	—	8.7
Consolidated total	$ 113.7	$ 56.4	$ 5.1	$ 53.1

(1) Depreciation and amortization for Corporate and other includes incremental amortization resulting from the Take-Private Transaction and recent acquisitions.

Supplemental Geographic and Customer Solution Set Information:

	December 31, 2020	December 31, 2019
Assets:		
North America	$ 8,521.9	$ 8,480.1
International	697.5	632.7
Consolidated total	$ 9,219.4	$ 9,112.8
Goodwill:		
North America	$ 2,745.5	$ 2,734.6
International	110.7	105.5
Consolidated total	$ 2,856.2	$ 2,840.1
Other intangibles:		
North America	$ 4,534.5	$ 4,953.0
International	277.5	298.4
Consolidated total	$ 4,812.0	$ 5,251.4
Other non-current assets, excluding deferred income tax:		
North America	$ 568.5	$ 500.9
International	94.7	89.9
Consolidated total	$ 663.2	$ 590.8
Total long-lived assets	$ 8,331.4	$ 8,682.3

(Tabular dollar amounts, except share data and per share data, in millions)

mer Solution Set Revenue	**Successor**		**Predecessor**	
	Year ended December 31, 2020	**Period from January 1 to December 31, 2019**	**Period from January 1 to February 7, 2019**	**Year ended December 31, 2018**
America (1):				
e & Risk	$ 811.1	$ 728.2	$ 80.4	$ 792.6
& Marketing	648.8	588.3	67.8	628.0
North America	$ 1,459.9	$ 1,316.5	$ 148.2	$ 1,420.6
ıtional:				
e & Risk	$ 243.6	$ 191.3	$ 43.4	$ 233.6
& Marketing	55.7	45.0	13.0	62.2
nternational	$ 299.3	$ 236.3	$ 56.4	$ 295.8
rate and other:				
e & Risk	$ (10.8)	$ (82.9)	$ (19.2)	$ —
& Marketing	(10.3)	(56.0)	(6.7)	—
Corporate and other	$ (21.1)	$ (138.9)	$ (25.9)	$ —
Revenue:				
e & Risk	$ 1,043.9	$ 836.6	$ 104.6	$ 1,026.2
& Marketing	694.2	577.3	74.1	690.2
Revenue	$ 1,738.1	$ 1,413.9	$ 178.7	$ 1,716.4

(1) Substantially all of the North America revenue is attributable to the United States.

Note 19 -- Related Parties

The following sets forth certain transactions and agreements in which the Company and our affiliates, executive officers and certain directors are involved.

As a result of the completion of the Take-Private Transaction on February 8, 2019, the Company was directly owned by Parent, which was collectively controlled by entities affiliated with Bilcar, LLC ("Bilcar"), Thomas H. Lee Partners, L.P. ("THL"), Cannae Holdings, Inc. ("Cannae Holdings"), Black Knight, Inc. ("Black Knight") and CC Capital Partners LLC ("CC Capital"), collectively the "Investor Consortium." Subsequent to the close of the IPO and the concurrent private placement on July 6, 2020 (see Note 2 for further discussion), the Investor Consortium continues to be able to exercise significant voting influence over fundamental and significant corporate matters and transactions by their ability to designate five members of our board of directors.

Upon the close of the Take-Private Transaction, Anthony Jabbour was appointed as Chief Executive Officer of the Company while continuing his role as Black Knight’s Chief Executive Officer. Stephen C. Daffron, co-founder of Motive Partners, became our President and Chief Operating Officer. Additionally, William P. Foley II serves as Chairman of the Company’s board of directors, while continuing his role as Chairman of the board of directors of Cannae Holdings and Black Knight. Richard N. Massey, a member of the Company’s board of directors, serves as Chief Executive Officer and as a director of Cannae Holdings. Certain of our key employees have dual responsibilities among the Investor Consortium. Subsequent to the close of the IPO transaction, the above relationships remain the same.

On February 8, 2019, the Company entered into a services agreement with MVB Management, LLC ("MVB"), an entity affiliated with William P. Foley II, who is affiliated with Bilcar, and Chinh E. Chu, who is affiliated with CC Capital, and THL Managers VIII, LLC ("THL Managers"), an entity affiliated with THL, pursuant to which MVB and THL Managers provided services in connection with the Take-Private Transaction. The Company paid a total fee of $29.1 million to MVB under the agreement upon the close of the Take-Private Transaction, which we included as "selling and administrative expenses" in the Successor’s statement of operations and comprehensive income (loss) for the period from January 1, 2019 to December 31, 2019. Under the services agreement, the Company must reimburse the reasonable and documented out-of-pocket expenses incurred by MVB and THL Managers in performing the ongoing services. The Company has made no payments pursuant to the reimbursement provision during the year ended December 31, 2020 and the period from January 1, 2019 to December 31, 2019. The reimbursement provision was terminated following the IPO transaction. Also in connection with the IPO transaction, we paid fees of $2.5 million each to THL Managers and entities affiliated with William P. Foley II and Chinh E. Chu (Bilcar and CC Star Holdings, LP, respectively) for services provided prior to the IPO.

Pursuant to the equity commitment fee letter entered into on February 8, 2019 with THL Managers and Cannae Holdings, each committed to provide certain funding to Parent in connection with the Take-Private Transaction for which THL Managers and Cannae Holdings received a fee of $7.5 million and $12.0 million, respectively. These fees reduced the proceeds from capital contribution to the Company made in February 2019.

Pursuant to the Star Parent, L.P. Partnership Agreement, an entity jointly controlled by affiliates of CC Capital and Bilcar (the "Originating Sponsors") was granted 6,817.7428 Class B profits interest units of Parent, which were valued at $17.3 million and were included as "selling and administrative expenses" in the Successor’s statement of operations and comprehensive income (loss) for the period from January 1, 2019 to December 31, 2019. Pursuant to the Star Parent, L.P. Partnership Agreement, the Originating Sponsors also received 15,867.8087 Class C profits interest units of Parent upon the close of the Take-Private Transaction. The units were valued at approximately $37.9 million and included within "selling and administrative expenses" in the consolidated statement of operations and comprehensive income (loss) for the period from January 1, 2019 to December 31, 2019 (Successor).

Upon the close of the Take-Private Transaction, Motive Partners received $0.6 million related to due diligence consulting services pursuant to a services agreement between Parent and Motive Partners.

During the Successor period from January 1, 2019 to December 31, 2019, Motive Partners was retained to provide certain technology consulting services. Total cost incurred during the period from January 1, 2019 to December 31, 2019 for such services was immaterial.

In August 2019, the Company entered into a five-year lease agreement with Motive Partners related to the office space for the Company's London sales office starting August 1, 2019. This lease was terminated in June 2020 with a termination fee of $0.1 million. We recorded total lease costs of $1.0 million for the year ended December 31, 2020. In December 2019, the Company entered into a one-year lease agreement with Motive Partners for operations in New York starting January 1, 2020. Total payments over the one-year lease term aggregate to approximately $0.2 million.

In the normal course of business, we reimburse affiliates for certain travel costs incurred by Dun & Bradstreet Holdings, Inc. executives and board members. The amount included in selling and administrative expenses was $0.6 million for both the Successor year ended December 31, 2020 and the period from January 1, 2019 to December 31, 2019.

On January 1, 2020, the Company entered into a three-year service agreement with Trasimene Capital Management, LLC (the "Advisor"), an entity affiliated with Cannae Holdings, and controlled by Mr. Foley. The agreement is subject to renewal. Pursuant to the agreement, the Advisor provides the Company strategic advisory services, in exchange for transaction fees that are calculated based on 1% of the value of each transaction for which the Advisor performs services. Under the service agreement, the Company is also obligated to reimburse the reasonable and documented out-of-pocket expenses incurred by the Advisor. We incurred costs of $0.4 million for transaction fees to the Advisor for the year ended December 31, 2020.

In connection with the IPO transaction, the Originating Sponsors agreed to waive certain anti-dilution rights they had pursuant to the Star Parent Partnership Agreement and to terminate such provision following the offering. In exchange for such waiver and termination, we made a payment of $30.0 million to an entity jointly controlled by affiliates of the Originating Sponsors upon the closing of the IPO transaction on July 6, 2020. In addition, on June 30, 2020, each of Mr. Foley and Mr. Chu received options to purchase 2,080,000 shares of our common stock at an exercise price equal to the initial public offering price. The options were fully vested upon grant. The options were valued at $20.0 million, which was reflected in Selling and Administrative Expenses for the year ended December 31, 2020.

In connection with and immediately subsequent to the closing of the IPO, a subsidiary of Cannae Holdings, a subsidiary of Black Knight and affiliates of CC Capital purchased a total of 18,458,700 shares of common stock from us in a private placement at a price per share equal to 98.5% of the IPO price of $22.00 per share for proceeds of $200.0 million, $100.0 million and $100.0 million, respectively.

Note 20 -- Contractual Obligations

Acxiom Corporation and Ensono, L.P.

We currently outsource certain of our product and technology capabilities in North America and our fulfillment processes in Europe to Acxiom in order to increase the speed, data processing and matching capabilities for our global sales and marketing clients. Effective January 1, 2020, the agreement was modified and extended through December 31, 2020, and subsequently extended through June 30, 2021. Together with other fulfillment contracts the aggregate remaining minimum obligation as of December 31, 2020 is approximately $7 million.

Effective July 1, 2019, the Company amended and extended its previous service agreement with Ensono L.P. ("Ensono") through June 30, 2024. Pursuant to the agreement, Ensono provides information technology and data processing services, including additional services and services previously provided. The agreement is non-cancellable before July 1, 2022. We can terminate the agreement starting July 1, 2022 with a fee as defined in the agreement. At December 31, 2020, total payments to Ensono over the remaining term of the above contract, excluding the lease components accounted for in accordance with Topic 842, will aggregate to approximately $105 million.

We incurred costs of approximately $86 million, $56 million, $6 million, and $60 million under all of these outsourcing agreements for the year ended December 31, 2020 (Successor), the period from January 1, 2019 to December 31, 2019 (Successor), the period from January 1, 2019 to February 7, 2019 (Predecessor) and the year ended December 31, 2018 (Predecessor), respectively.

Cognizant Technology Solutions

Effective February 2018, we entered into a new three-year agreement with Cognizant Technology Solutions ("CTS") to consolidate the majority of the existing service agreements in which CTS provides technology support to develop applications for our products and solutions. We can terminate the agreement at any time with six months' prior written notice and a $4.5 million termination fee. The agreement ended December 31, 2020. A separate three-year agreement dated June 1, 2015, in which CTS provides global maintenance and support for our daily applications and systems, was extended to May 31, 2020. Effective May 1, 2020, we entered into a new two-year agreement.

We incurred costs of approximately $33 million, $35 million, $4 million, and $37 million under all of these agreements for the year ended December 31, 2020, the period from January 1, 2019 to December 31, 2019 (Successor), the period from January 1, 2019 to February 7, 2019 (Predecessor) and the year ended December 31, 2018 (Predecessor), respectively. At December 31, 2020, total payments over the remaining terms of the above agreements will aggregate to approximately $10 million.

Worldwide Network Partnership Agreements

We have entered into commercial service agreements with our third-party Worldwide Network Partners with various terms ranging from 5 to 10 years. These agreements provide us access to certain international data and services from our partners in order to serve our global clients. Effective January 1, 2020, we renegotiated our agreements with our WWN Partners, which expanded our buying capacity.

We incurred costs of approximately $90 million, $23 million, $3 million, and $22 million under all of these agreements for the year ended December 31, 2020 (Successor), the period from January 1, 2019 to December 31, 2019 (Successor), the period from January 1, 2019 to February 7, 2019 (Predecessor) and the year ended December 31, 2018 (Predecessor), respectively. At December 31, 2020, total payments to our Worldwide Network Partners over the remaining terms of all agreements aggregate to approximately $359 million.

(Tabular dollar amounts, except share data and per share data, in millions)

The following table quantifies our future contractual obligations as discussed above, as well as other contractual obligations, as of December 31, 2020:

	2021	2022	2023	2024	2025	Thereafter	Total
Commitments to Outsourcers and Other Purchase Obligations	$ 207.7	$ 146.6	$ 67.1	$ 51.2	$ 32.9	$ 60.6	$ 566.1

The table above excludes our obligations with respect to debt, leases, contingent liabilities, unrecognized tax benefits and pension obligations for which funding requirements are uncertain Our obligations with respect to debt are discussed in Note 6 to our consolidated financial statements. Our obligations with respect to leases are discussed in Note 7. Our contingent liabilities with respect to legal matters are discussed in Note 8 to our consolidated financial statements. Our obligations with respect to unrecognized tax benefits are discussed in Note 9 to our consolidated financial statements. Our obligations with respect to pension and postretirement medical benefit plans are described in Note 10 to our consolidated financial statements.

Note 21 -- Quarterly Financial Data (Unaudited)

Our quarterly financial statements are prepared on the same basis as the audited annual financial statements, and include all adjustments necessary for the fair statement of our results of operations for these periods.

	For the Three Months Ended			
	Successor			
	March 31,	June 30,	September 30,	December 31,
2020				
Revenue (1)	$ 395.3	$ 420.6	$ 442.1	$ 480.1
Operating income (loss) (2)	$ (8.3)	$ (1.4)	$ 45.2	$ 27.5
Net income (loss) (3)(4)	$ 73.9	$ (173.8)	$ (14.9)	$ 8.3
Net (income) loss attributable to the non-controlling interest	$ (0.4)	$ (1.2)	$ (2.1)	$ (1.3)
Net income (loss) attributable to Dun & Bradstreet Holdings, Inc. (Successor)	$ 41.5	$ (207.1)	$ (17.0)	$ 7.0

(1) Includes a reduction of revenue of $17.4 million for the three months ended March 31, 2020 due to deferred revenue purchase accounting adjustment in connection with the Take-Private Transaction.

(2) Included within selling and administrative expenses is an expense of $20.0 million for the three months ended June 30, 2020, related to stock option expense in connection with the IPO.

(3) Includes an expense within non-operating expense-net of $41.3 million and $25.5 million in the three months ended June 30, 2020 and September 30, 2020, respectively, related to the premium paid and the write-off of the associated debt issuance cost and discount as a result of the partial redemption of our senior secured and unsecured notes (see Note 6).

(4) Includes within non-operating expense-net a gain of $69.8 million for the three months ended March 31, 2020, and an expense of $102.6 million for the three months ended June 30, 2020 related to the change in fair value of make-whole derivative liability.

(Tabular dollar amounts, except share data and per share data, in millions)

	Predecessor	For the Three Months Ended			
		Successor			
	Period from January 1 to February 7, 2019	March 31,	June 30,	September 30,	December 31,
2019					
Revenue (1)	$ 178.7	$ 174.1	$ 398.9	$ 408.2	$ 432.7
Operating loss (2)	$ (11.6)	$ (202.9)	$ (9.1)	$ (1.0)	$ (7.0)
Net loss (3)	$ (74.8)	$ (209.6)	$ (60.5)	$ (55.3)	$ (228.1)
Net (income) loss attributable to the non-controlling interest	$ (0.8)	$ (0.4)	$ (1.5)	$ (1.4)	$ (3.2)
Net loss attributable to Dun & Bradstreet Holdings, Inc. (Successor) / The Dun & Bradstreet Corporation (Predecessor)	$ (75.6)	$ (227.9)	$ (94.0)	$ (88.8)	$ (263.3)

(1) Includes a reduction of revenue of $39.6 million, $39.2 million, $38.0 million, and $22.1 million for the three months ended March 31, June 30, September 30, and December 31, 2019 (Successor), respectively and excludes revenue of $25.9 million for the period from January 1 to February 7, 2019 (Predecessor) due to International lag adjustment also in connection with the Take-Private Transaction.

(2) Includes transaction costs of $147.4 million and $52.0 million directly attributable to the Take-Private Transaction for the Successor three months ended March 31, 2019 and the Predecessor period from January 1 to February 7, 2019, respectively. In addition, for the Predecessor period from January 1 to February 7, 2019, we incurred $10.4 million to accelerate the vesting of equity-based grants as a result of the Take-Private Transaction. We also incurred higher amortization for the Successor periods associated with recognized intangible assets resulting from the Take-Private Transaction. See Note 15 and 16.

(3) Includes an expense within non-operating expense-net of $85.8 million to settle a portion of the U.S. Non-Qualified plans in the Predecessor period from January 1, 2019 to February 7, 2019 as a result of the Take-Private Transaction and an expense of $172.4 million in the three months ended December 31, 2019 (Successor) related to the change in fair value of make-whole derivative liability.

Note 22 -- Preferred Stock

In connection with the Privatization Transaction on February 8, 2019, Dun & Bradstreet Holdings, Inc. issued 1,050,000 shares of Cumulative Series A Preferred Stock ("Series A Preferred Stock") for $1,028.4 million, net of issuance discount of $21.6 million. Together with other financing sources, the net proceeds were used to consummate the Take-Private Transaction.

Each outstanding share of Series A Preferred Stock had a liquidation preference equal to the sum of (a) the stated value ($1,000.00 per share) (the "Stated Value") plus (b) all accrued, accumulated and unpaid dividends. The Series A Preferred Stock was entitled to cumulative dividend at (a) 12% per annum from February 7, 2019 to February 7, 2027; (b) 13% per annum from February 8, 2027 to February 8, 2028; and (c) 14% per annum from and after February 8, 2028. Unpaid dividends were accumulated and compounded quarterly regardless of whether they were declared.

The Series A Preferred Stock was redeemable upon the occurrence of a material event including a qualified IPO at an applicable price depending on when the redemption event occurred.

Upon the closing of the IPO on July 6, 2020 (see further discussion in Note 2 to the consolidated financial statements), we redeemed all of the outstanding Series A Preferred Stock. In addition, we made the total make-whole payment of $205.2 million.

The Company classified the Series A Preferred Stock as mezzanine equity because the instrument contained a redemption feature which was contingent upon certain events, the occurrence of which was not solely within the control of the Company.

We bifurcated embedded derivatives and assessed fair value each reporting date. Beginning in November 2019, we determined that there was a more than remote likelihood that the Series A Preferred Stock would become redeemable before November 8, 2021. As a result we determined the fair value of the make-whole provision to be $172.4 million at December 31, 2019, which was included "Other income (expense) - net" in the statement of operations and comprehensive income (loss) for the period from January 1, 2019 to December 31, 2019 (Successor) and reflected as "Make-whole derivative liability" within the consolidated balance sheet as of December 31, 2019. For the year ended December 31, 2020 up to redemption, we recorded a loss of $32.8 million within "Other income (expense) - net," related to the change of fair value during the period. The fair value was estimated using the with and without method and based on management's estimate of probability of the triggering event associated with the make-whole derivative liability.

The Series A Preferred Stock was fully accreted to the redeemable balance of $1,067.9 million using the interest method upon the redemption. We recorded accretion of $36.1 million and $3.4 million to the mezzanine equity using interest method for the year ended December 31, 2020 (Successor) and for the period from January 1, 2019 to December 31, 2019 (Successor), respectively.

On May 14, 2020, March 4, 2020, December 16, 2019, July 30, 2019 and May 31, 2019, the board of directors of Dun & Bradstreet Holdings, Inc. declared a cash dividend of $30.51 per share to all holders of shares of Series A Preferred Stock. An aggregate amount of $32.1 million, $32.0 million, $32.0 million, $32.1 million, $10.7 million and $21.3 million was paid on June 26, 2020, March 27, 2020, December 27, 2019, September 27, 2019, June 28, 2019 and on June 19, 2019, respectively.

Note 23 -- Subsequent Events

On January 8, 2021, we acquired 100% ownership of Bisnode Business Information Group AB ("Bisnode"), a leading European data and analytics firm and long-standing member of the Dun & Bradstreet WWN alliances, for a total purchase price of $805.8 million. The transaction closed with a combination of cash of $646.9 million and 6,237,087 newly issued shares of common stock of the Company in a private placement valued at $158.9 million based on the stock closing price on January 8, 2021. Upon the close of the transaction, we settled a zero-cost foreign currency collar and received $21.0 million, which reduced our net cash payment for the acquisition. We will account for the transaction in accordance with ASC 805, "Business Combinations," and accordingly the assets and liabilities will be recorded at their estimated fair values at the date of acquisition. The results of Bisnode will be included in our consolidated financial statements from the date of acquisition.

Effective January 27, 2021, we amended our credit agreement dated February 8, 2019, specifically related to the Term Loan Facility. The repricing reduced the applicable margin for the term loan facility by 0.50% overall, resulting in a margin spread of LIBOR plus 3.25% per annum.