CAMELOT HOLDINGS (JERSEY) LIMITED

Report on Consolidated Balance Sheets as of December 31, 2017 and 2016, Consolidated or Combined Income (Loss) Statements, Statements of Comprehensive Income (Loss), Changes in Equity and Cash Flows for the year ended December 31, 2017, the period August 4, 2016 through December 31, 2016, and the period January 1, 2016 through October 2, 2016

CAMELOT HOLDINGS (JERSEY) LIMITED

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Introductory Note

In this annual report, unless otherwise indicated or the context otherwise requires, the terms "the Company," "us," "we," and "our" refer to Camelot Holdings (Jersey) Limited and its subsidiaries. Camelot Holdings (Jersey) Limited ("Jersey" or "Successor") was registered on August 4, 2016 as a private limited liability corporation organized under the laws of Jersey. Its registered office is located at 4th Floor, St Paul's Gate, 22-24 New Street, St. Helier, Jersey JE1 4TR.

On July 10, 2016, Bidco (as defined below), a wholly owned indirect subsidiary of Jersey, entered into a Stock and Asset Purchase Agreement with the Former Parent (as defined below) and certain of its subsidiaries to acquire 100% of certain wholly owned direct and indirect subsidiaries and assets of the Former Parent comprising its IP&S (as defined below) business (the "Predecessor"). The acquisition closed on October 3, 2016 for total consideration of $3,567 million and was subject to customary working capital adjustments. The purchase price for the acquisition was financed through (i) the equity contributions made by the Sponsors (as defined below) and certain co-investors of $1,635 million in cash, (ii) borrowings under a first lien senior secured term loan facility of $1,550 million and (iii) the issuance of $500 million in senior notes.

Certain Definitions

Unless the context otherwise requires, as used in this report:

- "*Acquisition*" refers to the transactions pursuant to the Acquisition Agreement, pursuant to which the Buyer acquired IP&S, including both the Day 1 Acquisition and Day 2 Acquisitions;
- "*Acquisition Agreement*" means that certain Stock and Asset Purchase Agreement, including all exhibits and schedules thereto, dated as of July 10, 2016, by and among Former Parent and certain of its subsidiaries and Bidco, and all side letters and other agreements related thereto, in each case, as amended up to and including Day 1 Closing Date;
- "*Acquisition Companies*" refers to certain U.S. and non-U.S. direct and indirect acquisition subsidiaries of Bidco that may from time to time be direct borrowers under the Revolving Credit Facility;
- "*Annual Report*" refers to the Camelot Holdings (Jersey) Limited Report on Consolidated and Combined Balance Sheets, Income Statements, and Statements of Comprehensive Income, Changes in Equity and Cash Flows as of December 31, 2017 and 2016 and for the periods August 4 through December 31, 2016, and January 1 through October 2, 2016.
- "*Baring Private Equity Asia"* or "*BPEA*" refers to the private investment funds managed by Baring Private Equity Asia GP VI, L.P.;
- "*Bidco*" refers to Camelot UK Bidco Limited, a private limited liability company incorporated under the laws of England and Wales, and a direct wholly owned subsidiary of UK Holdco;
- "*Buyer*" refers collectively to Bidco and the Acquisition Companies;
- "*Company*" refers to Camelot Holdings (Jersey) Limited, a private limited liability company organized under the laws of Jersey and the direct parent of Top Holdco, and its subsidiaries;
- "*Credit Agreement*" refers to the credit agreement governing the Senior Secured Credit Facilities, dated as of the Day 1 Closing Date, by and among UK Holdco, Bidco, the Issuer, the Tower Borrowers, the other borrowers and guarantors from time to time party thereto, the lenders from time to time party thereto and Credit Suisse AG, Cayman Islands Branch, as administrative agent, as amended or supplemented from time to time;
- "*Day 1 Acquisition*" refers to the acquisition by the Buyer of the Day 1 Countries and the payment of the purchase price for the Predecessor;

- “*Day 1 Closing Date*” refers to the closing date of the Day 1 Acquisition, the offering of the Notes and the borrowings under the Senior Secured Credit Facilities, which occurred on October 3, 2016;

- “*Day 1 Countries*” refers collectively to (a) certain assets and liabilities related to the Company’s business and (b) all of the equity interests and substantially all of the assets and liabilities of certain entities engaged in the Company’s business, which, together with their subsidiaries, in each case excluding the Day 2 Countries, were acquired by the Buyer from the Sellers on the Day 1 Closing Date;

- “*Day 2 Acquisitions*” refers to the acquisitions by the Buyer of the Day 2 Countries;

- “*Day 2 Closing Date*” refers to the applicable closing date with respect to each closing of the acquisition of a Day 2 Country, all of which were completed by the end of the second quarter of 2017;

- “*Day 2 Countries*” (such portion of the Company by country, a “*Day 2 Country*”) refers collectively to (a) certain assets and liabilities related to the Company’s business located in, and (b) all of the equity interests and substantially all of the assets and liabilities of certain entities engaged in the Company’s business (together with their subsidiaries) organized under the laws of China, France, India and Taiwan;

- “*Former Parent*” refers to Thomson Reuters Corporation;

- “*Guaranty and Security Principles*” refers to the guaranty and security principles set out in a schedule to the Credit Agreement or any replacement thereto;

- “*Indenture*” refers to the agreement governing the Notes, dated as of the Day 1 Closing Date, among the Issuer, Bidco, certain Notes Guarantors party thereto and the Trustee, as amended or supplemented from time to time;

- “*IP&S*” refers to the Intellectual Property & Science business, which was wholly owned by the Former Parent until the Day 1 Closing Date;

- “*Issuer*” refers to Camelot Finance S.A., a public limited liability company (société anonyme) organized and established under the laws of the Grand Duchy of Luxembourg, having its registered office at 14, Rue Edward Steichen, L-2540 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (Registre de commerce et des sociétés, Luxembourg) under number B 208514;

- “*N/M*” refers to “not meaningful”;

- “*Notes*” refers to the $500 million in aggregate principal amount of 7.875% senior notes due 2024 issued pursuant to the Indenture;

- “*Notes Guarantees*” refers to the senior unsecured guarantees provided, subject to the Agreed Security Principles as set out in a schedule to the Credit Agreement or any replacement thereto, (i) by Bidco and each of Bidco’s subsidiaries formed in the United States or any state thereof and by each of Bidco’s other subsidiaries that is an obligor under the Senior Secured Credit Facilities and (ii) from time to time by any other subsidiary of Bidco that becomes an obligor under the Senior Secured Credit Facilities. The guarantees under the Senior Secured Credit Facilities are subject to a minimum guarantor coverage threshold and, as a result, other subsidiaries may be required to provide a Notes Guarantee in the future;

- “*Notes Guarantors*” refers collectively to those subsidiaries of Jersey that provide or will be providing Notes Guarantees;

- “*Publons*” refers to Publons Limited, which was acquired on June 1, 2017;

- “*Revolving Credit Facility*” refers to a first lien senior secured revolving credit facility in an aggregate principal amount of $175 million, with a letter of credit sublimit of $25 million, to be borrowed by certain of the borrowers thereunder, as amended to date;

- “*Securities Act*” refers to the U.S. Securities Act of 1933, as amended;
- “*Sellers*” refers collectively to Thomson Reuters Global Resources, Thomson Reuters U.S. LLC and Thomson Reuters Corporation;
- “*Senior Secured Credit Facilities*” refers to the (i) Revolving Credit Facility and (ii) the Term Loan Facility;
- “*Sponsors*” refers collectively to funds managed by an affiliate of Onex Partners Manager LP and private investment funds managed by Baring Private Equity Asia GP VI, L.P. and their respective affiliates;
- “*Term Loan Facility*” refers to a first lien senior secured term loan facility in an aggregate principal amount of $1,550 million, which was borrowed by the Tower Borrowers, the Issuer and certain U.S. Acquisition Companies, as amended to date;
- “*Thomson Reuters*” refers collectively to the Former Parent and its controlled entities;
- “*Top Holdco*” refers to Camelot UK Top Holdco Limited, a private limited liability company incorporated under the laws of England and Wales, a direct wholly owned subsidiary of Jersey and the direct parent company of UK Holdco;
- “*Tower Borrowers*” refers collectively to Camelot Cayman LP, a Cayman Islands exempted limited partnership (controlled by Onex Corporation), which is co-borrower of the Term Loan Facility and a guarantor under the Revolving Credit Facility and Camelot Finance LP, a Delaware limited partnership (controlled by Onex Corporation), which was a co-borrower of the Term Loan Facility and a guarantor under the Revolving Credit Facility through December 31, 2017, at which time it was dissolved;
- “*Transactions*” refers collectively to the Acquisition, the equity contributions by the Sponsors and certain co-investors, the borrowings under the Senior Secured Credit Facilities, the offering of the Notes, certain post-closing internal restructuring transactions, the addition of certain post-Day 1 Closing Date liens and guarantees (if applicable), the payment of related fees and expenses and the other transactions;
- “*Transition Services Agreement*” refers to the agreement, dated July 10, 2016, and as amended from time to time, between Bidco and Thomson Reuters U.S. LLC, executed in connection with the Acquisition, pursuant to which Thomson Reuters U.S. LLC will, or will cause its affiliates and/or third-party service providers to, provide Bidco, its affiliates and/or third-party service providers with certain technology, facilities management, human resources, sourcing, financial, accounting, data management, marketing and other services to support the operation of the Company as an independent company;
- “*Trustee*” refers to Wilmington Trust, National Association, acting on behalf of the holders of the Notes; and
- “*UK Holdco*” refers to Camelot UK Holdco Limited, a private limited liability company incorporated under the laws of England and Wales, a direct wholly owned subsidiary of Top Holdco and the direct parent of Bidco.

Basis of Presentation

Successor and Predecessor Financial Information on an Aggregated Basis

Unless otherwise noted, we generally present Successor and Predecessor financial information for the year ended December 31, 2016 on an aggregated basis in this report. This aggregation is not a U.S. GAAP measure and does not purport to be on a proforma basis. However, we believe that such an aggregated presentation of the 2016 Successor and Predecessor periods provides a more meaningful comparison to the year ended December 31, 2017, in respect of the underlying operating performance of Jersey.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

- our ability to compete in the highly competitive markets in which we operate, including with respect to our ability to keep pace with or adapt to rapidly changing technology;
- the reputation of our brands and our ability to remain a trusted source of high-quality content, analytics services and workflow solutions;
- our ability to develop new products or migrate an existing product or service to a new system without experiencing design defects, errors, failures or delays;
- our ability to comply with the anti-corruption laws of the United States and various international jurisdictions, as well as other laws and regulations relating to economic sanctions and export controls;
- uncertainty, downturns and changes in the markets we serve, including with respect to the results of the United Kingdom's withdrawal from the European Union;
- our ability to attract, motivate and retain qualified employees, including members of our senior management team;
- our dependence on third parties for data, information and other services that we provide to our customers, as well as for our telecommunications, data centers and network systems;
- increased accessibility to free or relatively inexpensive information, which could reduce demand for our products and services;
- our ability to maintain high revenue renewal rates;
- government and agency demand for our products and services and our ability to comply with government contracting regulations;
- restrictions on our use of certain identifying information, including the Thomson Reuters name and logo, following the Transactions;
- cyber security attacks or other privacy breaches;
- exchange rate fluctuations and volatility in global currency markets;
- the international scope of our operations and our corporate and financing structure, which may expose us to potentially adverse tax consequences, including implications of changing regulations like U.S. tax reform;
- involvement in legal proceedings, including our ability to protect our IP rights and to prevail in potential IP infringement claims brought against us;
- changes in legislation and regulation, which may impact how we provide products and services and how we collect and use information;
- consequences of the long selling cycle for certain of our products;
- our ability to transition successfully to being an independent company;
- our ability to successfully integrate future acquisitions, joint ventures and investments and execute dispositions;
- risks that the Transactions may disrupt our current plans and operations and the potential for diversion of management's attention from ongoing business concerns to matters related to the Transactions;
- the interests of our controlling shareholders;
- our level of indebtedness and our ability to fund debt obligations and comply with the covenants in our debt instruments;
- other factors disclosed in this report; and
- other factors beyond our control.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The above list is not exhaustive. Some of the risks and uncertainties include, but are not limited to, those described in the "Risk Factors" section of this report. Those factors should not be construed as exhaustive and should be read with the other cautionary statements in this report.

Although we base these forward-looking statements on assumptions that we believe are reasonable when made, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the markets in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this report. In addition, even if our results of operations, financial condition and liquidity, and the development of the markets in which we operate, are consistent with the forward-looking statements contained in this report, those results or developments may not be indicative of results or developments in subsequent periods.

Given these risks and uncertainties, you are cautioned not to place undue reliance on forward-looking statements. Any forward-looking statements that we make in this report speak only as of the date of those statements, and we undertake no obligation to update those statements or to publicly announce the results of any revisions to any of those statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

Business

Overview

We are a leading global information services and analytics company serving the scientific research and IP markets. Universities, research and development-intensive businesses, government agencies and law firms around the world depend on our high-value, curated content, analytics, services and workflow solutions to facilitate the discovery, development, protection, commercialization and measurement of their scientific research, innovations and brands. We believe we have benefited and will continue to benefit from the substantial increase in unstructured data as our highly curated, proprietary databases source, aggregate, translate and categorize data in order to make it more valuable for our customers and enable their decision-making processes. We believe the strong value proposition of our content, combined with integration into our customers' daily workflows, leads to substantial customer loyalty.

On October 3, 2016, Jersey indirectly acquired 100% of (i) certain assets and liabilities related to the IP&S business owned by the Sellers and (ii) all of the equity interests and substantially all of the assets and liabilities of certain entities engaged in the IP&S business together with their subsidiaries. Jersey is owned by the Sponsors and certain co-investors and controlled by Onex Corporation.

Business Strategy/ Industry Trends

In order for us to continue to serve our existing customers and attract new customers, we have developed a multi-pronged organic growth strategy. This strategy focuses on strengthening our core businesses by enhancing our sales and go-to-market capabilities, particularly in emerging markets, tailoring our marketing efforts to further highlight areas of competitive differentiation and improving our existing offerings by expanding the ways our customers can extract value from our databases through data analytics, visualizations and "community" features that promote collaboration among users.

In the near term, we intend to grow our business with current customers through increased product usage (including cross-selling additional products) as well as through contractual or customary price increases on subscription renewal. We intend to also benefit from new customer wins across our primary customer groups with a higher proportion of growth from the emerging market regions across most of our products. We expect to see continued innovation in these markets where our products are highly valued, expanding our addressable market. In certain developed markets, where penetration is higher within our primary customer groups, growth in excess of customary price increases will be sought through the development and sale of new or enhanced content delivery platforms and analytical tools that (i) deliver unique insights from our curated content sets to existing customers or (ii) offer our existing content to new customer groups or industry verticals tailored to meet their specific use cases.

Products

We serve a large, diverse and global customer base of over 70,000 entities in more than 170 countries, including universities, government agencies, and pharmaceutical and biotechnology companies.

We offer multiple products and services across our six business lines in order to have the desired mix of resources and the ability to shift resources into faster growing areas. In the second quarter of 2017, our business lines were renamed, although the underlying products did not change. Our business lines are organized as follows:

- Scientific and Academic Research (SAR): Provides highly curated products primarily used by universities to navigate scientific literature, facilitate research and evaluate and measure the quality of researchers, institutions and scientific journals in a particular discipline of study;

- IP and Standards: Serves patent and legal professionals within research and development-intensive businesses with patent content, analytics and professional services across the development and commercialization phases of the IP lifecycle; Standards serves a broad range of technical professionals, with industry codes and standards, to assist with quality and compliance processes through the commercialization phase of the IP lifecycle;

- Life Sciences: Serves the content and analytics needs of pharmaceutical and biotechnology companies across the drug development lifecycle with products that provide content on discovery and pre-clinical research, competitive intelligence, regulatory information and clinical trials;

- CompuMark: Provides trademark establishment and protection services to businesses and legal professionals through a comprehensive trademark database;
- MarkMonitor: Provides enterprise web domain portfolio management and online brand protection products and services to businesses; and
- IP Management (IPM): Serves legal professionals, researchers, engineers and licensing professionals by helping them with monitoring, managing and making renewal payments on their patent and trademark portfolio.

Subscription Revenues

Subscription-based revenues are recurring revenues that are earned under annual, evergreen or multi-year contracts pursuant to which we license the right to use our products to our customers. Revenues from the sale of subscription data and analytics solutions are typically invoiced annually in advance and recognized ratably over the year as revenues are earned. In limited circumstances, we may continue providing services to a customer beyond an initial contract term. We do not recognize this related revenue until contractually eligible. This seasonality is most apparent in the first half of the year.

We generate predictable and recurring revenues through our subscription-based business model, which accounted for 80% and 77% of our 2017 and 2016 revenues, respectively. In order to measure the degree of retention of these subscriptions we compute a retention rate. This metric is calculated as the annual renewed subscription amount divided by the annual subscription that is due for renewal. The retention metric shows the percentage value that is retained.

Transactional Revenues

Transactional revenues are revenues that are earned under contracts for specific deliverables that are typically quoted on a product, data set or project basis and often derived from repeat customers, including customers that also generate subscription-based revenues. Revenues from the sale of transactional products and services are invoiced according to the terms of the contract, typically in arrears. Transactional content sales are usually delivered to the customer instantly or in a short period of time, at which time revenues are recognized. In the case of professional services, these contracts vary in length from several months to years for multi-year projects and customers are typically invoiced based on the achievement of milestones.

Transactional revenues accounted for 20% and 23% of total revenues for 2017 and 2016, respectively. Transactional revenues are typically generated on a unit basis, although for certain product and service offerings transactional revenues are generated on a seat basis. Transactional revenues may involve sales to the same customer on multiple occasions but with different products or services comprising the order.

The largest component of transactional revenues is from the “clearance searching” offering of our CompuMark business. We conduct clearance searching when customers engage us to perform a more thorough evaluation of a proposed trademark’s availability. Although we classify “clearance searching” as transactional revenues, we have numerous long-term customer relationships in this business line that purchase some volume of “clearance searching” each year.

Web of Science, which is part of our SAR business, offers a transactional product that is available with the primary subscription product and is referred to as a “backfile.” Backfile transactions consist of sales of historical content for certain years beyond those included in a base subscription and are available for customers to purchase to augment their Web of Science subscriptions. Backfile revenues vary from year to year based on customers’ budget availability, existing backfile offering and desire to expand their dataset to have greater historical depth.

Our Techstreet product, which is part of our IP and Standards business, includes transactional products that aggregate standards that customers use to assist with compliance and mitigate risk. Techstreet revenues can be impacted by large releases of new industrial standards that have the ability to cause revenues to change from one period to the next, similar to a new product launch.

Competitive Environment and Competitive Strengths

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

We believe no single competitor currently offers the same scope of services and market coverage we provide. The breadth of markets we serve exposes us to a broad range of competitors as described below.

Our primary competitors for each of our business lines include the following:

- SAR: Reed Elsevier (Scopus), RefWorks, ProQuest, EBSCO and Aries.
- IP and Standards: CPA Global (Innography), Questel, LexisNexis, PatBase, IHS and patent office sites.
- Life Sciences: Informa, Wolters Kluwer, IMS and Tarius.
- CompuMark: Corporation Service Company ("CSC"), Corsearch, TrademarkNow and Markify.
- MarkMonitor: CSC, NetNames (which was recently acquired by CSC) and LegitScript.
- IPM: CPA Global, Dennemeyer, Anaqua and CPi.

Technology

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

Much of the technology we use and provide to our customers is developed, maintained and supported by approximately 802 employees. We also utilize approximately 806 contractors to support our technology operations. We generally own or have secured ongoing rights to use for the purposes of our business all the customer-facing applications which are material to our operations.

We are continually transforming our content, products, services and company to better meet our customers' needs. We also are focused on securing our customer data and global systems as we implement and enhance our security programs. In connection with the Acquisition, we are migrating the infrastructure for several of our customer applications and content databases from Thomson Reuters' data centers to Amazon Web Services, which provides a distributed computing infrastructure platform for business operations, or what is commonly referred to as a "cloud" computing service.

Intellectual Property

As of December 31, 2017, we owned approximately 447 registered trademarks, 241 trademark applications, 1,382 domain names, 50 granted patents and 62 patent applications. We also own certain proprietary software. In addition, we are licensed to use certain third-party software, and obtain significant content and data through third-party licensing arrangements with content providers. We consider our trademarks, service marks, databases, software and other IP to be proprietary, and rely on a combination of statutory (e.g., copyright, trademark, trade secret and patent), contractual and technical safeguards to protect our IP rights. We believe that the IP we own and license is sufficient to permit us to carry on our business as presently conducted.

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

In connection with the Acquisition, including the expiration of the transitional period set forth in, and for the limited purposes described in, the Acquisition Agreement and the trademark license agreement entered into in connection with the Acquisition, we will no longer be permitted to use the Thomson Reuters name or logo, or variants of either, in connection with the conduct of our business. We currently have only a transitional license to continue use of such marks, and upon expiration of such license we will need to rely exclusively on marks that do not contain the Thomson Reuters name or logo. As a result, we are undertaking re-branding and re-designation activities with respect to certain of our products and services, including those that contain the Thomson trademark. We believe that our customers recognize and respect many of our product offerings separate and apart from their connection to Thomson Reuters, and that,

particularly where our products and services do not contain the Thomson Reuters name or logo, such as Web of Science, Cortellis and MarkMonitor, there was no re-branding or re-designation.

Regulatory Environment

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

Employees

As of December 31, 2017, approximately 4,200 full-time and approximately 130 part-time employees support our business operations. None of our employees in the United States are represented by unions; however, customary representation by unions and works councils applies for certain of our non-U.S. employees. We consider our relationship with the employees to be good and have not experienced interruptions to operations due to labor disagreements.

Risk Factors

The following is a cautionary discussion of risks, uncertainties and assumptions that we believe are significant to our business. In addition to the factors discussed elsewhere in this report, the following are some of the important factors that, individually or in the aggregate, we believe could make our actual results differ materially from those described in any forward-looking statements. It is impossible to predict or identify all such factors and, as a result, you should not consider the following factors to be a complete discussion of risks, uncertainties and assumptions. The risks discussed below also include forward-looking statements, and our actual results may differ materially from those discussed in these forward-looking statements. See "Cautionary Statement Regarding Forward-Looking Statements."

Risks Related to Our Business

We operate in highly competitive markets and may be adversely affected by this competition.

The markets for our products and services are highly competitive and are subject to rapid technological changes and evolving customer demands and needs. We compete on the basis of various factors, including the quality of content embedded in our databases and those of our competitors, customers' perception of our products relative to the value that they deliver, user interface of the products and the quality of our overall offerings.

Many of our principal competitors are established companies that have substantial financial resources, recognized brands, technological expertise and market experience and these competitors sometimes have more established positions in certain business lines and geographies than we do. We also compete with smaller and sometimes newer companies, some of which are specialized with a narrower focus than our company, and face competition from other Internet services companies and search providers.

Our competitors may be able to adopt new or emerging technologies or address customer requirements more quickly than we can. New and emerging technologies can also have the impact of allowing start-up companies to enter the market more quickly than they would have been able to in the past. We may also face increased competition from companies that could pose a threat to our business by providing more in-depth offerings, adapting their products and services to meet the demands of their customers or combining with one of their competitors to enhance their products and services. A number of our principal competitors continue to make acquisitions as a means to improve the competitiveness of their offerings. In order to better serve the needs of our existing customers and to attract new customers, we must continue to:

- enhance and improve our existing products and services (such as by adding new content and functionalities);
- develop new products and services;
- invest in technology; and
- strategically acquire additional businesses and partner with other businesses in key sectors that will allow us to offer a broader array of products and services.

Our ability to compete successfully is also impacted by the growing availability of information from government information systems and other free sources, as well as competitors who aggressively market their products as a lower cost alternative. See "Increased accessibility to free or relatively inexpensive information sources may reduce demand for our products and services." Because some of our competitors are able to offer products and services that may be more cost effective than ours, including through the provision of price incentives for new customers, and because some of our competitors' products and services may be seen as having greater functionality or performance than ours, the relative value of some of our products or services could be diminished. In addition, some of our competitors combine competing products with complementary products as packaged solutions, which could pre-empt use of our products or solutions. Competition from such free or lower cost sources may require us to reduce the price of some of our products and services (which may result in lower revenues) or make additional capital investments (which might result in lower profit margins). If we are unable or unwilling to reduce prices or make additional investments in the future, we may lose customers and our financial results may be adversely affected. In addition, implementation of annual price increases by us from time to time may also, in some cases, cause customers to use lower-cost competitors.

Certain of our distribution partners have licensing rights to significant portions of our content and may be able to become more directly competitive to us if they were to advance their technology more efficiently and effectively than us.

Additionally, some of our customers may decide to develop independently certain products and services that they obtain from us, including through the formation of consortia. Educating our customers on the intricacies and uses of our products and services could, in certain cases, improve their ability to offer competing products and services as they look to expand their business models. If more of our customers become self-sufficient, demand for our products and services may be reduced. If we fail to compete effectively, our financial condition and results of operations could be adversely affected.

The reputation of our brands is an important company asset and is key to our ability to remain a trusted source of high-quality content, analytics services and workflow solutions.

The reputation of our brands is key to our ability to remain a trusted source of high-quality content, analytics services and workflow solutions and to attract and retain customers. Negative publicity regarding our company or actual, alleged or perceived issues regarding one of our products or services could harm our relationship with customers. Failure to protect the reputation of our brands may adversely impact our credibility as a trusted source of content and may have a negative impact on our business. In addition, in certain jurisdictions we engage sales agents in connection with the sale of certain of our products and services. It is difficult to monitor whether such agents' representation of our products and services is accurate. Poor representation of our products and services by agents, or entities acting without our permission, could have an adverse effect on our reputation and our business.

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

Our business is dependent on the continued acceptance by our customers of our existing products and services and the value placed on them. If these products and services do not maintain market acceptance, our revenues may decrease. We are also continually investing in new product development to expand our offerings beyond our traditional products and services. Market acceptance of any new products or services may be affected by customer confusion surrounding the introduction of new products and services by us and comparison of the benefits of our products and services to those of other solutions. Our expansion into new offerings may present increased risks and efforts to expand beyond our traditional products and services may not succeed.

In addition, our business is characterized by rapidly changing technology, evolving industry standards and changing regulatory requirements. Our growth and success depend upon our ability to enhance our existing products and services and to develop and introduce new products and services to keep pace with such changes and developments and to meet changing customer needs and preferences. However, newer products or services may not achieve market acceptance if current or potential customers do not value the benefits of using our products, do not achieve favorable results using our products, use their budgets for different products or experience technical difficulties in using our products. In order to enable our sales personnel to sell new products and services effectively, we will need to invest resources and incur additional costs in training programs on new products and services and key differentiators and business values. If these newer products and services do not achieve market acceptance, our revenues could be adversely affected and our profitability could decline.

The process of developing our products and services is complex and may become increasingly complex and expensive in the future due to the introduction of new platforms, operating systems and technologies. Our ability to keep pace with technology and business and regulatory changes is subject to a number of risks, including that we may find it difficult or costly to:

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

In addition, we may fail to anticipate the impact of new and emerging technology or changes in trends, fail to accurately determine market demand for new products and services, experience cost overruns, delays in delivery or performance problems and create market confusion due to changes to our existing products and services. If we are unable to successfully develop new products or services, if we are unable to successfully enhance and migrate existing products

or services to new systems or if we are not successful in obtaining any required regulatory approval or acceptance for new products or services, demand for our products and services may decline and/or we may not be able to grow our business or growth may occur more slowly than we anticipate. Some of our current or future products or services could also be rendered obsolete as a result of competitive offerings.

Historically, our customers accessed our web-based products and services primarily through desktop computers and laptops. Over the last few years, Internet use through smartphones, tablets and other mobile devices has increased significantly. As a result of this shift, we have been focused on developing, supporting and maintaining various products and services on different platforms and devices (some of which complement traditional forms of delivery). If our competitors are able to release alternative device products, services or applications more quickly than we are able to, or if our customers do not adopt our offerings in this area, our revenues and retention rates could be adversely affected.

If we experience design defects, errors, failures or delays associated with our products or services or migration of an existing product or service to a new system, our business could suffer serious harm.

Despite testing, our products and services may contain errors or defects after release. In addition, if we release new products and services, migrate existing products and services to new systems or upgrade outdated software and infrastructure, our products and services may contain design defects and errors when first introduced or when major new updates or enhancements are released. We have also experienced delays in the past while developing and introducing new products and services, primarily due to difficulties in licensing data inputs, developing new products or services or adapting to particular operating environments. Additionally, in our development of new products and services or updates and enhancements to our existing products and services, we may make a design error that causes the product or service to operate incorrectly or less effectively. Many of our products and services also rely on data and services provided by third-party providers over which we have no control and may be provided to us with defects, errors or failures. Our customers may also use our products and services together with their own software, data or products from other companies. As a result, when problems occur, it might be difficult to identify the source of the problem. If design defects, errors or failures are discovered in our current or future products or services, we may not be able to correct them in a timely manner, if at all.

The existence of design defects, errors or delays in our products or services that are significant, or are perceived to be significant, could result in rejection or delay in market acceptance of our products or services, damage to our reputation, loss of revenues, a lower rate of subscription renewals or upgrades, diversion of development resources, product liability claims or regulatory actions or increases in service and support costs. We may also need to expend significant capital resources to eliminate or work around design defects, errors, failures or delays. In each of these ways, our business, financial condition or results of operations could be materially adversely impacted.

We may be adversely affected by uncertainty, downturns and changes in the markets that we serve.

Our performance depends on the financial health and strength of our customers, which in turn is dependent on the economic conditions of the markets in which we and our customers operate. Declines in the U.S. and global economies or continued economic uncertainty may lead customers to delay or reduce purchases of our products and services as they take measures to reduce their operating costs, including by delaying the development or launch of new products and brands and/or reducing R&D spending generally.

We are also sensitive to general trends and changes in the key markets we serve. Our SAR business line primarily comprises curated databases of scientific journals and other materials and accounted for 37% of our revenues in 2017. Publishers have traditionally charged their customers, which include institutions in the government, academic and library communities, on a subscription basis. If as a result of the adoption of any of these proposals authors were to publish less, or publishers were to decide to change the basis on which we access scientific journals, our financial condition and results of operations could be adversely affected.

Furthermore, the principal customers for certain of the products and services offered by our SAR business line are universities and government agencies, which fund purchases of these products and services from limited budgets that are sensitive to changes in private and governmental sources of funding. Recession, economic uncertainty or austerity have contributed, and may in the future contribute, to reductions in spending by such private and governmental sources. Accordingly, any further decreases in budgets of universities or government agencies, which have remained under

pressure, or changes in the spending patterns of private or governmental sources that fund academic institutions, are likely to adversely affect our results of operations.

Our CompuMark business line, which accounted for 12% of our revenues in 2017, is more dependent on transactional-based revenues as opposed to our other business lines. This characteristic, coupled with the fact that the CompuMark business line is tied more directly to the launch of new brands and trademarks, which tend to slow down during periods of economic uncertainty, means that the financial condition and results of our CompuMark business line may be adversely affected by economic downturns.

In addition, mergers or consolidations among our customers could reduce the number of our customers and potential customers. For example, in recent years there has been significant consolidation in the pharmaceutical and biotechnology industry, and this has led to decreased levels of growth in our Life Sciences business line. Continued consolidation in this industry, or in others, could adversely affect our revenues even if these events do not reduce the activities of the consolidated entities. When entities consolidate, overlapping services previously purchased separately are usually purchased only once by the combined entity, leading to loss of revenues. Other services that were previously purchased by one of the merged or consolidated entities may be deemed unnecessary or cancelled. Any such developments among our customers could materially and adversely affect our business, financial condition, operating results and cash flow.

If we do not continue to attract, motivate and retain members of our senior management team and qualified employees, we may not be able to support our operations.

The completion and execution of our strategies, including our transition to an independent company, depend on the continued service and performance of our senior management team. If we lose key members of our senior management team, we may not be able to effectively manage our transition or our current and future operations.

In addition, our business depends on our ability to continue to attract, motivate and retain a large number of skilled employees across all of our business lines. There is a limited pool of employees who have the requisite skills, training and education. We compete with many businesses and organizations that are seeking skilled individuals, particularly those with experience in technology and the sciences and those with PhDs in technical fields, who are particularly critical to our curation process. Competition for professionals across our entire business and in particular in our Life Sciences business line (due to those employees' specialized expertise in the pharmaceutical and biotechnology industries) can be intense, as other companies seek to enhance their positions in the markets we serve. In addition, competition for experienced talent in our faster growing geographic areas outside of the United States and Europe continues to intensify, requiring us to increase our focus on attracting and developing highly skilled employees in our most strategically important locations in those areas of the world.

Future organizational changes, including the Acquisition and the implementation of our cost savings initiatives, could also cause our employee attrition rate to increase, particularly in India, where we have historically experienced higher turnover. If we are unable to continue to identify or be successful in attracting, motivating and retaining appropriately qualified personnel, our business, financial condition and results of operations would be adversely affected.

Our global operations subject us to increased risks.

We have global operations and, accordingly, our business is subject to risks resulting from differing legal and regulatory requirements, political, social and economic conditions and unforeseeable developments in a variety of jurisdictions. We have expanded our presence in a number of major regions, including certain emerging markets such as India and China, and we plan to continue such expansion. Our global operations are subject to the following risks, among others:

- political instability;
- acts of terrorism and military actions in response to such acts;
- differing economic cycles and adverse economic conditions;
- unexpected changes in regulatory environments and government interference in the economy;
- changes to economic sanctions laws and regulations, including regulatory exemptions that currently authorize certain of our limited dealings involving sanctioned countries;
- varying tax regimes, including with respect to the imposition of withholding taxes on remittances and other payments by our partnerships or subsidiaries;
- differing labor regulations, particularly in India where we have a significant number of employees;
- foreign exchange controls and restrictions on repatriation of funds;

- fluctuations in currency exchange rates;
- inability to collect payments or seek recourse under or comply with ambiguous or vague commercial or other laws;
- insufficient protection against product piracy and differing protections for IP rights;
- varying attitudes towards censorship and the treatment of information service providers by foreign governments, in particular in emerging markets;
- difficulties in attracting and retaining qualified management and employees, or rationalizing our workforce;
- differing business practices, which may require us to enter into agreements that include non-standard terms; and
- difficulties in penetrating new markets due to entrenched competitors, lack of recognition of our brands and lack of local acceptance of our products and services.

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

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

Substantially all of our products and services are developed using data, information or services obtained from third-party providers and public sources, or are made available to our customers or are integrated for our customers' use through information and technology solutions provided by third-party service providers.

We have commercial relationships with third-party providers whose capabilities complement our own and, in some cases, these providers are also our competitors. The priorities and objectives of these providers, particularly those that are our competitors, may differ from ours, which may make us vulnerable to unpredictable price increases and may cause some providers not to renew certain agreements. Moreover, providers that are not currently our competitors, including one or more of our key providers, may become competitors or be acquired by or merge with a competitor in the future, any of which could reduce our access to the information and technology solutions provided by those companies. If we were to expand our product and service offerings, whether through organic growth or acquisitions, we may launch products and services that compete with providers that are not currently our competitors, which could negatively impact our existing relationships. If we do not maintain, or obtain the expected benefits from, our relationships with third-party providers or if a substantial number of our third-party providers or any key service providers were to withdraw their services, we may be less competitive, our ability to offer products and services to our customers may be negatively affected, and our results of operations could be adversely impacted.

We also depend on public sources in the development of our products and services, particularly in our Life Sciences and Compumark business lines. These public sources are usually free to access or are available at minimal cost, and do not compete directly with our products and services. If such public sources were to begin competing with us directly, or were to increase the cost to access their data, prohibit us from collecting and synthesizing the data they provide or cease existing altogether, our results of operations could be adversely impacted.

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

In recent years, more public sources of free or relatively inexpensive information have become available, particularly through the Internet, and this trend is expected to continue. For example:

- some governmental and regulatory agencies have increased the amount of information they make publicly available at no cost;
- several companies and organizations have made certain information publicly available at little or no cost; and
- "open source" software that is available for free may also provide some functionality similar to that in some of our products.

Public sources of free or relatively inexpensive information may reduce demand for our products and services. Demand could also be reduced as a result of cost-cutting, reduced spending or reduced activity by customers, which may decrease demand for, and usage of, some of our products and services, particularly if public sources of free or relatively

inexpensive information is available to these customers. Our results of operations would be adversely affected if our customers choose to use these public sources as a substitute for our products or services.

We generate a significant percentage of our revenues from recurring subscription-based arrangements, and if we are unable to maintain a high revenue renewal rate, our results of operations could be adversely affected.

In 2017, 80% of our revenues were derived from subscription arrangements. In order to maintain existing revenues and to generate higher revenues, we are dependent on a significant number of our customers renewing their arrangements with us. Over a third of our subscription arrangements have a term of one year, with the balance either being evergreen or having a term of two or more years. Although many of these arrangements have automatic renewal provisions, with appropriate notice these arrangements are cancellable and our customers have no obligation to renew their subscriptions after the expiration of their initial subscription period. As a result, our past revenue renewal rates may not be indicative of our future revenue renewal rates, and our revenue renewal rates may decline or fluctuate in the future as a result of a number of factors, including customer satisfaction with our products and services, our prices and the prices offered by competitors, reductions in customer spending levels and general economic conditions. Our revenues could also decline if a significant number of our customers renewed their arrangements with us, but reduced the amount of their spending.

In addition, because most of the revenues we report in each quarter are the result of subscription agreements entered into or renewed in previous quarters, a decline in subscriptions in any one quarter may not affect our results in that quarter, but could reduce revenues in future quarters. We may not be able to adjust our cost structure in response to sustained or significant downturns in revenues. Moreover, renewal dates for our subscription agreements are typically concentrated in the fourth quarter. Adverse events impacting us or our customers occurring in the fourth quarter may result in us failing to secure subscription agreement renewals, which would have a disproportionately adverse effect on our financial condition and results of operations in future periods.

We rely heavily on our own and third-party telecommunications, data centers and network systems, as well as the Internet, and any failures or disruptions may adversely affect our ability to serve our customers and could negatively impact our revenues and reputation.

Most of our products and services are delivered electronically and our customers depend on our ability to receive, store, process, transmit and otherwise rapidly handle very substantial quantities of data and transactions on computer-based networks. Our customers also depend on the continued capacity, reliability and security of our telecommunications, data centers, networks and other electronic delivery systems, including websites and the Internet. Our employees also depend on these systems for our internal use. Further, we receive data inputs from critical third-party suppliers who are subject to the same delivery risks, such that if any of the foregoing issues affect these suppliers, we may be impacted as well. Significant growth of our customer base may also strain our systems in the future.

Any significant failure, compromise, cyber-breach or interruption of our systems, including operational services, loss of service from third parties, sabotage, break-ins, war, terrorist activities, human error, natural disaster, power or coding loss and computer viruses, could cause our systems to operate slowly or could interrupt service for periods of time. Delays in our ability to deliver our products and services electronically may harm our reputation and result in the loss of customers. While we have disaster recovery and business continuity plans that utilize industry standards and best practices, including back-up facilities for our primary data centers, a testing program and staff training, our systems are not always fully redundant and our disaster recovery and business continuity plans may not always be sufficient or effective. To the extent that our telecommunications, information technology systems, cloud-based service providers or other networks are managed or hosted by third parties, we would need to coordinate with these third parties to resolve any issues.

We are migrating our product and services platform from Thomson Reuters to Amazon Web Services, which provides a distributed computing infrastructure platform for business operations, or what is commonly referred to as a "cloud" computing service. During our transition to a cloud computing model, we will have to maintain duplicative technology systems until the migration is complete in order to continue to receive services under the Transition Services Agreement, which will result in significant one-time costs during our first three years of operations. Once we have transitioned our products and services to Amazon Web Services, we will not be able to switch our operations to another cloud provider easily, so any disruption of or interference with our use of Amazon Web Services would significantly impact our operations. Amazon Web Services will provide us with computing and storage capacity pursuant to an agreement that

will continue until terminated by either party. Amazon Web Services may terminate the agreement without cause by providing 90 days' prior written notice, and may terminate the agreement with 30 days' prior written notice for cause, including any material default or breach of the agreement by us that we do not cure within the 30-day period. The agreement will require Amazon Web Services to provide us their standard computing and storage capacity and related support in exchange for timely payment by us. If any of our arrangements with Amazon Web Services are terminated, we could experience interruptions in our products and services, as well as delays and additional expenses in arranging new facilities and services.

Our ability to effectively use the Internet may also be impaired due to infrastructure failures, service outages at third-party Internet providers or increased government regulation. For example, we may experience shortage of capacity and increased costs associated with such usage. These events may affect our ability to store, process and transmit data and services to our customers.

We are in the process of implementing a new enterprise resource planning system, and problems with the design or implementation of this system could interfere with our business and operations.

We are engaged in a multi-year implementation of a new global enterprise resource planning system ("ERP"). The ERP is designed to accurately maintain the Company's books and records and provide information to the Company's management team important to the operation of the business. The Company's ERP has required, and will continue to require, the investment of significant human and financial resources. We may not be able to successfully implement the ERP without experiencing delays, increased costs and other difficulties. If we are unable to successfully design and implement the new ERP system as planned, our financial positions, results of operations and cash flows could be negatively impacted.

If governments or their agencies reduce their demand for our products or services or discontinue or curtail their funding, our business may suffer. Moreover, if we fail to comply with government contracting regulations, we could suffer a loss of revenues or incur price adjustments or other penalties.

U.S. and foreign government agencies have purchased, and may continue to purchase, products and services directly from us. Selling to government entities can be highly competitive, expensive and time consuming, often requiring significant upfront time and expense without any assurance that we will successfully sell our products or services to such government entity. Government entities may also require contract terms that differ from our standard arrangements.

Changes in governmental budget priorities could adversely affect our business. When the government changes budget priorities, such as in times of war or financial crisis or as a result of election cycles, our sales to government entities and government-funded customers are at risk. For example, demand and payment for our products and services may be affected by public sector budgetary cycles or funding authorizations. Funding reductions or delays could negatively impact demand for our products and services. If government funding is discontinued or significantly reduced, our business could be materially adversely affected.

In addition, we are subject to government contracting regulations, including the Federal Acquisition Regulation (the "FAR"). The FAR governs U.S. government contract pricing, including the establishment of fixed prices and labor categories/fixed hourly rates for the performance of our U.S. government contracts. Under the FAR, certain contract pricing may be subject to change. Additionally, under the FAR, the U.S. government is entitled, after final payment on certain negotiated contracts, to examine all of our cost records with respect to such contracts and to seek a downward adjustment to the price of the contract if it determines that we failed to furnish complete, accurate and current cost or pricing data in connection with the negotiation of the price of the contract.

In connection with our U.S. government contracts, we are also subject to government audits and review and approval of our policies, procedures and internal controls for compliance with procurement regulations and applicable laws. The U.S. government can terminate any of our contracts with it either for its convenience or if we default by failing to perform under the contract. Further, as a U.S. government contractor, we are subject to investigations, legal actions and liabilities that would not apply to a commercial company. In certain circumstances, if we do not comply with the terms of a contract or with regulations or statutes, our U.S. government contracts could be terminated, we could be subject to downward contract price adjustments or refund obligations, we could be assessed civil or criminal penalties (including under the False Claims Act) or we could be debarred or suspended from obtaining future contracts with the

U.S. government for a specified period of time. Any such termination, adjustment, sanction, debarment or suspension could have an adverse effect on our business.

Fraudulent or unpermitted data access or other cyber-security or privacy breaches may cause some of our customers to lose confidence in our security measures and could result in increased costs for our company.

We collect, store, use and transmit public records, IP and certain sensitive data, including confidential information, our proprietary business information and personally identifiable information of our employees and customers on our systems. A number of our customers and suppliers also entrust us with storing and securing their own confidential data and information. Similar to other global multinational companies that provide services online, we experience cyber-threats, cyber-attacks and other attempts to breach the security of our systems, which can include unauthorized attempts to access, disable, improperly modify or degrade our information, systems and networks, the introduction of computer viruses and other malicious codes and fraudulent "phishing" e-mails that seek to misappropriate data and information or install malware onto users' computers. Cyber-threats in particular vary in technique and sources, are persistent, frequently change and increasingly are more sophisticated, targeted and difficult to detect and prevent. In particular, our MarkMonitor brand of products, which are used to detect and protect against domain name infringements, have been, and will continue to be, the target of cyber-attacks due to the nature of the offering they provide.

Pursuant to the Transition Services Agreement, through September 2018, we will continue to rely on dedicated Thomson Reuters personnel who are responsible for maintaining appropriate levels of cyber-security. To prepare for the transition, we have hired our own information security personnel. There can be no assurance that we will be able to make this transition successfully. We also utilize third-party technology, products and services to help identify, protect and remediate our information technology systems and infrastructure against security breaches and cyber-incidents. However, our measures may not be adequate or effective to prevent, identify or mitigate attacks or breaches caused by employee error, malfeasance or other disruptions. In addition, we rely on a system of internal processes and software controls, along with policies, procedures and training to protect the confidentiality of customer data. If we fail to maintain the adequacy of our internal controls, if an employee, consultant or third-party provider purposely circumvents or violates our internal controls, policies or procedures or if we fail to adequately address the requirements of our customers' internal controls, policies or procedures, as a result of contractual requirements or otherwise, then unauthorized access to, or disclosure or misappropriation of, customer data could occur.

We are also dependent on security measures that some of our third-party suppliers are taking to protect their own systems and infrastructure. For example, our outsourcing of certain functions requires us to sometimes grant network access to third-party suppliers. If our third-party suppliers do not maintain adequate security measures or do not perform as anticipated and in accordance with contractual requirements, we may experience resulting security breaches, operational difficulties and/or increased costs.

Any fraudulent, malicious or accidental breach of data security could result in unintentional disclosure of, or unauthorized access to, customer, vendor, employee or other confidential or sensitive data or information, which could potentially result in additional costs to our company to enhance security or to respond to occurrences, lost sales, violations of privacy or other laws, notifications to individuals, penalties or litigation. While we maintain what we believe is sufficient insurance coverage that may (subject to certain policy terms and conditions including self-insured deductibles) cover certain aspects of security and cyber-risks and business interruption, our insurance coverage may not cover all costs or losses. Additionally, any fraudulent, malicious or accidental breach of data security could result in our disclosing valuable trade secrets, know-how or other confidential information. Media or other reports of perceived security vulnerabilities to our systems or those of our third-party suppliers, even if no breach has been attempted or occurred, could also adversely impact our brand and reputation and cause customers to lose confidence in our security measures and reliability, which would harm our ability to retain customers and gain new ones, and materially impact our business and results of operations.

We may face liability for content contained in our products and services.

We may be subject to claims for breach of contract, defamation, libel, copyright or trademark infringement, fraud or negligence, violation of laws or regulations or other theories of liability, in each case relating to the data, articles, commentary, information or other content we collect and distribute in the provision of our products and services. If such data or other content or information that we distribute has errors, is delayed or has design defects, we could be subject to liability or our reputation could suffer. We could also be subject to claims based upon the content that is

accessible from our corporate website or those websites that we own and operate through links to other websites. Further, we could be subject to claims that we have misused data inputs provided by third-party suppliers. Any such claim, even if the outcome were to be ultimately favorable to us, could involve a significant commitment of our management, personnel, financial and other resources and could have a negative impact on our reputation. In addition, such claims and lawsuits, or any resulting reputational harm, could have a material adverse effect on our financial condition or results of operations.

Exchange rate fluctuations and volatility in global currency markets may have a significant impact on our results of operations.

Our international sales and operations expose us to fluctuations in foreign currency exchange rates. Exchange rate movements in our currency exposures may cause fluctuations in our financial statements. While a significant majority of our contracts are transacted in U.S. dollars, we also incur costs in non-U.S. dollar currencies. As a result, an increase in the value of such non-U.S. dollar currencies against the U.S. dollar could increase costs for delivery of products and services by increasing labor and other costs that are denominated in such local currencies. Consequently, our results of operations may be materially adversely affected. These risks related to exchange rate fluctuations and currency volatility may increase in future periods as our operations outside of the United States continue to expand.

Other than with respect to payments made to patent and trademark offices by our IP Payments business, we (on a standalone basis) have not hedged our foreign currency exposure. We may evaluate whether to enter into foreign currency hedging transactions from time to time. If we were to enter into such transactions, there can be no assurance that such currency hedging activities would be successful, and any such currency hedging activities themselves would be subject to risk, including risks related to counterparty performance.

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

We are subject to taxation in, and to the tax laws and regulations of, multiple jurisdictions as a result of the international scope of our operations and our corporate and financing structure. We are also subject to intercompany pricing laws, including those relating to the flow of funds between our companies pursuant to, for example, purchase agreements, licensing agreements or other arrangements. Adverse developments in these laws or regulations, or any change in position regarding the application, administration or interpretation of these laws or regulations in any applicable jurisdiction, could have a material adverse effect on our business, financial condition and results of operations. In addition, the tax authorities in any applicable jurisdiction may disagree with the positions we have taken or intend to take regarding the tax treatment or characterization of any of our transactions, including the tax treatment or characterization of our indebtedness. If any applicable tax authorities were to successfully challenge the tax treatment or characterization of any of our transactions, it could result in the disallowance of deductions, the imposition of withholding taxes, the reallocation of income or other consequences that could have a material adverse effect on our business, financial condition and results of operations.

Recent U.S. tax legislation significantly changed U.S. federal income tax rules and may materially adversely affect our financial condition, results of operations and cash flows.

Recently enacted U.S. tax legislation has significantly changed U.S. federal income tax rules with respect to business entities and other taxpayers, including by reducing the U.S. corporate income tax rate, limiting certain interest deductions, permitting immediate expensing of certain capital expenditures, adopting elements of a territorial tax system, revising the rules governing net operating losses, and introducing new anti-base erosion provisions, in each case, for U.S. federal income tax purposes. Some of these changes are effective immediately, without any transition periods or grandfathering for existing transactions. The legislation is unclear in many respects and could be subject to potential amendments and technical corrections, as well as interpretations and implementing regulations by the Treasury Department and Internal Revenue Service, any of which could lessen or increase certain adverse impacts of the legislation. In addition, it is unclear how these U.S. federal income tax changes may affect state and local taxation.

The impact that these changes could have on us remains unclear in many respects, but these changes, as well as any further changes in the law or any implementing regulations or other authorities, could have an adverse impact on our operating results, financial condition and business operations. Investors in the Notes are urged to consult their tax advisors regarding the effect of the changes on an investment in us.

Our international operations require us to comply with trade restrictions such as economic sanctions and export controls.

We are subject to trade restrictions, including economic sanctions and export controls, imposed by governments around the world with jurisdiction over our operations, which prohibit or restrict transactions involving certain designated persons and certain designated countries or territories, including Cuba, Iran, Sudan, Syria, North Korea and the Crimea Region of Ukraine. Our failure to successfully comply with these laws and regulations may expose us to reputational harm as well as significant sanctions, including criminal fines, imprisonment, civil penalties, disgorgement of profits, injunctions, debarment from government contracts and other remedial measures. Investigations of alleged violations can be expensive and disruptive. We maintain policies and procedures designed to comply with these laws and regulations. As part of our business, we engage in limited sales and transactions involving certain countries that are targets of economic sanctions. We believe such sales and transactions are authorized by exemptions under applicable economic sanctions laws and regulations. In particular, we have made certain sales to Iran, Cuba and Syria in recent years under the informational materials exemptions to those U.S. economic sanctions programs. Also, as part of our management of customers' global IP portfolios, we have paid renewal fees for customers' IP registered in North Korea, pursuant to OFAC's General License 8 under the North Korea sanctions program. However, we cannot predict the nature, scope or effect of future regulatory requirements, including changes that may affect existing regulatory exemptions, and we cannot predict the manner in which existing laws and regulations might be administered or interpreted. Further, there can be no guarantee that our policies and procedures will effectively prevent violations in the future, and any such violation could adversely affect our reputation, business, financial condition and results of operations.

Our failure to comply with the anti-corruption laws of the United States and various international jurisdictions could negatively impact our reputation and results of operations.

Doing business on a worldwide basis requires us to comply with anti-corruption laws and regulations imposed by governments around the world with jurisdiction over our operations, which may include the U.S. Foreign Corrupt Practices Act ("FCPA") and the U.K. Bribery Act 2010 ("UK Bribery Act"), as well as the laws of the countries where we do business. These laws and regulations may restrict our operations, trade practices, investment decisions and partnering activities. The FCPA and the UK Bribery Act prohibit us and our officers, directors, employees and business partners acting on our behalf, including agents, from corruptly offering, promising, authorizing or providing anything of value to "foreign officials" for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The UK Bribery Act also prohibits non-governmental "commercial" bribery and accepting bribes. As part of our business, we deal with governments and state-owned business enterprises, the employees and representatives of which may be considered "foreign officials" for purposes of the FCPA and the UK Bribery Act. We also are subject to the jurisdiction of various governments and regulatory agencies around the world, which may bring our personnel and representatives into contact with "foreign officials" responsible for issuing or renewing permits, licenses or approvals or for enforcing other governmental regulations.

In addition, some of the international locations in which we operate lack a developed legal system and have elevated levels of corruption. Our global operations expose us to the risk of violating, or being accused of violating, anti-corruption laws and regulations. Our failure to successfully comply with these laws and regulations may expose us to reputational harm as well as significant sanctions, including criminal fines, imprisonment, civil penalties, disgorgement of profits, injunctions and debarment from government contracts, as well as other remedial measures. Investigations of alleged violations can be expensive and disruptive. We maintain policies and procedures designed to comply with applicable anti-corruption laws and regulations. However, there can be no guarantee that our policies and procedures will effectively prevent violations by our employees or representatives for which we may be held responsible, and any such violation could adversely affect our reputation, business, financial condition and results of operations.

The results of the United Kingdom's referendum on withdrawal from the European Union may have a negative effect on global economic conditions, financial markets and our business.

We have material business operations in Europe. In June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum. The referendum was advisory, and the terms of any withdrawal are subject to a negotiation period that could last at least two years after the government of the United Kingdom formally initiates a withdrawal process, which occurred on March 29, 2017. Nevertheless, the referendum

has created significant uncertainty about the future relationship between the United Kingdom and the European Union, and has given rise to calls for the governments of other European Union member states to consider withdrawal.

These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and could significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Asset valuations, currency exchange rates and credit ratings may be especially subject to increased market volatility. Lack of clarity about future United Kingdom laws and regulations as the United Kingdom determines which European Union laws to replace or replicate in the event of a withdrawal could depress economic activity and restrict our access to capital. If the United Kingdom and the European Union are unable to negotiate acceptable withdrawal terms or if other European Union member states pursue withdrawal, barrier-free access between the United Kingdom and other European Union member states or among the European Economic Area overall could be diminished or eliminated. Any of these factors could have a material adverse effect on our business, financial condition and results of operations.

We may be adversely affected by changes in legislation and regulation, which may impact how we provide products and services and how we collect and use information.

Legislative and regulatory changes that impact us and our customers' industries may impact how we provide products and services to our customers. Laws relating to e-commerce, electronic and mobile communications, privacy, data security, data protection, anti-money laundering, direct marketing and digital advertising and the use of public records have become more prevalent and developed in recent years. It is difficult to predict in what form laws and regulations will be adopted or how they will be construed by the relevant courts, or the extent to which any changes might adversely affect us. Delays in adapting our products and services to legislative and regulatory changes could harm our reputation. Also, we may not be as well-equipped to respond to changes in legislation or regulation as some of our competitors or we may become subject to new legislation or regulation with regard to the products and services we offer which could cause us to be prohibited from providing certain services or make provision of affected services more expensive.

For example, the new E.U.-wide General Data Protection Regulation ("GDPR"), entered into force in May 2016 and will become applicable on May 25, 2018, replacing the data protection laws of each EU member state. The GDPR will implement more stringent operational requirements for processors and controllers of personal data, including, for example, expanded disclosures about how personal information is to be used, limitations on retention of information, increased requirements to erase an individual's information upon request, mandatory data breach notification requirements and higher standards for data controllers to demonstrate that they have obtained valid consent for certain data processing activities. It also significantly increases penalties for non-compliance, including where we act as a data processor. If our privacy or data security measures fail to comply with applicable current or future laws and regulations, we may be subject to litigation, regulatory investigations, enforcement notices requiring us to change the way we use personal data or our marketing practices, fines of up to 20,000,000 euro or up to 4% of the total worldwide annual turnover of the preceding financial year (whichever is higher) or other liabilities, as well as negative publicity and a potential loss of business. Moreover, if future laws and regulations limit our subscribers' or prospective subscribers' ability to use and share personal data or our ability to store, process and share personal data, demand for our solutions could decrease, our costs could increase, and our business, results of operations and financial condition could be harmed. Furthermore, a draft of the new ePrivacy Regulation was announced on January 10, 2017 and is scheduled to become applicable on May 25, 2018 (alongside the GDPR). This Regulation will be directly implemented into the laws of each of the EU Member States, without the need for further enactment. When implemented, the ePrivacy Regulation is expected to alter rules on third-party cookies, web beacons and similar technology for online behavioral advertising and to impose stricter requirements on companies using these tools.

In the ordinary course of business, we collect, store, use and transmit certain types of information that are subject to different laws and regulations. In particular, data security and data protection laws and regulations that we are subject to often vary by jurisdiction and include, without limitation, the E.U. Data Protection Directive and various U.S. state regulations. Although we have executed intra-company "Standard Contractual Clauses" in compliance with the E.U. Data Protection Directive, which allow for the transfer of personal data from the European Union to other jurisdictions (including the United States), data security and data protection laws and regulations are continuously evolving. For example, in October 2015, the Court of Justice of the European Union invalidated a safe harbor framework that allowed companies to meet certain European legal requirements in connection with transfers of personal data from Europe to the United States. In July 2016, European Union and U.S. authorities approved a new data transfer structure called Privacy Shield, which is intended to replace the safe harbor framework. Privacy Shield came into effect on August 1,

2016. Because implementation and enforcement of Privacy Shield is in its infancy and in light of recent changes in the U.S. political landscape, uncertainty remains around transfer of personal data from the European Union to other jurisdictions. In addition, the validity of the Standard Contractual Clauses is currently under review by the same court.

Existing and proposed legislation and regulations, including changes in the manner in which such legislation and regulations are interpreted by courts, may:

- impose limits on our collection and use of certain kinds of information and our ability to communicate such information effectively to our customers; and
- increase our cost of doing business or require us to change some of our existing business practices.

Although we have implemented policies and procedures that are designed to ensure compliance with applicable laws, rules and regulations, we could be subject to penalties as well as reputational harm for any violations.

The difference between consolidating at the Jersey level or at the Bidco level is described below. If we had presented financial statements for Bidco (which are prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board), revenue would have been approximately $3,296 lower, and we would have recorded $9,185 of other operating income related to an embedded derivative with separable cash flows specific to our long-term debt for the year ended December 31, 2017. Additionally, we paid an immaterial amount for Jersey directors' fees and share-based compensation. Other than these differences, there are no material differences between the financial statements prepared for Jersey as opposed to Bidco.

We may be unable to derive fully the anticipated benefits from our existing or future acquisitions, joint ventures, investments or dispositions.

Acquisitions have not historically been a significant part of our growth strategy; however, going forward, we expect to evaluate, and where appropriate, opportunistically undertake “tuck-in” acquisitions. To the extent we seek to grow our business through acquisitions, we may not be able to successfully identify attractive acquisition opportunities or make acquisitions on terms that are satisfactory to our company from a commercial perspective. In addition, competition for acquisitions in the markets in which we operate during recent years has increased, and may increase costs of acquisitions or cause us to refrain from making certain acquisitions. We may also be subject to increasing regulatory scrutiny from competition and antitrust authorities in connection with acquisitions. Achieving the expected returns and synergies from existing and future acquisitions will depend in part upon our ability to integrate the products and services, technology, administrative functions and personnel of these businesses into our business lines in an efficient and effective manner. We cannot assure you that we will be able to do so, or that our acquired businesses will perform at anticipated levels or that we will be able to obtain these synergies. Management resources may also be diverted from operating our existing businesses to certain acquisition integration challenges. If we are unable to successfully integrate acquired businesses, our anticipated revenues and profits may be lower. Our profit margins may also be lower, or diluted, following the acquisition of companies whose profit margins are less than those of our existing businesses.

In addition, we may incur earn-out and contingent consideration payments in connection with future acquisitions, which could result in a higher than expected impact on our future earnings. We may also finance future transactions through debt financing, including significant draws on the Revolving Credit Facility or use of our incremental capacity under our Senior Secured Credit Facilities, the issuance of our equity securities, the use of existing cash, cash equivalents or investments or a combination of the foregoing. Acquisitions financed with debt could require us to dedicate a substantial portion of our cash flows to principal and interest payments and could subject us to restrictive covenants. Future acquisitions financed with our own cash could deplete the cash and working capital available to fund our operations adequately. Difficulty borrowing funds, selling securities or generating sufficient cash from operations to finance our activities may have a material adverse effect on our results of operations.

We may also decide from time to time to dispose of assets or businesses that are no longer aligned with strategic objectives or our current business lines. There can be no assurance that a transaction will occur, or if a transaction does occur, there can be no assurance as to the potential value created by the transaction. The process of exploring strategic alternatives or selling a business could negatively impact customer decision-making and cause uncertainty and negatively impact our ability to attract, retain and motivate key employees. In addition, we expend costs and management resources to complete divestitures. Any failures or delays in completing divestitures could have an adverse effect on our financial results and on our ability to execute our strategy.

Our IP rights may not be adequately protected.

We believe that our product development, brand recognition and reputation, and the technological and innovative skills of our personnel are essential to establishing and maintaining our leadership position. We rely on a combination of patent, copyright, trademark, trade secret rights, confidentiality procedures, technical measures and contractual agreements with our customers and employees to establish and protect our IP rights in our products and services. If we fail to protect our IP rights, our competitive position could suffer, which could adversely affect our business, financial condition and results of operations.

Although we are unable to determine the extent to which piracy of our products and services exists, piracy is a prevalent problem in general. We may be forced to initiate litigation to protect our IP rights. Litigating claims related to the enforcement of IP rights is very expensive and can be burdensome in terms of management time and resources, which could adversely affect our business and results of operations. The risk of not adequately protecting our IP rights and our exposure to competitive pressures may be increased if a competitor should resort to unlawful means in competing against us or design around our IP rights.

In addition, our legal rights and contractual agreements may provide only limited protection. Some of the content and data we use in our products and services is not proprietary to us, and can be obtained for free from public sources. Accordingly, competitors can obtain such content and data and incorporate them into competing products and services. Our customers may bypass certain of our products and services and obtain the content and data themselves. Databases in general enjoy very limited protection under IP laws. In the absence of more robust protection under IP laws, we rely on technical measures and contractual provisions to protect our databases. However, third parties may be able to copy, infringe or otherwise profit from our databases without authorization and the Internet may facilitate these activities.

We also conduct business in some countries where the extent of effective legal protection for IP rights is uncertain. Even if we have IP rights, there is no guarantee that such rights will provide adequate protection of our databases, software or other items we consider proprietary. If we are not able to protect our IP rights, our business, financial condition and results of operations results may be adversely affected.

We may face IP infringement claims that could be costly to defend and result in our loss of significant rights.

From time to time, we may receive notices from third parties claiming infringement by our products and services of third-party patent and other IP rights. As the number of products and services in our markets increases and the functionality of these products and services further overlaps, we may become increasingly subject to claims by a third party that our products and services infringe such party's IP rights. In addition, there is a growing occurrence of patent suits being brought by organizations that use patents to generate revenues without manufacturing, promoting or marketing products or investing in research and development in bringing products to markets. These organizations continue to be active and target whole industries as defendants. We may not prevail in any such litigation given the complex technical issues and inherent uncertainties in IP litigation. If an infringement suit against us is successful, we may be required to compensate the third party bringing the suit either by paying a lump sum or ongoing license fees to be able to continue selling a particular product or service. This type of compensation could be significant. We might also be prevented or enjoined by a court from continuing to provide the affected product or service and may be forced to significantly increase our development efforts and resources to redesign such product or service. We may also be required to defend or indemnify any customers who have been sued for allegedly infringing a third party's patent in connection with using one of our products or services. Responding to IP claims, regardless of the validity, can be time-consuming for our personnel and management, result in costly litigation, cause product shipment delays and harm our reputation, any of which could adversely affect our results of operations.

For some of our products and services, we typically face a long selling cycle to secure new contracts that requires significant resource commitments, resulting in a long lead time before we receive revenues.

For some of our products and services, we typically face a long selling cycle to secure each new contract, and there is generally a long preparation period before we commence providing products and services or delivering configurable software. We may incur significant business development expenses during the selling cycle and we may not succeed in winning a new customer's business, in which case we receive no revenues and may receive no reimbursement for such expenses. Current selling cycle periods could lengthen, causing us to incur even higher business development expenses with no guarantee of winning a new customer's business. Even if we succeed in developing a relationship

with a potential new customer, we may not be successful in obtaining contractual commitments after the selling cycle or in maintaining contractual commitments after the implementation cycle, which may have a material adverse effect on our business, results of operations and financial condition.

We operate in a litigious environment which may adversely affect our financial results.

We may become involved in legal actions and claims arising in the ordinary course of business, including litigation regarding employment matters, breach of contract and other commercial matters. Due to the inherent uncertainty in the litigation process, the resolution of any particular legal proceeding could result in changes to our products and business practices and could have a material adverse effect on our financial position and results of operations.

Risks Related to the Acquisition

Our inability to transition successfully to being an independent company may have a material adverse effect on our results of operations and reputation.

The Predecessor has historically been a part of the operations of Thomson Reuters, which provided us with operational, financial and other support. As a result of the Transactions, we have become an independent company and, accordingly, must develop and implement the systems and infrastructure necessary to support our current and future business. We cannot assure you that we will make the transition successfully. For example, certain of our accounting and information technology systems have historically been a part of Thomson Reuters' larger operations and we may not be able to successfully transition those systems to our independent operations in a timely manner, or at all, or may have underestimated the costs required to do so. Any delays in implementing required functionalities and systems may lead to increased operating expenses. Further, there may be an adverse operational impact on our business as a result of the significant management time and internal resources that need to be dedicated to developing our internal support functions and standalone operations. Such management time and internal resources would otherwise be available for other business initiatives and opportunities.

The Transition Services Agreement, which covers such services as, among others, technology, facilities management, human resources, sourcing, financial, accounting, data management and marketing, generally provides for our receipt of transitional services from Thomson Reuters for six months to three years after the Day 1 Closing Date depending on the service provided (with such extensions as provided for pursuant to the Transition Services Agreement) before we must have developed or procured such services on our own. We will also incur costs in the future for costs that have historically been part of Thomson Reuters' larger cost structure, including costs associated with health and welfare benefits for our employees, as well as internal legal, tax, regulatory and treasury services. In particular, we will need to hire additional employees, including in the legal, finance and human resources areas. We will incur costs searching for and hiring individuals to fill the positions, and we may not be able to find qualified candidates at a reasonable cost, or at all. In addition, certain of our employees work at facilities belonging to Thomson Reuters. We will need to secure new office locations for these employees and will incur costs as part of that search and build out of our new offices. Additionally, as part of Thomson Reuters, we benefited from certain economies of scale, including with respect to our relationships with our suppliers. We cannot assure you that we will be able to maintain or build the independent relationships that are necessary for us to continue to benefit from such economies of scale or operate our business successfully. Furthermore, we cannot assure you that the estimated costs to operate as a stand-alone company reflected in Adjusted EBITDA will prove to be accurate. In particular, these estimates exclude certain costs we expect to incur as part of the transition. Any failure to transition successfully within the term of the Transition Services Agreement, or to otherwise transition successfully to an independent company, may cause us to incur substantial expense in addition to the anticipated separation costs, and would have a material adverse effect on our business, results of operations and reputation. Our products and services also depend on content we obtain from Thomson Reuters. We have obtained licenses from Thomson Reuters to continue to use such content; however, these licenses are subject to certain limitations, such as duration and scope of use. Moreover, there is no guarantee that third parties other than Thomson Reuters will be willing to license their content to us on terms as favorable as we have previously enjoyed as part of Thomson Reuters.

We may be unable to achieve some or all of the operational cost improvements and other benefits that we expect to realize as a result of the Transactions.

We may not be able to realize all of the cost savings we expect to achieve as a result of our separation from Thomson Reuters. In connection with our evaluation of the Acquisition, we have estimated the costs we will need to incur in

order to operate as an independent company after the Transition Services Agreement expires. In addition, we have estimated that we will be able to achieve additional annual cost savings as a result of other initiatives, particularly by pursuing a number of operational cost improvements identified during diligence, increased overall focus on cost control as a stand-alone company and certain other restructuring initiatives we plan to undertake. We cannot assure you that we will be able to successfully realize the expected benefits of these initiatives. A variety of risks could cause us not to realize some or all of the expected benefits. These risks include, among others, higher than expected standalone overhead expenses, delays in the anticipated timing of activities related to such initiatives, increased difficulty and cost in establishing ourselves as an independent company, lack of sustainability in cost savings over time, unexpected costs associated with operating our business, inability to eliminate duplicative back office overhead or redundant selling and general and administrative functions and inability to avoid labor disruptions in connection with any integration of the foregoing, particularly in connection with any headcount reductions. Our ability to successfully manage organizational changes is important for our future business success. In particular, our reputation and results of operations could be harmed if employee morale, engagement or productivity decline as a result of organizational or other changes.

Moreover, our implementation of these initiatives may disrupt our operations and performance, and our estimated cost savings from these initiatives are based on several assumptions that may prove to be inaccurate and, as a result, we cannot assure you that we will realize these cost savings. If, for any reason, the benefits we realize are less than our estimates, or our improvement initiatives adversely affect our operations or cost more or take longer to implement than we project, or if our assumptions prove inaccurate, our results of operations may be materially adversely affected.

Thomson Reuters is permitted to continue operating its West IP business, which overlaps with our patent and trademark searching products and services.

Both during and after the non-compete period, Thomson Reuters will be permitted to continue to operate its West IP business. This business offers patent and trademark search capabilities that in certain cases overlap with, or are identical to, our patent and trademark searching products and services. Moreover, in connection with the Transactions, we have granted Thomson Reuters licenses for three years to certain portions of our content to enable Thomson Reuters to continue to incorporate such data in its West IP products. Following this term, unless we agree to renew the license, Thomson Reuters will no longer have access to this content. Certain of our customers may elect to use Thomson Reuters' services rather than ours.

Our historical Predecessor financial information may not be indicative of our future results as an independent company.

The historical Predecessor financial information we have included in this report has been derived from the historical accounting records of Thomson Reuters and may not reflect what our results of operations or cash flows would have been had we been an independent company during the periods presented and may not be indicative of what our results of operations, financial position or cash flows will be in the future. As a result, you will have limited information on which to evaluate our business and your investment decision. This is primarily a result of the following factors:

- as part of Thomson Reuters, Thomson Reuters provided us with services and allocated expenses for those services to us in amounts that may not have been the same as the expenses we would have incurred had we performed or acquired those services ourselves; and
- our historical Predecessor financial information does not reflect other events and changes that occurred as a result of our separation from Thomson Reuters, including the establishment of our capital structure, the incurrence of debt and changes in our expenses as a result of our debt and new employee, tax and other structures and matters.

Because we historically operated as a segment of Thomson Reuters, the historical combined financial statements included in this report have been prepared on a carve-out basis from Thomson Reuters, which required certain assumptions and estimates relating to, among other things, allocation of corporate services, foreign currency exchange gains and losses, interest expense, income taxes and other matters. For additional information about the past financial performance of our business and the basis of presentation of the consolidated and combined financial statements see "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the audited combined financial statements and the related notes included elsewhere in this report.

Thomson Reuters' historical and future actions, or failure to comply with its indemnification obligations, may materially affect our business and operating results.

Although we are an independent company as a result of the Transactions, Thomson Reuters' historical and future actions may still have a material impact on our business and operating results. In connection with the Transactions, we have entered into certain agreements with Thomson Reuters, including the Acquisition Agreement and the Transition Services Agreement. Thomson Reuters' failure to comply with any portion of the Transition Services Agreement, including the indemnities therein, for any reason could inhibit us from operating or expanding our business in the future and/or result in significant additional costs to us. In addition, Thomson Reuters has, subject to certain exceptions, limitations and exclusions, agreed to indemnify us under the Acquisition Agreement for certain liabilities. We could incur material additional costs if Thomson Reuters fails to meet its obligations or if we otherwise are unable to recover costs associated with such liabilities.

Certain of our executive officers and directors may have actual or potential conflicts of interest because of their equity interests in Thomson Reuters.

Because of their former positions with Thomson Reuters, certain of our executive officers and directors own Thomson Reuters common stock. Even though our executive officers who were previously employees of Thomson Reuters ceased to be employees of Thomson Reuters upon the separation, continuing ownership of Thomson Reuters common stock by our executive officers and some of our directors could create, or appear to create, potential conflicts of interest if we and Thomson Reuters pursue the same corporate opportunities or face decisions that could have different implications for us and Thomson Reuters. Potential conflicts of interest could also arise if we enter into any new commercial arrangements with Thomson Reuters in the future.

We may need to recognize impairment charges related to goodwill, identified intangible assets and fixed assets.

We have substantial balances of goodwill and identified intangible assets following the Transactions. We are required to test goodwill and any other intangible assets with an indefinite life for possible impairment on an annual basis, or more frequently when circumstances indicate that impairment may have occurred. We are also required to evaluate amortizable intangible assets and fixed assets for impairment if there are indicators of a possible impairment.

There is significant judgment required in the analysis of a potential impairment of goodwill, identified intangible assets and fixed assets. If, as a result of a general economic slowdown, deterioration in one or more of the markets in which we operate or impairment in our financial performance and/or future outlook, the estimated fair value of our long-lived assets decreases, we may determine that one or more of our long-lived assets is impaired. An impairment charge would be recorded if the estimated fair value of the assets is lower than the carrying value and any such impairment charge could have a material adverse effect on our results of operations and financial position.

Risks Related to the Notes and Our Indebtedness

Our substantial indebtedness could adversely affect our financial condition, limit our ability to raise additional capital to fund our operations and prevent us from fulfilling our obligations under the Notes and our other indebtedness.

As a result of our substantial indebtedness incurred in connection with the Transactions, a significant amount of our cash flows will be required to pay interest and principal on our outstanding indebtedness, and we may not generate sufficient cash flows from operations, or have future borrowings available under the Revolving Credit Facility, to enable us to repay our indebtedness, including the Notes, or to fund our other liquidity needs. As of December 31, 2017, we had total indebtedness of $2,060,700 Facility, and Revolving Credit Facility. We had additional unused commitments under the Revolving Credit Facility, less outstanding letters of credit, available to us of $142,970. Our interest expense excluding non-cash items for the year ended December 31, 2017 was $112,684.

Subject to the limits contained in the Credit Agreement, the Indenture and our other debt instruments, we may incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions or for other purposes. If we do so, the risks related to our high level of debt would further increase. Specifically, our high level of debt could have important consequences to us, the lenders under the Senior Secured Credit Facilities and the holders of the Notes, including:

- making it more difficult for us to satisfy our obligations with respect to the Notes, the Credit Agreement and our other debt;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- increasing our vulnerability to general adverse economic and market conditions;
- exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under the Senior Secured Credit Facilities, are at variable rates of interest;
- limiting our flexibility in planning for and reacting to changes in the markets in which we compete and to changing business and economic conditions;
- restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;
- impairing our ability to obtain additional financing in the future;
- preventing us from raising the funds necessary to repurchase all Notes tendered to us or repay all indebtedness outstanding under the Senior Secured Credit Facilities upon the occurrence of certain changes of control, which failure to repurchase would constitute an event of default under the Indenture or the Credit Agreement, as applicable;
- placing us at a disadvantage compared to other, less leveraged competitors and affecting our ability to compete; and
- increasing our cost of borrowing.

We may not be able to generate sufficient cash flows from operations to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to financial, business, legislative, regulatory and other factors beyond our control. We might not be able to maintain a level of cash flows from operations sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to obtain loans or other debt financings on commercially reasonable terms or at all. The Credit Agreement and the Indenture restrict our ability to dispose of assets and use the proceeds from such dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. Because of these restrictions, we may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial position and results of operations and our ability to satisfy our obligations under the Notes. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.”

Additionally, if we cannot make scheduled payments on our debt we will be in default, and holders of the Notes could declare all outstanding principal and interest to be due and payable, the lenders under the Credit Agreement could terminate their commitments to loan additional money to us, the lenders could foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation. All of these events could result in your losing all or a part of your investment in the Notes.

The Issuer is a financing vehicle for us, has no material assets or sources of revenues except for claims against Bidco pursuant to loan notes that are issued by Bidco and will rely on payments by Bidco to service its debt obligations and repay the Notes.

The Issuer is a finance company with no material assets except for claims against Bidco pursuant to loan notes that are issued by Bidco. The Issuer is a direct wholly owned subsidiary of Bidco and used the proceeds from the sale of the Notes, as well as the term loan proceeds on-lent to the Issuer by Tower Borrowers, to subscribe for the Luxembourg Intercompany Notes. The Issuer intends to service and repay the Notes from the payments it receives on the Luxembourg Intercompany Notes. Other than the receivables under the Luxembourg Intercompany Notes (or other loans made by

the Issuer) and the proceeds of any borrowings under the Revolving Credit Facility by the Issuer, the Issuer has no assets or sources of revenues. The Issuer's ability to service and repay the Notes depends on the ability of Bidco and Bidco's other subsidiaries to service in full the Luxembourg Intercompany Notes and the Credit Agreement. In meeting its payment obligations under the Notes, the Issuer is entirely dependent on the profitability and cash flows of Bidco and Bidco's other subsidiaries.

As a holding company with limited direct operations, Bidco's ability to meet its cash requirements, including its obligations under its Notes Guarantee, the Luxembourg Intercompany Notes and any other credit arrangement of Bidco, are in turn entirely dependent upon the profitability and cash flows of its subsidiaries and payments by such subsidiaries to Bidco in the form of loans, dividends or other payment.

Bidco's subsidiaries are separate and distinct legal entities and the ability of Bidco's subsidiaries to make payments to Bidco may be restricted by, among other things, applicable corporate and other laws and regulations and by the terms of covenants and restrictions contained in financing agreements to which such subsidiaries are or will be a party, including the Indenture and the Credit Agreement. Subject to certain qualifications, Bidco's subsidiaries are also permitted under the terms of their indebtedness, including the Indenture, to incur additional indebtedness that may restrict payments from those subsidiaries to Bidco. In addition to any limitations on payments to Bidco contained in such agreements, any failure to comply with the covenants and restrictions contained in such agreements could trigger defaults under those agreements which could delay or preclude any payments to Bidco.

We will need to repay or refinance borrowings under the Senior Secured Credit Facilities prior to maturity of the Notes. Failure to do so could have a material adverse effect upon us.

The Term Loan Facility and Revolving Credit Facility mature in 2023 and 2021, respectively, which is prior to the maturity of the Notes. Consequently, prior to the maturity of the Notes, we will need to repay, refinance, replace or otherwise extend the maturity of the Senior Secured Credit Facilities. Our ability to repay, refinance, replace or extend will be dependent on, among other things, business conditions, our financial performance and the general condition of the financial markets. If a financial disruption were to occur at the time that we are required to repay, refinance or replace indebtedness outstanding under the Senior Secured Credit Facilities, we could be forced to undertake alternate financings, negotiate for an extension of the maturity of the Senior Secured Credit Facilities or sell assets and delay capital expenditures in order to generate proceeds that could be used to repay indebtedness under the Senior Secured Credit Facilities. We cannot assure you that we will be able to consummate any such transaction on terms that are commercially reasonable, on terms acceptable to us or at all. Our failure to repay, refinance, replace or otherwise extend the maturity of the Senior Secured Credit Facilities could result in an event of default under the Indenture and the Credit Agreement, which could lead to an acceleration or repayment of substantially all of our outstanding debt.

Despite our level of indebtedness after the Transactions, we and our subsidiaries may still incur substantially more debt. This could further exacerbate the risks to our financial condition described above.

We and our subsidiaries may incur significant additional indebtedness in the future. Although the Indenture and the Credit Agreement contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, including with respect to our ability to incur additional senior secured debt. The additional indebtedness we may incur in compliance with these restrictions could be substantial. If we incur any additional indebtedness that ranks equally with the Notes, subject to collateral arrangements, the holders of that debt will be entitled to share ratably with the holders of the Notes (or, in the case of pari passu secured debt, senior to the holders of the Notes, to the extent of the value of the assets securing such indebtedness) in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of our company. This could reduce the amount of proceeds paid to the holders of the Notes. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness. In addition, as of December 31, 2017, the Revolving Credit Facility provided for unused commitments of $143 million. Additionally, the Senior Secured Credit Facilities may be increased by an amount equal to (x) an unlimited amount so long as on a pro forma basis our total first lien net leverage ratio (as such term is used in the Credit Agreement) does not exceed 4.90 to 1.00, plus (y) all voluntary prepayments, loan buybacks and commitment reductions of the Term Loan Facility, the Revolving Credit Facility, incremental loans and Incremental Equivalent Debt secured by Collateral on a pari passu basis with the Senior Secured Credit Facilities plus (z) an amount equal to the greater of $300 million and 75% of Consolidated EBITDA (as such term is defined in the Credit Agreement) as of the last day of and for the most recently ended four fiscal quarter period for which financial

statements have been delivered, subject to certain conditions. Such incremental facilities would be secured indebtedness. If new debt is added to our current debt levels, the related risks that we now face would increase.

The terms of the Indenture and the Credit Agreement impose restrictions that may limit our current and future operating flexibility, particularly our ability to respond to changes or to take certain actions, which could harm our long-term interests and may limit our ability to make payments on the Notes.

The Indenture and the Credit Agreement contain a number of restrictive covenants that impose significant operating and financial restrictions on us and limit our ability to engage in acts that may be in our long-term best interest, including restrictions on the ability of Bidco and its restricted subsidiaries to:

- incur additional indebtedness;
- pay dividends on, redeem or repurchase capital stock;
- make certain restricted payments and investments;
- create or permit to exist certain liens;
- impose restrictions on the ability of subsidiaries to pay dividends or other payments to Bidco or any of its restricted subsidiaries;
- transfer, lease or sell certain assets;
- merge or consolidate with other entities;
- enter into certain transactions with affiliates;
- designate restricted and unrestricted subsidiaries; and
- provide guarantees of other debt.

As a result of all of these restrictions, we may be:

- limited in how we conduct our business;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

These restrictions might hinder our ability to grow in accordance with our strategy.

With respect to the Revolving Credit Facility, we are also required to maintain a maximum total first lien net leverage ratio not in excess of 7.50 to 1.00 (with a single step-down to 7.00 to 1.00 beginning with the first fiscal quarter of 2019) to be tested on the last day of any quarter, for the most recently ended four fiscal quarter period, where more than 30% of the Revolving Credit Facility (excluding (i) up to $10,000 of non-cash collateralized, issued and undrawn letters of credit and (ii) any cash collateralized letters of credit) is utilized at such date. Our ability to meet the financial covenant could be affected by events beyond our control.

A breach of the covenants under the Indenture or under the Credit Agreement could result in an event of default under the applicable indebtedness. Such a default, if not cured or waived, may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt that is subject to an applicable cross-acceleration or cross-default provision. In addition, an event of default under the Credit Agreement would permit the lenders under the Senior Secured Credit Facilities to terminate all commitments to extend further credit under the Senior Secured Credit Facilities. Furthermore, if we were unable to repay the amounts due and payable under the Senior Secured Credit Facilities, those lenders could proceed against the collateral securing such indebtedness. In the event our lenders or holders of the Notes accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under the Senior Secured Credit Facilities are at variable rates of interest and expose us to interest rate risk. Interest rates are currently at historically low levels. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed may remain the same, and our profit and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. In March 2017, we entered into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. Assuming that the Revolving Credit Facility is undrawn (and to the extent that LIBOR is in excess of the 1.00% floor rate of the Term Loan Facility), each one-eighth percentage point change in interest rates

would result in a $1.7 million change in annual interest expense on the indebtedness under the Senior Secured Credit Facilities. It is possible that we will not maintain interest rate swaps with respect to any of our variable rate indebtedness. Alternatively, any swaps we enter into may not fully or effectively mitigate our interest rate risk.

Claims of the senior secured creditors have priority with respect to their security over the claims of holders of the Notes, to the extent of the value of the assets securing such indebtedness.

The Notes are not secured by any of our assets. As such, the Notes and each Notes Guarantee are effectively subordinated to any senior secured liabilities (including obligations with respect to the Senior Secured Credit Facilities and any other indebtedness that is allowed to rank pari passu with such Senior Secured Credit Facilities) to the extent of the value of the assets securing such indebtedness. In the event of any foreclosure, dissolution, winding up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of the Issuer or any Notes Guarantor that has secured obligations, holders of senior secured liabilities will have prior claims to the assets of the Issuer or relevant Notes Guarantor that constitute their collateral, and the proceeds from the sale of assets securing any senior secured liabilities will be available to repay obligations on the Notes only after all obligations under any senior secured liabilities have been paid in full. As a result, holders of Notes may receive less, ratably, than holders of senior secured liabilities of the Issuer or relevant Notes Guarantor or if the holders of such senior secured indebtedness are not paid in full, may not recover any amount at all. In addition, the Indenture will permit us to incur substantial additional indebtedness in the future, including additional secured indebtedness.

The Notes are structurally subordinated to all obligations of Bidco's existing and future subsidiaries that do not guarantee the Notes.

Bidco's subsidiaries that do not guarantee the Notes have no obligation, contingent or otherwise, to pay amounts due under the Notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment. The Notes are structurally subordinated to all indebtedness and other obligations of Bidco's non-guarantor subsidiaries such that in the event of insolvency, liquidation, reorganization, dissolution or other winding up of any such non-guarantor subsidiary, all of that subsidiary's creditors (including trade creditors) would be entitled to payment in full out of that subsidiary's assets before Bidco would be entitled to any payment from that subsidiary.

Subject to the Guaranty and Security Principles, the Notes are (i) guaranteed on a senior unsecured basis by Bidco and its subsidiaries formed in the United States or any state thereof (other than Information Ventures LLC) and by each of Bidco's other subsidiaries that is an obligor under the Senior Secured Credit Facilities and (ii) will be guaranteed from time to time by any other subsidiary of Bidco that becomes an obligor under the Senior Secured Credit Facilities.

The Senior Secured Credit Facilities are guaranteed by (i) UK Holdco and Tower Borrowers and, with respect to the Revolving Credit Facility, the Tower Borrowers, (ii) subject to the Guaranty and Security Principles, certain of Bidco's direct and indirect wholly owned restricted subsidiaries, so that on an annual basis, (a) the aggregate Credit Agreement EBITDA of the borrowers and guarantors of the Senior Secured Credit Facilities will equal or exceed 80% of the Consolidated EBITDA (as defined in the Credit Agreement) of Bidco and its restricted subsidiaries and (b) the aggregate gross assets (calculated on an unconsolidated basis and excluding intercompany items (other than intercompany profit margins)) of the guarantors of the Senior Secured Credit Facilities will comprise at least 80% of total assets of Bidco and its restricted subsidiaries (excluding Credit Agreement EBITDA and gross assets of certain excluded subsidiaries referred to below and the Credit Agreement EBITDA of any restricted subsidiaries with negative Credit Agreement EBITDA) and (iii) subject to the Guaranty and Security Principles, each restricted subsidiary of Bidco that is not designated as an immaterial subsidiary and any direct parent thereof. Camelot Finance LP was dissolved on December 31, 2017, at which time Credit Suisse AG, Cayman Islands Branch, acting as the administrative agent for the respective portion of the Term Loan Facility, became the direct borrower to the Company. Notwithstanding the foregoing, the following entities are not required to guaranty the Senior Secured Credit Facilities: (i) subsidiaries designated as unrestricted, (ii) certain immaterial subsidiaries (unless required to meet the guarantor coverage test noted above) and (iii) certain excluded subsidiaries, including non-wholly owned subsidiaries, joint ventures (but including subsidiaries that are wholly owned other than in respect of directors or foreign nationals qualifying shares), captive insurance companies, not-for-profit subsidiaries, special purposes securitization entities, subsidiaries organized in China or India, and other subsidiaries to be determined, in each case, subject to certain other exceptions, including the Guaranty and Security Principles.

For the year ended December 31, 2017, Bidco's restricted subsidiaries that are guarantors accounted for 81% of our Adjusted EBITDA, 86% of our revenue, and as of December 31, 2017, these same guarantors accounted for 88% of our consolidated assets. Accordingly, our consolidated financial information may be of limited use in assessing the financial position of the guarantors of the Notes.

In addition, the Indenture, subject to some limitations, permits non-guarantor subsidiaries to incur additional indebtedness and not contain any limitation on the amount of liabilities other than indebtedness, such as trade payables, that may be incurred by these non-guarantor subsidiaries.

Further, Bidco's subsidiaries that provide, or will provide, Notes Guarantees may be released from those Notes Guarantees upon the occurrence of certain events. If any subsidiary's Notes Guarantee is released, no holder of the Notes will have a claim as a creditor against that subsidiary, and the indebtedness and other liabilities, including trade payables and preferred stock, if any, whether secured or unsecured, of that subsidiary will be effectively senior to the claim of any holders of the Notes.

The lenders under the Senior Secured Credit Facilities have the discretion to release the guarantors under the Senior Secured Credit Facilities in a variety of circumstances, which would cause those guarantors to be released from their guarantees of the Notes.

While any obligations under the Senior Secured Credit Facilities remain outstanding, any Notes Guarantee may be released without action by, or consent of, any holder of the Notes or the Trustee under the Indenture, if such Notes Guarantor is no longer a borrower or guarantor of obligations under the Senior Secured Credit Facilities. The lenders under the Senior Secured Credit Facilities have the discretion to release the guarantees under the Senior Secured Credit Facilities in a variety of circumstances. Holders of the Notes will not have a claim as a creditor against any subsidiary that is no longer a Notes Guarantor, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those subsidiaries would effectively be senior to claims of holders of the Notes.

The Issuer may not be able to repurchase the Notes upon a change of control.

Upon the occurrence of specific kinds of change of control events, the Issuer will be required to offer to repurchase all outstanding Notes at 101% of their principal amount, plus accrued and unpaid interest to the repurchase date. Additionally, under the Senior Secured Credit Facilities, a change of control (as defined therein) constitutes an event of default that permits the lenders to accelerate the maturity of borrowings under the Credit Agreement and terminate their commitments to lend. The source of funds for any repurchase of the Notes and repayment of borrowings under the Senior Secured Credit Facilities would be available cash or cash generated from Bidco's subsidiaries' operations or other sources, including borrowings, sales of assets or sales of equity. The Issuer may not be able to repurchase the Notes upon a change of control because we may not have sufficient financial resources to purchase all of the Notes that are tendered upon a change of control and repay our other indebtedness that will become due at such time. We may require additional financing from third parties to fund any such purchases, and we may be unable to obtain financing on satisfactory terms or at all. Further, the Issuer's ability to repurchase the Notes may be limited by law. In order to avoid the obligations to repurchase the Notes and events of default and potential breaches of the Credit Agreement, we may have to avoid certain change of control transactions that would otherwise be beneficial to us.

In addition, some important corporate events, such as leveraged recapitalizations or the sale of our company to a public company that does not have a majority shareholder, may not, under the Indenture, constitute a "change of control" that would require us to repurchase the Notes, even though those corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings or the value of the Notes.

Holders of the Notes may not be able to determine when a change of control giving rise to their right to have the Notes repurchased has occurred following a sale of "substantially all" of our assets.

The definition of change of control in the Indenture includes a phrase relating to the sale of "all or substantially all" of our assets. There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, the ability of a holder of Notes to require us to repurchase such Notes as a result of a sale, assignment, lease, conveyance or other disposition of less than all of our and our subsidiaries' assets, taken as a whole, to another person or group is uncertain. Accordingly, the ability of a holder of Notes to require the Issuer to repurchase its Notes as a result of a sale of less than all our assets to another person may be uncertain.

The Issuer may redeem the Notes at any time, which may adversely affect a holder of the Notes' return.

The Issuer has the right to redeem the Notes in whole or in part beginning on October 15, 2019, at the redemption prices set forth in the Indenture. At any time prior to October 15, 2019, the Issuer may also redeem (1) up to 100% of the Notes at a redemption price of 100% of their principal amount plus a make-whole premium and accrued interest and (2) up to 40% of the Notes at a redemption price of 100% of the principal amount plus the annual coupon and accrued interest using the proceeds of certain equity offerings so long as 50% of the original aggregate principal amount of the Notes remains outstanding. The Issuer may choose to exercise this redemption right when prevailing interest rates are relatively low. As a result, holders of the Notes may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes.

Fraudulent transfer laws, and similar laws in applicable non-U.S. jurisdictions, may permit a court to void the Notes and/or the Notes Guarantees and, if that occurs, holders of the Notes may not receive any payments on the Notes.

Fraudulent transfer and conveyance laws, and similar laws in applicable non-U.S. jurisdictions, may apply to the issuance of the Notes and/or the incurrence of the Notes Guarantees. Under bankruptcy laws and fraudulent transfer or conveyance laws and other similar laws in applicable non-U.S. jurisdictions, which may vary from state to state and jurisdiction to jurisdiction, the Notes or the Notes Guarantees could be voided as a fraudulent transfer or conveyance if the Issuer or any or the Notes Guarantors, as applicable, (a) issued the Notes and/or incurred the Notes Guarantees with the intent of hindering, delaying or defrauding creditors or (b) received less than reasonably equivalent value or fair consideration in return for issuing the Notes and/or incurring the Notes Guarantees and, in the case of (b) only, one of the following is also true at the time thereof:

- the Issuer or the Notes Guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the Notes or the incurrence of the Notes Guarantees;
- the issuance of the Notes or the incurrence of the Notes Guarantees left the Issuer or any of the Notes Guarantors, as applicable, with an unreasonably small amount of capital or assets to carry on the business;
- the Issuer or any of the Notes Guarantors intended to, or believed that the Issuer or such Notes Guarantor would, incur debts beyond the Issuer's or such Notes Guarantor's ability to pay as they mature; or
- the Issuer or any of the Notes Guarantors were a defendant in an action for money damages, or had a judgment for money damages docketed against the Issuer or the Notes Guarantor if, in either case, the judgment is unsatisfied after final judgment.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is secured or satisfied. A court would likely find that a Notes Guarantor did not receive reasonably equivalent value or fair consideration for its Notes Guarantee to the extent the Notes Guarantor did not obtain a reasonably equivalent benefit directly or indirectly from the issuance of the Notes.

We cannot be certain as to the standards a court would use to determine whether or not the Issuer or the Notes Guarantors were insolvent at the relevant time or, regardless of the standard that a court uses, whether the Notes or the Notes Guarantee would be subordinated to the Issuer's or any of the Notes Guarantors' other debt. In general, however, a court would deem an entity insolvent if:

- the sum of its debts, including contingent and prospective liabilities, was greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent and prospective liabilities, as they become absolute and mature; or
- it could not pay its debts as they became due.

Each Notes Guarantee contains a provision intended to limit a Notes Guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its Notes Guarantee to be a fraudulent transfer. This provision may not be effective to protect the Notes Guarantees from being voided under fraudulent transfer law, or may reduce or eliminate the Notes Guarantor's obligation to an amount that effectively makes the Notes Guarantee worthless.

If a court were to find that the issuance of the Notes or the incurrence of a Notes Guarantee was a fraudulent transfer or conveyance, the court could void the payment obligations under the Notes or that Notes Guarantee, could subordinate

the Notes or that Notes Guarantee to presently existing and future indebtedness of the Issuer or of the related Notes Guarantor or could require the holders of the Notes to repay any amounts received with respect to that Notes Guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred, a holder of the Notes may not receive any repayment on the Notes. Further, the avoidance of the Notes or the Notes Guarantees could result in an event of default with respect to our and our subsidiaries' other debt that could result in acceleration of that debt.

Finally, as a court of equity, the bankruptcy court may subordinate the claims in respect of the Notes or the Notes Guarantees to other claims against us under the principle of equitable subordination if the court determines that (1) the holder of the Notes or the Notes Guarantees engaged in some type of inequitable conduct, (2) the inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holders of the Notes and (3) equitable subordination is not inconsistent with the provisions of the bankruptcy code.

Insolvency laws of jurisdictions outside the United States may not be as favorable to holders of the Notes as the U.S. bankruptcy laws and may preclude holders of the Notes from recovering payments due under the Notes.

The Issuer is organized in Luxembourg, Bidco is incorporated in the United Kingdom and the other Notes Guarantors are organized in the United States, the United Kingdom and Japan, and are parties to certain key agreements affecting the rights of holders of the Notes and their ability to recover under the Notes, including the Indenture. The Notes may also be guaranteed in the future by other subsidiaries of Bidco organized outside of the United States. The insolvency laws of these non-U.S. jurisdictions may not be as favorable to the interests of holders of the Notes as creditors as the laws of the United States or other jurisdictions with which such holders may be familiar, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and the duration of the proceeding.

In the event that any one or more of the Issuer, the Notes Guarantors, future guarantors, if any, or any of our subsidiaries experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Guarantees provided by entities organized in jurisdictions not discussed in this report may also be subject to material limitations pursuant to their terms, by statute or otherwise. Any enforcement of the guarantees after bankruptcy or an insolvency event in such other jurisdictions will be subject to the insolvency laws of the relevant entity's jurisdiction of organization or other jurisdictions. The insolvency and other laws of each of these jurisdictions may be materially different from, or in conflict with, each other, including in the areas of rights of creditors, the ability to void preferential transfers, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceedings. The application of these laws, or any conflict among them could call into question whether any particular jurisdiction's laws should apply, adversely affect a holder of the Notes' ability to enforce its rights in these jurisdictions or limit any amounts that such holder of the Notes may receive.

Enforcing rights as a holder of the Notes across multiple jurisdictions may be difficult.

The Notes were issued by a Luxembourg entity and are guaranteed by Bidco and certain of Bidco's subsidiaries which are organized under the laws of the United States, the United Kingdom and Japan. The Notes may also be guaranteed in the future by other subsidiaries of Bidco organized in other jurisdictions. In the event of bankruptcy, insolvency or a similar event, proceedings could be initiated in any of these jurisdictions or in the jurisdiction of organization of a future guarantor. A holder of the Notes' rights under the Notes and the Notes Guarantees could therefore be subject to the laws of multiple jurisdictions, and such holder may not be able to enforce effectively its rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights. In addition, the bankruptcy, insolvency, foreign exchange and exchange control regulations, administration and other laws of the various jurisdictions may not be as favorable to a holder of the Notes as, and may be materially different from or in conflict with one another and those of, the United States, including in respect of creditor's rights, priority of creditors, registration requirements, the ability to obtain post-petition interest or to collect in U.S. dollars and the duration of the insolvency proceeding. The consequences of the multiple jurisdictions involved could trigger disputes over which jurisdiction's laws should apply, which could adversely affect a holder of the Notes' ability to enforce such holder's rights and to collect payment in full under the Notes and the Notes Guarantees.

A holder of the Notes may be unable to enforce judgments obtained in the United States and non-U.S. courts against the Issuer, certain of the Notes Guarantors or their respective directors, managers and executive officers.

Certain of our directors, managers and executive officers are, and will continue to be, non-residents of the United States. In addition, the Issuer and certain of the Notes Guarantors are organized outside the United States and most of the assets of these non-U.S. companies are located outside of the United States. Although we will submit to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, a holder of the Notes may not be able to effect service of process on the non-U.S. resident directors, managers and officers in the United States or to enforce judgments of U.S. courts in any civil liabilities proceedings under the U.S. federal securities laws. Moreover, any judgment obtained in the United States against the non-resident directors, managers or executive officers, or the Issuer or any non-U.S. Notes Guarantors, including judgments with respect to the payment of principal, premium, if any, and interest on the Notes, may not be collectible in the United States. There is also uncertainty about the enforceability of civil judgments in the courts of certain jurisdictions, whether or not predicated upon the federal securities laws of the United States.

In addition, because the United States and Luxembourg are not currently party to a treaty with respect to the mutual recognition and enforcement of civil judgments, a judgment obtained against a Luxembourg company in a U.S. court in a dispute with respect to which the parties have validly agreed that such court is to have jurisdiction, will not be directly enforced by the courts in Luxembourg. In order to obtain a judgment which is enforceable in Luxembourg, enforcement proceedings must be initiated in Luxembourg (exequatur) before a competent court of Luxembourg. The courts of Luxembourg may recognize the binding effect of a final, conclusive and enforceable money judgment of a court of competent jurisdiction in the United States provided that certain conditions as set forth in the Luxembourg New Code of Civil Procedure and by Luxembourg case law are satisfied. As a result, even if a favorable judgment is obtained against the Issuer in the United States, such judgment might not be directly enforced by the courts in Luxembourg and enforcement proceedings must be initiated in Luxembourg (exequatur) by requesting enforcement of the U.S. judgment rendered in civil or commercial matters by the Luxembourg District Court (Tribunal d'Arrondisement) in Luxembourg.

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant, such as adverse changes in our business. A negative change in or an indication of a possible negative change in any of our ratings could have an adverse effect on the trading and market price of the Notes. A suspension, reduction or withdrawal at any time of any credit rating by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings, including the interest rate on the Senior Secured Credit Facilities, or result in higher borrowing costs. Any future lowering of our ratings likely would make it more difficult or more expensive for us to obtain additional debt financing. If any credit rating initially assigned to the Notes is subsequently lowered or withdrawn for any reason, a holder of the Notes may not be able to resell its Notes without a substantial discount.

Many of the covenants contained in the Indenture will not be applicable during any period when the Notes are rated investment grade by both Moody's and S&P and no default or event of default has occurred and is continuing.

Many of the covenants contained in the Indenture will not apply during any period when the Notes are rated investment grade by both Moody's and S&P and no default or event of default has occurred and is continuing under the Indenture. These covenants restrict, among other things, our ability to pay dividends, incur debt and to enter into certain other transactions. We cannot assure a holder of the Notes that the Notes will ever be rated investment grade, or that if they are rated investment grade, the Notes will maintain such ratings. However, suspension of these covenants would allow us to engage in certain actions that would not have been permitted while these covenants were in force, and the effects of any such actions that we take while these covenants are not in force will be permitted to remain in place even if the Notes are subsequently downgraded below investment grade and the covenants are reinstated.

If the Issuer is deemed to be or becomes a "foreign financial institution" for FATCA purposes and the Notes are materially modified after the current grandfathering rule under FATCA for "foreign passthru payments" ceases to apply, and the holder or beneficial owner of the Notes or an intermediary is subject to withholding under FATCA, a 30% U.S. federal withholding tax under FATCA may apply to the Notes from the date of such modification, and there would be no gross-up in respect of such tax.

Pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and related U.S. Internal Revenue Service guidance (provisions commonly known as "FATCA"), certain entities that are "foreign financial institutions" for FATCA purposes may be required to withhold U.S. federal income tax at a 30% rate on certain "foreign passthru payments" made after December 31, 2018, to the extent such payments are treated as attributable to certain U.S. source payments, if the recipient of such payments is subject to withholding under FATCA. Debt instruments that are outstanding on or prior to the date that is six months after the date on which applicable final regulations defining foreign passthru payments are finalized (including the Notes) generally would be "grandfathered" from these rules unless the debt instruments are materially modified in a manner constituting a deemed exchange for U.S. federal income tax purposes after such date. Accordingly, if the Issuer is treated as a foreign financial institution for this purpose and payments under the Notes are considered foreign passthru payments, and the holder or beneficial owner of the Notes or an intermediary is subject to withholding under FATCA and there was a material modification of the Notes in a manner constituting a deemed exchange for U.S. federal income tax purposes after the expiration of this grandfathering period, the Notes would generally become subject to withholding under FATCA. Holders of the Notes should consult their own tax advisors on how these rules may apply to their investment in the Notes. Luxembourg and other non-U.S. governments have entered into agreements with the United States (and additional non-U.S. governments are expected to enter into such agreements) to implement FATCA in a manner that alters the rules described herein. In the event any withholding tax is imposed under FATCA with respect to the Notes, there will be no additional amounts payable to compensate for amounts withheld under FATCA.

Certain jurisdictions may impose withholding taxes on payments under the Notes or Notes Guarantees or impose foreign exchange restrictions which may alter or reduce the amount recoverable by holders of the Notes.

Payments made under the Notes or Notes Guarantees by the Notes Guarantors and the Issuer in certain jurisdictions may be subject to withholding tax, the amount of which may vary depending on the residency of the recipient, the availability of double-tax treaty relief and the recipient's legal relationship with the relevant Notes Guarantor or Issuer. In certain circumstances, holders of the Notes may be entitled to receive additional amounts in respect of such withholding tax. In addition, government or central bank approvals may be required in order for a Notes Guarantor or the Issuer organized under the laws of certain jurisdictions, such as the U.K., Japan and Luxembourg, to convert local currency into foreign currency to remit payments outside that jurisdiction under its guarantee. In addition, foreign exchange controls applicable in certain jurisdictions may limit the amount of local currency that can be converted into other currencies, including U.S. dollars, upon enforcement of a guarantee.

The Sponsors own the majority of our equity and their interests may not be aligned with those of the holders of the Notes.

The Sponsors indirectly own the majority of the fully diluted equity of Bidco and, therefore, have the power to control our affairs and policies. The Sponsors also control, to a large degree, the election of directors, the appointment of management, the entry into mergers, sales of substantially all of our assets and other extraordinary transactions. The directors so elected have authority, subject to the terms of our debt (including the Notes), to issue additional stock, implement stock repurchase programs, declare dividends and make other decisions. The interests of the Sponsors could conflict with the interests of a holder of the Notes. For example, if we encounter financial difficulties or are unable to pay our debts as they mature, the interests of the Sponsors and certain of their respective affiliates as equity holders might conflict with those of a holder of the Notes. The Sponsors may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investment, even though such transactions might involve risks to a holder of the Notes. Additionally, the Sponsors are in the business of making investments in companies, and currently have, and from time to time in the future may acquire, interests in businesses that directly or indirectly compete with certain portions of our business or are suppliers or customers of ours. The Sponsors may also pursue acquisition opportunities that may be complementary to our business and, as a result, these acquisition opportunities may not be available to us.

Additionally, investment funds advised by entities affiliated with the Sponsors may buy or sell the Notes in the future, and as a result, these investment funds and affiliates of the Sponsors may buy or sell Notes in open market transactions at any time following the consummation of this offering.

The Notes are not registered under U.S. federal or state securities laws. There are restrictions on a holder of the Notes' ability to transfer or resell the Notes.

The Notes were offered and sold pursuant to an exemption from registration under the Securities Act and applicable state securities laws, are not registered and are not expected to be registered. The holders of the Notes are not entitled to require us to register the Notes for resale or otherwise. Therefore, a holder of the Notes may transfer or resell the Notes in the United States only in a transaction registered under or exempt from the registration requirements of the Securities Act and applicable state securities laws, and a holder of the Notes may be required to bear the risk of its investment for an indefinite period of time. In addition, we will not be subject to the reporting requirements of the Exchange Act, and holders of Notes will only be entitled to receive the information about us specified in the Indenture, including the information required by Rule 144A(d)(4) under the Securities Act.

A holder of the Notes' ability to transfer the Notes may be limited by the absence of an active trading market, and an active trading market may not develop for the Notes.

There is no established trading market for the Notes. The initial purchasers of the Notes have advised us that they intend to make a market in the Notes, however, they are not obligated to make a market in the Notes and, if commenced, may discontinue their market-making activities at any time without notice. An active market for the Notes may not develop or be maintained, which would adversely affect the market price and liquidity of the Notes. In that case, the holders of the Notes may not be able to sell their Notes at a particular time or at a favorable price, if at all.

Even if an active trading market for the Notes does develop, there is no guarantee that it will continue. Historically, the market for non-investment grade debt has been subject to severe disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The market, if any, for the Notes may experience similar disruptions, and any such disruptions may adversely affect the liquidity in that market or the prices at which a holder of the Notes may sell its Notes. In addition, the Notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our performance and other factors.

We are not subject to the Sarbanes-Oxley Act of 2002 and, therefore, are not be required to provide a management report of our internal controls.

Because the Notes are not registered under the Securities Act, we are not subject to the Sarbanes-Oxley Act of 2002, which requires public companies to have and maintain effective disclosure controls and procedures to ensure timely disclosure of material information, and have management review the effectiveness of those controls on a quarterly basis. The Securities Act also requires public companies to have and maintain effective internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements, and have management review the effectiveness of those controls on an annual basis (and have the independent auditor attest to the effectiveness of such internal controls). We are not required to comply with these requirements and therefore we might not have procedures comparable to public companies. Although we have allocated and continue to allocate financial resources to develop and monitor our internal control over financial reporting, all internal controls systems, no matter how well-designed, have inherent limitations. Even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of changes in conditions, the effectiveness of internal controls may vary over time. We cannot be certain that our internal control systems will be adequate or effective in preventing fraud or human error in the future or that new deficiencies of a material nature will not evolve and which we may be unable to correct. Any failure in the effectiveness of our internal controls over financial reporting could have a material effect on our financial reporting or cause us to fail to meet reporting obligations, which could negatively impair our ability to execute our business strategy and have an adverse impact on the price of the Notes.

We are not providing all of the information that would be required if we were registered with the SEC.

These financial statements are prepared in accordance with the requirements of our lenders, which is intended to be similar to what would be required if we were registered with the SEC. However, the financial statements do not

include all of the information that would be required if we were registered with the SEC. We urge you to consider this factor in connection with your use of these financial statements.

We may not achieve all of the expected benefits from the items reflected in the adjustments included in Adjusted EBITDA.

We have made adjustments to EBITDA to calculate Adjusted EBITDA. These adjustments reflect certain items related to our business strategy as well as the closing of the Transactions. For example, in calculating Adjusted EBITDA, we have added back, among other things, certain restructuring and integration costs, acquisition-related costs, and other unusual and/or non-recurring items. Further, we cannot provide assurance that any anticipated cost savings reflected in Adjusted EBITDA will be achieved or that our estimates and assumptions will prove to be accurate. If our actual cost savings are less than our estimates or our cost savings initiatives adversely affect our operations or cost more or take longer to implement than we project, or if our assumptions prove to be inaccurate, our results will be lower than we anticipate.

Our ability to realize the expected benefit or cost savings associated with the adjustments included or permitted by the Indenture and the Senior Secured Credit Facilities to be included when calculating Adjusted EBITDA depends on factors beyond our control, such as operating difficulties, increased operating costs, competitors and customers, delays in implementing initiatives, our ability to integrate businesses that we acquire and general economic or market conditions. We cannot assure you that we will be successful in generating growth, maintaining or increasing our cash flows or profitability or achieving cost savings in connection with the items reflected in these adjustments. We cannot assure you that Adjusted EBITDA will reflect the actual benefit of the related adjustments.

Properties

The Company's primary office spaces are in Philadelphia, Pennsylvania, which consists of approximately 123,800 square feet of space under a lease agreement that expires in October 2024, in London, UK of approximately 72,300 square feet under a lease agreement that expires in December 2028, in Hyderabad, India of approximately 54,064 square feet under a lease agreement that expires in July 2018, in Tokyo, Japan of approximately 29,800 square feet under a lease agreement that expires in May 2022, in San Fransisco, California of approximately 18,915 square feet under a lease agreement that expires in October 2025, and in Beijing, China of approximately 14,200 square feet under a lease agreement that expires in August 2020.

Legal Proceedings

From time to time, we are a party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of our business. While the outcomes of these matters are uncertain, management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on our consolidated financial position, results of operations or cash flows. For additional discussion of legal proceedings, see “Financial Statements and Supplementary Data” – “Notes to Financial Statements” – Note 15 – “Commitments and Contingencies.”

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our audited financial statements and related notes included elsewhere in this report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs, which are based on assumptions we believe to be reasonable. These forward-looking statements are not guarantees of future performance, and our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this report, particularly in "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements."

Overview

We are a leading global information services and analytics company serving the scientific research and intellectual property ("IP") markets. Universities, research and development-intensive businesses, government agencies and law firms around the world depend on our high-value, curated content, analytics, services and workflow solutions to facilitate the discovery, development, protection, commercialization and measurement of their scientific research, innovations and brands. We believe we have benefited and will continue to benefit from the substantial increase in unstructured data as our highly curated, proprietary databases source, aggregate, translate and categorize data in order to make it more valuable for our customers and enable their decision-making processes. We believe the strong value proposition of our content, combined with integration into our customers' daily workflows, leads to substantial customer loyalty.

In the second quarter of 2017, our business lines were renamed, although the underlying products did not change. Our business lines are organized as follows:

- Scientific and Academic Research (SAR): Provides highly curated products primarily used by universities to navigate scientific literature, facilitate research and evaluate and measure the quality of researchers, institutions and scientific journals in a particular discipline of study;
- IP and Standards (IP): IP serves patent and legal professionals within research and development-intensive businesses with patent content, analytics and professional services across the development and commercialization phases of the IP lifecycle; Standards serves a broad range of technical professionals, with industry codes and standards, to assist with quality and compliance processes through the commercialization phase of the IP lifecycle.
- Life Sciences: Serves the content and analytics needs of pharmaceutical and biotechnology companies across the drug development lifecycle with products that provide content on competitive intelligence, regulatory information and clinical trials;
- CompuMark: Provides trademark establishment and protection services to businesses and legal professionals through a comprehensive trademark database;
- MarkMonitor: Provides enterprise web domain portfolio management and online brand protection products and services to businesses; and
- IP Management (IPM): Serves legal professionals, researchers, engineers and licensing professionals by helping them with monitoring, managing and making renewal payments on their patent portfolio.

We also provide professional services to our SAR, IP, and Life Sciences customers through customized, value-added solutions that harness our content and the deep domain expertise of our professional services team. Our professional services help drive our customers' decision making and increase efficiency by leveraging our subject matter expertise, which reduces costs for our customers by allowing them to outsource certain workflows, including patent searches, drafting, translations, docketing and data validation. Growth in our professional services business reflects steady customer demand for high-value offerings which represent multi-disciplinary fields, and use a combination of content, technology and advisory-level expertise.

Presentation of Financial Information

Publons Limited Acquisition

On June 1, 2017, the Company entered into an acquisition agreement to acquire all assets, liabilities and equity interests of Publons Limited and its wholly owned subsidiary ("Publons") for $7,500. Additionally, in conjunction with the acquisition of Publons, the Company agreed to pay the former shareholders up to an additional $9,500 through 2020. Amounts payable are contingent upon Publons' achievement of certain milestones and performance metrics. The initial purchase consideration was provided from cash on hand at the date of acquisition.

The Publons acquisition was accounted for using the acquisition method of accounting. As a result of the Publons acquisition and the application of purchase accounting, Publons identifiable assets and liabilities were adjusted to their estimated fair market values as of the closing date. Additionally, the excess value of the total purchase price over the estimated fair value of our identifiable assets and liabilities upon the closing of the Acquisition was allocated to goodwill.

The Acquisition

On July 10, 2016, Bidco, entered into the Acquisition Agreement to acquire (i) certain assets and liabilities related to the IPS business formerly owned by the Sellers and (ii) all of the equity interests and substantially all of the assets and liabilities of certain entities engaged in the IP&S business together with their subsidiaries. The assets, liabilities and equity interests acquired are hereinafter referred to as the Predecessor. The purchase price for the Acquisition was financed through (i) the equity contributions made by the Sponsors and certain co-investors of the Company of $1,635,000 in cash, (ii) borrowings under the Term Loan Facility and (iii) the issuance of the Notes.

The Acquisition Agreement provided for an initial closing with respect to the Day 1 Countries and, subject to receipt of all required government approvals and satisfaction or waiver of certain additional conditions, closings on the Day 2 Countries. The Day 1 Closing Date was October 3, 2016. The consideration for the purchase of all of the Day 1 Countries and the Day 2 Countries was paid on the Day 1 Closing Date. Pursuant to the Acquisition Agreement, Bidco was entitled to receive the benefits and bear the obligations associated with owning and operating the Day 2 Countries from the Day 1 Closing Date until the completion of each Day 2 Acquisition, such that the parties would be put in nearly the same net economic position (on a cash basis) as if each of the Day 2 Acquisitions had been consummated on the Day 1 Closing Date. Prior to December 31, 2016, the acquisition of (a) assets and liabilities related to the IP&S business and (b) all of the equity interests and substantially all of the assets and liabilities of entities engaged in the IP&S business organized under the laws of China and France occurred. The remaining Day 2 Acquisitions were completed by June 30, 2017.

Concurrently with entering into the Acquisition Agreement, Bidco and a subsidiary of Former Parent entered into the Transition Services Agreement (“TSA”), which became effective on the Day 1 Closing Date, pursuant to which such subsidiary of the Former Parent will, or will cause its affiliates and/or third-party service providers to, provide Bidco, its affiliates and/or third-party service providers with certain technology, facilities management, human resources, sourcing, financial, accounting, data management, marketing and other services to support the operation of the IP&S business as an independent company. Such services will be provided by such subsidiary of the Former Parent or its affiliates and/or third-party service providers for various time periods and at various costs to Bidco based upon the terms set forth in the TSA.

As a result of the Acquisition and the application of purchase accounting, our identifiable assets and liabilities were adjusted to their estimated fair market values as of the Day 1 Closing Date. Additionally, the excess value of the total purchase price over the estimated fair value of our identifiable assets and liabilities upon the closing of the Acquisition was allocated to goodwill.

Successor

Jersey was formed on August 4, 2016 for the sole purpose of consummating the Acquisition and, consequently, has no financial statements as of or for any periods prior to that date. Jersey is a holding company with no material assets other than the equity interests of its subsidiaries, and conducts substantially all of its operations through Bidco and its subsidiaries. Therefore, although Jersey is not the Issuer or a Notes Guarantor, we believe its revenues and results of operations substantially reflect the revenues and results of operations of Bidco, which is a Notes Guarantor, and its

subsidiaries. See “Risk Factors” for a summary of the key differences between the financial statements of Jersey compared to the financial statements of Bidco.

While Jersey was formed on August 4, 2016, no activity occurred until after the acquisition date of October 3, 2016. The Successor consolidated financial statements were prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The covenants associated with the Notes and the Senior Secured Credit Facilities require Bidco to issue consolidated financial statements in accordance with U.S. GAAP on a quarterly and annual basis. This report, however, has been prepared on the basis of Jersey’s consolidated financial results as permitted by the Indenture governing the Notes and the credit agreement governing the Senior Secured Credit Facilities. Jersey is a holding company with its own Board of Directors, but no operating activities.

Predecessor

The Predecessor’s combined financial information for the period from January 1, 2016 through October 2, 2016, together with the notes thereto, included elsewhere in this report, have been derived from the accounting records of the Former Parent using our historical results of operations and historical bases of assets and liabilities, adjusted as necessary to conform to U.S. GAAP. The preparation of this information was based on certain assumptions and estimates, including allocations of certain costs from the Former Parent as described below. Management of the Former Parent believes the assumptions and allocations underlying the combined financial statements included in this report are reasonable and appropriate. However, the historical financial information in this report may not reflect what our results of operations, financial position or cash flows would have been had we been an independent company during the periods presented and may not be indicative of what our results of operations, financial position or cash flows will be in the future. As a result, you will have limited information on which to evaluate our business. See “Risk Factors—Risks Related to the Acquisition”. Our historical financial information may not be indicative of our future results as an independent company.

This report includes all revenues and expenses incurred by us, as well as amounts that have been allocated from the Former Parent in order to present our financial position and results on a standalone basis. Costs allocated from the Former Parent, including corporate overhead, audit fees, legal services, treasury, communications, human resources, tax and accounting, risk management, technology support, transaction processing and rent from the Former Parent, were allocated on a pro rata basis determined using methods of allocation, such as revenues, salaries and wages or headcount. For the period January 1, 2016 through October 2, 2016, we recognized an allocation of costs from the Former Parent and its affiliates of $106.3 million. The preparation of this information was based on certain assumptions and estimates. As a result of these allocated amounts, our financial statements may not be indicative of the results that would have been presented if we had operated on a standalone basis. The allocated amounts reflect certain corporate functions and are reflective of the time and effort expended in the provision of these corporate functions to us; however, such amounts are not necessarily representative of costs that would have been incurred if we had operated independently of the Former Parent.

Our parent company net investment represents the Former Parent’s historical investment in us, accumulated net income after taxes and the net effect of transactions with the Former Parent. Since we did not historically constitute a single separate legal entity, we did not present share capital but rather have presented a combined statement of changes in Former Parent net investment. Former Parent net investment includes the effects of allocations from the Former Parent.

The financial information in the period ended December 31, 2016 includes combined financial data from the Successor, the period from August 4, 2016 through December 31, 2016 (the “Successor Period”) and the Predecessor, the period from January 1, 2016 through October 2, 2016 (the “Predecessor Period”). We are referring to the combined period as results for the year ended December 31, 2016 in this report.

Successor and Predecessor Financial Information on an Aggregated Basis

Unless otherwise noted, we generally present Successor and Predecessor financial information for the year ended December 31, 2016 on an aggregated basis in this report. This aggregation is not a U.S. GAAP measure and does not purport to be on a pro forma basis. However, we believe that such an aggregated presentation of the 2016 Successor and Predecessor periods provides a more meaningful comparison to the year ended December 31, 2017 in respect of the underlying operating performance of Jersey.

Key Factors Affecting our Financial Condition and Results of Operations

Revenue Retention Rates

Our revenues are primarily subscription based, which leads to high revenue predictability. A key performance metric is retention rates, which are used across the business with the exception of IPM. The business uses retention rates to gauge how the "book of business" is performing relative to prior year metrics. Retention rates are calculated as the total amount of the subscription based services that is renewed divided by the amount that is up for renewal.

Seasonality

Subscription revenues as a percentage of total revenues was 80% and 77% for the years ended December 31, 2017 and 2016 respectively. The majority of our subscription agreements begin in the first quarter of the calendar year, with renewal dates typically concentrated in the first quarter. We experience our highest cash collections during the first half of the year because we generally invoice our subscription customers annually, with the majority of our invoices sent between December and March. However, our subscription revenues are typically lowest in the first quarter of the calendar year. The increased deferred revenue and accounts receivable are concentrated in the first quarter of the year and recognized ratably throughout the year as the revenues are earned. Related costs are generally incurred evenly throughout the year.

The balance of our revenues are transactional in nature and in some instances are from non-recurring activities. Such transactional revenues can vary from quarter to quarter and are affected by various factors such as new product releases and customer spending patterns.

Effect of Currency Fluctuations

Currency fluctuations can impact our results within specific regions, specifically in the United Kingdom, the European Union and Japan. Because we primarily invoice and collect payments in U.S. dollars (79% of total revenues for the year ended December 31, 2017), our foreign currency exposure is reduced. The next largest currencies invoiced after the U.S. dollar are the British pound and Euro, representing 7% and 8% of total revenues for the year ended December 31, 2017, respectively. For the year ended December 31, 2016, 84% of total revenues were in U.S. dollars; 3% of total revenues were in British pounds, and 7% of total revenues were in Euros.

The Company's global workforce may further impact results as exchange rates fluctuate throughout the year. An increase in the value of non-U.S. dollar currencies against the U.S. dollar could increase costs for delivery of products and services by increasing labor and other costs that are denominated in such local currencies. Our direct expenses before depreciation and amortization, tax and interest for the year ended December 31, 2017 were comprised of approximately 73% U.S. dollars, 11% British pounds and 8% euros, with multiple currencies comprising the remainder. For the year ended December 31, 2016, our direct expenses before Former Parent allocations, depreciation and amortization, tax and interest were comprised of approximately 64% U.S. dollars, 15% British pounds and 10% euros, with multiple currencies comprising the remainder.

We enter into forward contracts in our IPM business line in order to mitigate exposure from changes in foreign currency exchange rates related to certain foreign-denominated payables to patent and trademark offices. The maximum term of the forward contracts is six months, with the majority of forward contracts having a term of one month.

Other Presentation

Certain monetary amounts, percentages and other figures included in this report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables and charts may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

Key Components of Our Results of Operations

Sources of Revenues

We categorize our revenues into two categories: subscription and transactional. The following table summarizes the two revenue categories as a percent of total revenue for the periods shown.

	Year ended December 31,	
	2017	**2016**
Subscription Revenues	80%	77%
Transactional Revenues	20%	23%
Total	100%	100%

Subscription Revenues

Subscription-based revenues are recurring revenues that are earned under annual, evergreen or multi-year contracts pursuant to which we license the right to use our products to our customers. Revenues from the sale of subscription data and analytics solutions are typically invoiced annually in advance and recognized ratably over the year as revenues are earned.

Subscription revenues are typically generated either on (i) an enterprise basis, meaning that the organization has a license for the particular product or service offering and then anyone within the organization can use it at no additional cost, (ii) a seat basis, meaning each individual that uses the particular product or service offering has to have his or her own license, or (iii) a unit basis, meaning that incremental revenues are generated on an existing subscription each time the product is used (*e.g.*, a trademark or brand is searched or assessed).

Transactional Revenue

Transactional revenues are revenues that are earned under contracts for specific deliverables that are typically quoted on a product, data set or project basis and often derived from repeat customers, including customers that also generate subscription-based revenues. Revenues from the sale of transactional products and services are invoiced according to the terms of the contract, typically in arrears. Transactional content sales are usually delivered to the customer instantly or in a short period of time, at which time revenues are recognized. In the case of professional services, these contracts vary in length from several months to years for multi-year projects and customers are typically invoiced based on the achievement of milestones.

Transactional revenues are typically generated on a unit basis, although for certain product and service offerings transactional revenues are generated on a seat basis. Transactional revenues may involve sales to the same customer on multiple occasions but with different products or services comprising the order.

The largest component of transactional revenues is from the “clearance searching” offering of our CompuMark business. We conduct clearance searching when customers engage us to perform a more thorough evaluation of a proposed trademark’s availability. Although we classify “clearance searching” as transactional revenues, we have numerous long-term customer relationships in this business line that purchase some volume of “clearance searching” each year.

Web of Science, which is part of our SAR business, offers a transactional product that is available with the primary subscription product and is referred to as a “backfile.” Backfile transactions consist of sales of historical content for certain years beyond those included in a base subscription and are available for customers to purchase to augment their Web of Science subscriptions. Backfile revenues vary from year to year based on customers’ budget availability, existing backfile offering and desire to expand their dataset to have greater historical depth.

Our Techstreet product, which is part of our IP and Standards business, includes transactional products that aggregate standards that customers use to assist with compliance and mitigate risk. Techstreet revenues can be impacted by large

releases of new industrial standards that have the ability to cause revenues to change from one period to the next, similar to a new product launch.

Cost of Revenues, Excluding Depreciation and Amortization

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

Selling, General and Administrative, Excluding Depreciation and Amortization

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

Depreciation

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

Amortization

Amortization expense relates to the Company's finite-lived intangible assets including databases and content, customer relationships, and computer software. These assets are being amortized over periods of 3 to 17 years.

Share-based Compensation

Share-based compensation expense includes cost associated with stock options granted to certain members of key management.

Transaction expenses

Transaction expenses are incurred by the Company to complete business transactions, including acquisitions and disposals, and typically include advisory, legal and other professional and consulting costs.

Transition, Integration and Other

Transition, integration and other expenses, including transformation expenses, provide for the costs of transitioning certain activities performed by the Former Parent to the Company to enable operation on a stand-alone basis. Transition full time employee expense represents labor costs of full time employees who are currently working on migration projects and being expensed. Their traditional role is application development, which is capitalized.

Allocation of Costs from Former Parent and Affiliates

Allocation of costs from Former Parent and affiliates includes cost allocations associated with corporate overhead, audit fees, legal services, treasury, communications, human resources, tax and accounting, risk management, technology support, transaction processing and rent.

Interest Expense

Interest expense consists of interest expense related to our borrowings under the Term Loan Facility and the Notes as well as the amortization of debt issuance costs and interest related to certain derivative instruments. The Company did not incur material interest expense in the 2016 Predecessor period.

Provision for Income Taxes

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

Share of Post-tax Loss in Equity Method Investment

Share of post-tax loss in equity method investment represents our portion of loss for the period and a write-down of investments accounted for under the equity method of accounting.

Foreign Currency

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

Results of Operations

The following discussion and accompanying financial statements are presented for two periods: Predecessor and Successor, which relate to the period preceding the Acquisition and the period succeeding the Acquisition, respectively. We have prepared our discussion of the results of operations by comparing the year ended December 31, 2017 results to the mathematical combination, without making any pro forma adjustments, of the Successor and Predecessor periods in the year ended December 31, 2016. Although this presentation does not comply with U.S. GAAP, we believe it provides the most meaningful comparison of our results for purposes of discussing the results of our operations period over period. The combined operating results have not been prepared as pro forma results under applicable regulations, may not reflect the actual results we would have achieved absent the Acquisition, and may not be predictive of future results of operations.

Year Ended December 31, 2017 Compared to the Year Ended December 31, 2016

	Consolidated Successor		Combined Predecessor	Combined	Variance	
	Year ended December 31, 2017	Period from August 4, through December 31, 2016	Period from January 1, through October 2, 2016	Year ended December 31, 2016[1]	$	%
	(Dollars in thousands)					
Revenues, net	$ 919,749	$ 202,022	$ 703,087	$ 905,109	$ 14,640	2 %
Cost of revenues, excluding depreciation and amortization	(422,213)	(97,459)	(209,146)	(306,605)	(115,608)	38 %
Selling, general and administrative, excluding depreciation and amortization	(318,887)	(88,705)	(225,924)	(314,629)	(4,258)	1 %
Share-based compensation	(17,663)	—	(6,872)	(6,872)	(10,791)	157 %
Depreciation	(6,997)	(1,785)	(7,905)	(9,690)	2,693	(28)%
Amortization	(221,466)	(54,559)	(65,214)	(119,773)	(101,693)	85 %
Transaction expenses	(2,245)	(36,425)	(21,045)	(57,470)	55,225	(96)%
Transition, integration and other	(78,695)	(11,991)	—	(11,991)	(66,704)	556 %
Other operating income (expense)	(237)	(6,127)	8	(6,119)	5,882	(96)%
Allocation of costs from Former Parent and affiliates	—	—	(106,320)	(106,320)	106,320	(100)%
Income (loss) from operations	(148,654)	(95,029)	60,669	(34,360)	(114,294)	333 %
Interest expense, net	(138,196)	(31,500)	(155)	(31,655)	(106,541)	337 %
Income (loss) before tax and equity method investment	(286,850)	(126,529)	60,514	(66,015)	(220,835)	335 %
Benefit (provision) for income taxes	21,293	2,855	(54,330)	(51,475)	72,768	(141)%
Share of post-tax loss in equity method investment	—	—	(4,357)	(4,357)	4,357	(100)%
Net income (loss)	$ (265,557)	$ (123,674)	$ 1,827	$ (121,847)	$ (143,710)	118 %

1) Our combined results for the year ended December 31, 2016 represent the addition of the Predecessor Period from January 1, 2016 through October 2, 2016 and the Successor Period from August 4, 2016 through December 31, 2016. This combination does not comply with U.S. GAAP or with the rules for pro forma presentation, but is presented because we believe it provides the most meaningful comparison of our results to the prior period results.

Revenues, net

Revenues, net increased by $14,640, or 2% from $905,109 for the year ended December 31, 2016 to $919,749 for the year ended December 31, 2017, including the impact of the $9,243 change in the deferred revenue adjustment resulting from purchase accounting. Revenue increased primarily due to growth in the SAR and Life Sciences business lines of $5,471 and $2,690 respectively. The SAR growth is due to an increase in subscriptions driven by Web of Science and InCites. The Life Sciences growth was due to subscription revenue starting to outweigh lower transactional revenue earlier in the year, as focus remains on subscription sales. The increase was partially offset by a decrease in the IP Management product primarily due to lower pricing and volume of sales in the IP Payments product.

Revenues by Business Line

	Consolidated Successor		Combined Predecessor	Combined	Variance	
	Year ended December 31, 2017	Period from August 4, through December 2016	Period from January 1, through October 2, 2016	Year ended December 31, 2016	$	%
	(Dollars in thousands)					
Scientific and Academic Research	355,110	$ 100,719	$ 248,920	$ 349,639	$ 5,471	2 %
IP and Standards	172,897	43,085	129,289	172,374	523	— %
Life Sciences	169,299	45,060	121,549	166,609	2,690	2 %
CompuMark	119,854	30,819	90,994	121,813	(1,959)	(2)%
MarkMonitor	120,408	30,551	88,050	118,601	1,807	2 %
IP Management	31,854	10,704	24,285	34,989	(3,135)	(9)%
Deferred revenue adjustment[(1)]	(49,673)	(58,916)	0	(58,916)	9,243	(16)%
Total Revenue, net	919,749	$ 202,022	$ 703,087	$ 905,109	$ 14,640	2 %

1) The remaining adjustment will primarily be recognized during 2018 as a reduction to revenue.

Scientific and Academic Research (SAR)

Revenues increased by $5,471, or 2%, from $349,639 for the year ended December 31, 2016 to $355,110 for the year ended December 31, 2017. The overall increase was due to an increase in subscription revenue driven by an increase in new customers and renewal rates in Web of Science and InCites, and an increase in transaction revenues as a result of Backfile sales.

IP and Standards

Revenues remained consistent by $523, or 0%, from $172,374 for the year ended December 31, 2016 to $172,897 for the year ended December 31, 2017.

Life Sciences

Revenues increased by $2,690, or 2%, from $166,609 for the year ended December 31, 2016 to $169,299 for the year ended December 31, 2017. The increase in revenues was due to a 6% growth in subscription with Cortellis and Newport being the main drivers, offset by a decrease in transactional revenues mainly due to the focus on selling renewing revenues rather than perpetual license sales.

CompuMark

Revenue decreased by $1,959, or 2%, from $121,813 for the year ended December 31, 2016 to $119,854 for the year ended December 31, 2017. The decrease is primarily due to a large one-time transactional Search sale in the first half of 2016 combined with reduced Trademark search activity in Europe experienced in the first five months of 2017, which have subsequently improved.

MarkMonitor

Revenues increased by $1,807, or 2%, from $118,601 for the year ended December 31, 2016 to $120,408 for the year ended December 31, 2017. The increase in revenues was driven by brand subscription revenue signed toward the middle of 2016 driving additional base revenue in the first half of 2017, offset by a decline in domain management transactional revenue due to a decline in registrations of new generic top level domains (gTLD).

IP Management (IPM)

Revenues decrease by $3,135, or 9%, from $34,989 for the year ended December 31, 2016 to $31,854 for the year ended December 31, 2017. The decrease in IPM revenues is primarily due to lower pricing and volume of sales in the IP Payments product. These reductions are partially offset by an increase related to sales of Thomson IP Manager.

Cost of Revenues, Excluding Depreciation and Amortization

Cost of revenues increased by $115,608, or 38%, from $306,605 for the year ended December 31, 2016 to $422,213 for the year ended December 31, 2017. The increase was primarily driven by costs associated with various ongoing separation projects and operating the Company as a stand-alone entity that were previously included in Allocation of costs from the Former Parent and affiliates leading up the successor period.

Selling, General and Administrative, Excluding Depreciation and Amortization

Selling, general and administrative expense increased by $4,258, or 1%, from $314,629 for the year ended December 31, 2016 to $318,887 for the year ended December 31, 2017. The increase was primarily driven by increased professional expenses, and facilities and marketing expenses paid to the Former Parent under the terms of the TSA. These expenses were previously included in Allocation of costs from the Former Parent and affiliates leading up the successor period.

Share-based Compensation

Share-based compensation expense increased by $10,791, or 157%, from $6,872 for the year ended December 31, 2016 to $17,663 for the year ended December 31, 2017. The increase in share-based compensation was driven by the Company's 2016 Equity Incentive Plan which began granting options in March 2017. Expense for the Predecessor period related to an allocation from the Former Parent leading up the successor period.

Depreciation

Depreciation expense decreased by $2,693, or 28%, from $9,690 for the year ended December 31, 2016 to $6,997 for the year ended December 31, 2017. The decrease was primarily driven by revaluations of fixed assets associated with the Acquisition.

Amortization

Amortization expense increased by $101,693, or 85%, from $119,773 for the year ended December 31, 2016 to $221,466 for the year ended December 31, 2017. The increase was driven by the revaluation of intangible assets in connection with the Acquisition.

Transaction Expenses

Transaction expenses decreased by $55,225, or 96%, from $57,470 for the year ended December 31, 2016 to $2,245 for the year ended December 31, 2017. This decrease was primarily driven by the completion of the Acquisition and its related transaction expense in 2016.

Transition, Integration and Other

Transition, integration, and other expenses increased by $66,704, or 556%, from $11,991 for the year ended December 31, 2016 to $78,695 for the year ended December 31, 2017. These costs are a result of the Acquisition and are associated with

transitioning certain activities performed by the Former Parent to the Company to enable operation as a stand-alone basis. These costs did not exist in the Predecessor period.

Allocation of Costs from Former Parent and Affiliates

Allocation of costs from Former Parent and affiliates decreased by $106,320 or 100% from $106,320 for the year ended December 31, 2016 to $0 for the year ended December 31, 2017. Allocation of costs from Former Parent were terminated in the Successor period. The Company pays the Former Parent for certain services provided to Bidco based upon terms set forth in the TSA.

Interest Expense

Interest expense increased by $106,541, or 337%, from $31,655 for the year ended December 31, 2016 to $138,196 for the year ended December 31, 2017. The increase was due to the timing of our borrowings as a result of the Acquisition. The debt was outstanding for 3 months for the period ending December 31, 2016 and 12 months for the period ending December 31, 2017; therefore, interested was incurred over a shorter period of time in 2016 compared to 2017. This increase is offset by a lower interest rate as a result of the April 6, 2017, and November 16, 2017 Amendments and payment of principle in 2017. There was no outstanding debt previous to the Acquisition.

Benefit (provision) for Income Taxes

The provision for income tax decreased by $72,768, or 141%, from $51,475 for the year ended December 31, 2016 to a benefit of $21,293 for the year ended December 31, 2017. The tax expense in each period reflects the mix of taxing jurisdictions in which pre-tax profits and losses were recognized.

Share of Post- Tax Loss in Equity Method Investment

Our share of post-tax loss in equity method investments decreased by $4,357, or 100%, from $4,357 for the year ended December 31, 2016 to $0 for the year ended December 31, 2017. The year-end December 31, 2016 reflects an impairment of an equity investment in a medical software company. The equity investment was sold in January 2017.

Non-U.S. GAAP Financial Measures

EBITDA and Adjusted EBITDA, as presented in this report, are examples of supplemental non-U.S. GAAP measures of our performance. EBITDA represents net income before provision for income taxes, depreciation and amortization and interest income and expense. Adjusted EBITDA is calculated using EBITDA adjusted further by eliminating (i) non-operating income or expense, (ii) the impact of certain non-cash and other items that are included in net income for the period that we do not consider indicative of our ongoing operating performance and (iii) certain unusual items impacting results in a particular period to more accurately reflect management's view of the recurring profitability of the business. In future periods, the Company will need to make additional capital expenditures in order to replicate capital expenditures associated with previously shared services on a stand-alone basis. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. Additionally, certain of the adjustments included to arrive at Adjusted EBITDA are based on projections and estimates of expected costs related to our transition to an independent company, cost savings and synergies and are forward-looking in nature. In evaluating EBITDA and Adjusted EBITDA you should be aware that in the future we may incur expenses that are the same as or similar to some of the included adjustments. Our presentation of EBITDA and Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by any of the adjusted items, or that our projections and estimates will be realized in their entirety or at all.

EBITDA and Adjusted EBITDA are included in this report because we believe they are important supplemental measures of our performance and a basis upon which our management assesses performance. Our management also believes EBITDA and Adjusted EBITDA are useful to investors because they and similar measures are frequently used by securities analysts, investors, ratings agencies and other interested parties to evaluate our competitors and to measure the ability of companies to service their debt. Our definition of and method of calculating EBITDA and Adjusted EBITDA may vary from the definitions and methods used by other companies, which may limit their usefulness as comparative measures.

The use of EBITDA and Adjusted EBITDA instead of U.S. GAAP measures has limitations as an analytical tool, and you should not consider EBITDA and Adjusted EBITDA in isolation, or as a substitute for analysis of net income or any other operating performance measure calculated in accordance with U.S. GAAP. Some limitations include:

- EBITDA and Adjusted EBITDA do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs;
- EBITDA and Adjusted EBITDA do not reflect significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- EBITDA and Adjusted EBITDA do not reflect any cash income taxes that we may be required to pay;
- assets are depreciated or amortized over estimated useful lives and often have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect any cash requirements for such replacements;
- EBITDA and Adjusted EBITDA do not adjust for all non-cash income or expense items that are reflected in our statements of cash flows; and
- EBITDA and Adjusted EBITDA do not reflect limitations on, or costs related to, transferring earnings from our subsidiaries to us.

In addition, because of these limitations, EBITDA and Adjusted EBITDA should not be considered as measures of liquidity or discretionary cash available to us to fund our cash needs, including investing in the growth of our business and meeting our obligations. You should compensate for these limitations by relying primarily on our U.S. GAAP results and only using EBITDA and Adjusted EBITDA for supplementary analysis.

We prepared the information included in this report based upon available information and assumptions and estimates that we believe are reasonable. We cannot assure you that our estimates and assumptions will prove to be accurate. See "Risk Factors—Risks Related to the Acquisition—Our inability to transition successfully to being an independent company may have a material adverse effect on our results of operations and reputation" and "Risk Factors—Risks Related to the Acquisition—We may be unable to achieve some or all of the operational cost improvements and other benefits that we expect to realize as a result of the Transactions."

Reconciliation of Net Income (Loss) to Adjusted EBITDA

The following table reconciles net income to EBITDA and Adjusted EBITDA for the periods presented:

	Consolidated Successor		Combined Predecessor	Combined
	Year ended December 31, 2017	Period from August 4, through December 31, 2016	Period from January 1, through October 2, 2016	Year ended December 31, 2016
	(Dollars in thousands)			
Net income (loss)	$ (265,557)	$ (123,674)	$ 1,827	$ (121,847)
(Benefit) provision for income taxes	(21,293)	(2,855)	54,330	51,475
Depreciation and amortization	228,463	56,344	73,119	129,463
Interest, net	138,196	31,500	155	31,655
EBITDA	79,809	(38,685)	129,431	90,746
Deferred revenue adjustment [a]	49,673	58,916	—	58,916
Stand-alone adjustments, net [b]	65,342	16,801	39,938	56,739
Share-based compensation expense	17,663	—	6,872	6,872
Share of post-tax loss in equity method investment	—	—	4,357	4,357
Transition and integration expenses [c]	78,695	11,991	—	11,991
Transformation expenses [d]	8,114	—	4,387	4,387
Transaction-related expenses [e]	2,245	36,425	21,045	57,470
Other [f]	(1,250)	3,911	2,469	6,380
Adjusted EBITDA	$ 300,291	$ 89,359	$ 208,499	$ 297,858

a) Reflects deferred revenue adjusted as part of the Acquisition.

b) Reflects the difference in the Company's actual standalone costs incurred relative to the steady state standalone cost estimate. In the Predecessor Period, the standalone costs incurred by the Former Parent were historically allocated costs to the Company based upon pro-rata allocations of revenues, salaries and wages, or headcount, which are not representative of costs that we expect to incur as an independent company. In the Successor Period, the standalone costs incurred include the Transition Services Agreement as well as the Company's actual standalone recurring expenses, which includes additional costs associated with the migration of our technology systems to Amazon Web Services.

	Consolidated Successor		Combined Predecessor	Combined
	Year ended December 31, 2017	Period from August 4, through December 2016	Period from January 1, through October 2, 2016	Year ended December 31, 2016
	(Dollars in thousands)			
Allocation of costs from Former Parent and affiliates	$ —	$ —	$ 106,320	$ 106,320
Former Parent allocation of real estate costs	—	—	15,831	15,831
Former Parent retention of non-U.S. pensions	—	—	2,453	2,453
Other carve-out cost adjustments	—	—	198	198
Transition Services Agreement	89,942	32,172	—	32,172
Standalone costs estimate	(121,700)	(30,425)	—	(30,425)
Standalone recurring	97,100	15,054	(61,389)	(46,335)
Standalone rent expense	—	—	(23,475)	(23,475)
Standalone adjustments, net	$ 65,342	$ 16,801	$ 39,938	$ 56,739

c) Transition and integration expenses provide for the costs of transitioning certain activities performed by the Former Parent to the Company to enable operation on a stand-alone basis. Transition full time employee expense represents labor costs of full time employees who are currently working on migration projects and being expensed. Their traditional role is application development, which was capitalized. As a result of transitioning these activities, we incurred the following costs:

	Consolidated Successor		Combined Predecessor	Combined
	Year ended December 31, 2017	Period from August 4, through December 31, 2016	Period from January 1, through October 2, 2016	Year ended December 31, 2016
	(Dollars in thousands)			
Transition consulting expense	$ 30,953	$ 8,576	$ —	$ 8,576
Transition full time employee expense	8,847	—	—	—
Technology infrastructure expenses	38,895	3,415	—	3,415
Transition and integration expenses	$ 78,695	$ 11,991	$ —	$ 11,991

d) During the Predecessor period, the Former Parent conducted a strategic review, which included reorganizing our business from separate business units to one functional organization and commencing a process to enhance our technology to

develop a single platform that would allow our customers to more easily access all of our products and content and enhance the customer experience.

e) Includes (i) retention and transaction bonuses for members of the Predecessor's staff, travel-related expenses, consulting and other costs incurred in connection with the Former Parent's sale of the Predecessor for the period ended October 2 , 2016 and (ii) third party transaction costs and retention bonuses paid from previous year's acquisition. The Successor period includes costs associated with acquisitions.

	Consolidated Successor		Combined Predecessor	Combined
	Year ended December 31, 2017	Period from August 4, through December 31, 2016	Period from January 1, through October 2, 2016	Year ended December 31, 2016
	(Dollars in thousands)			
Retention and transaction bonuses	$ —	$ 6,735	$ 18,063	$ 24,798
Travel-related expenses	—	351	795	1,146
Consulting / other costs	2,245	29,339	2,187	31,526
Transaction-related expenses	$ 2,245	$ 36,425	$ 21,045	$ 57,470

f) Other primarily includes the net impact of foreign currency exchange gains and losses related to the re-measurement of monetary balances for the year ended December 31, 2017, costs associated with repricing our debt, and other one-time adjustments.

Liquidity and Capital Resources

Liquidity describes the ability of a company to generate sufficient cash flows to meet the cash requirements of its business operations, including working capital needs, capital expenditures, debt service, acquisitions, other commitments and contractual obligations. We consider liquidity in terms of cash flows from operations and the sufficiency of such cash flows to fund our operating, investing and financing activities for a period of twelve months.

Cash Flows

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

	Consolidated Successor		Combined Predecessor	Combined
	Year ended December 31, 2017	Period from August 4, through December 31, 2016	Period from January 1, through October 2, 2016	Year ended December 31, 2016
	(Dollars in thousands)			
Net cash provided by operating activities	$ 6,667	$ 63,256	$ 143,840	$ 207,096
Net cash used in investing activities	(40,205)	(3,585,076)	(37,835)	(3,622,911)
Net cash provided by (used in) financing activities	22,818	3,608,487	(77,511)	3,530,976

Cash Flows Provided by Operating Activities

Net cash provided by operating activities for the year ended December 31, 2017 decreased by $200,429 to $6,667 from $207,096 for the year ended December 31, 2016. The decrease was primarily due to a decrease in deferred revenue, accounts payable and accruals offset partially by an increase in accounts receivables.

Cash Flows Used in Investing Activities

Net cash used in investing activities for the year ended December 31, 2017 decreased by $3,582,706 to $40,205 to from $3,622,911 for the year ended December 31, 2016. The decrease primarily related to the 2016 Acquisition of the IP&S business for $3,566,599, partially offset by Publons acquisition in 2017 and larger capital expenditure for the year ended December 31, 2017.

Cash Flows Provided by (Used in) Financing Activities

Net cash used in financing activities for the year ended December 31, 2017 decreased by $3,508,158 to $22,818 from $3,530,976 for the year ended December 31, 2016. For the year ended December 31, 2017, net cash used in financing activities decreased primarily due to the $1,635,000 issuance of share capital by the Sponsors, and original $2,050,000 borrowings of the Term Loan and Facility Notes in 2016.

Capital Expenditures

Our capital expenditures for the years ended December 31, 2017 and 2016 were $37,804, and $56,312, respectively. Capital expenditures consist primarily of internal and external capitalized labor costs associated with product development.

Liquidity Outlook

Prior to the Acquisition, the Predecessor operated as a part of the Former Parent and utilized the Former Parent's central cash management program and treasury functions. Accordingly, any excess cash generated by the Predecessor was transferred to the Former Parent and is presented as cash flows used in financing activities in the combined statements of cash flows. Historically, the Predecessor financed its liquidity requirements through cash flow from operating activities, issuance of debt securities by the Former Parent and working capital management activities. The Predecessor's principal historical liquidity requirements were for working capital, capital expenditures and servicing intercompany indebtedness.

We will continue to need significant cash resources to, among other things, meet our debt service requirements under the Senior Secured Credit Facilities, the Notes and other future indebtedness, fund our working capital requirements, make capital expenditures (including related to product development) and expand our business.

Our liquidity needs and those of our subsidiaries will be met through a combination of internally generated cash flow, intercompany loans, capital contributions, intra-group payment obligations, transfer payments and payments under license, royalty and services agreements and other arrangements. See "Financial Statements and Supplementary Data" – "Notes to the Financial Statements" – Note 16 – "Related Party and Former Parent Transactions" and "Risk Factors —Risks Related to the Notes and our Indebtedness."

In connection with the Acquisition, we significantly increased our indebtedness. Our Senior Secured Credit Facilities consist of a $175,000 Revolving Credit Facility and a $1,550,000 Term Loan Facility of which $1,530,700 is outstanding at December 31, 2017. The Revolving Credit Facility carries an interest rate at LIBOR plus 3.25% per annum or Prime plus a margin of 2.25% per annum, as applicable depending on the borrowing, and matures on October 3, 2021. The Revolving Credit Facility interest rate margins will decrease upon the achievement of certain first lien net leverage ratios (as the term is used in the Credit Agreement).

The Term Loan Facility consisted of a $651,000 borrowing by Camelot Finance LP, a subsidiary of Onex Corporation, and an $899,000 borrowing by Camelot Cayman LP, a subsidiary of Onex Corporation (collectively "Tower Borrowers"). The proceeds of the term loans to Tower Borrowers were, in turn, loaned to the Company in loans with identical principal amounts and substantially similar repayment terms.

On April 6, 2017, and November 16, 2017, the Borrowers and the other loan parties entered into Amendments (the "Amendments") to the Credit Agreement in order to (i) reduce the margins under the existing senior secured U.S. dollar-denominated Term Loan Facility to LIBOR plus 3.50%, and 3.25%, respectively, per annum (with a 1.00% LIBOR floor) or Prime plus 2.25% per annum, as applicable, and (ii) reset the prepayment premium of 101% on certain prepayments and amendments of the Term Loan Facility in connection with re-pricing events ("Amended Term Loan Facility"). The Amended Term Loan Facility was $1,534,539. The Amendments also provided for a 0.25% step-down in margin once UK Holdco achieves a B2 corporate family rating from Moody's. Except as noted above, all other terms of the Amended Term Loan Facility are substantially similar to terms of the Company's existing Term Loan Facility.

Principal repayments under the Amended Term Loan Facility are due quarterly in an amount equal to 0.25% of the aggregate outstanding principal amount borrowed under the Amended Term Loan Facility, in an amount equal to the aggregate outstanding principal amount on such date, together in each case, with accrued and unpaid interest.

The Revolving Credit Facility provides for revolving loans, same-day borrowings and letters of credit pursuant to commitments in an aggregate principal amount of $175,000, of which $30,000 is outstanding at December 31, 2017, and $2,030 of letters of credit against a sublimit of $25,000. Proceeds of loans made under the Revolving Credit Facility may be borrowed, repaid and reborrowed prior to the maturity of the Revolving Credit Facility. Our ability to draw under the Revolving Credit Facility or issue letters of credit thereunder will be conditioned upon, among other things, delivery of required notices, accuracy of the representations and warranties contained in the Credit Agreement and the absence of any default or event of default under the Credit Agreement

We also issued $500,000 aggregate principal amount of Notes. The Notes bear interest at 7.875% per annum, payable semi-annually to holders of record in April and October and mature in October 2024.

Based on our forecasts, we believe that cash flow from operations, available cash on hand and available borrowing capacity under the revolving portion of our Senior Secured Credit Facilities will be adequate to service debt, meet liquidity needs and fund necessary capital expenditures for at least the next 12 months.

Commitments and Contingencies

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

Additionally, in conjunction with the acquisition of Publons, the Company agreed to pay the former shareholders up to an additional $9,500 through 2020. Amounts payable are contingent upon Publons' achievement of certain milestones and performance metrics. As of December 31, 2017, the Company had an outstanding liability for $5,900 related to the estimated fair value of this contingent consideration, of which $2,250 was included in Accrued expenses and other current liabilities, and $3,650 was included in Other non-current liabilities in the consolidated balance sheets.

Off Balance Sheet Arrangements

We do not have any off-balance sheet arrangements and do not have any holdings in variable interest entities.

Contractual Obligations

In the table below, we set forth our significant enforceable and legally binding obligations and future commitments as of December 31, 2017.

		Payments Due by Period			
	Total	Less than 1 Year	1 to 3 Years	3 to 5 Years	More Than 5 Years
		(Dollars in thousands)			
Senior Notes	$ 500,000	$ —	$ —	$ —	$ 500,000
Revolving Credit Facility	30,000	30,000	—	—	—
Letters of Credit	2,030	773	90	1,167	—
Term Loan Facility	1,530,700	15,345	30,690	30,690	1,453,975
Facility leases	126,860	19,641	35,781	30,146	41,292
Transition Services Agreement costs	62,334	46,791	15,543	—	—
Total	$ 2,251,924	$ 112,550	$ 82,104	$ 62,003	$ 1,995,267

Critical Accounting Policies, Estimates and Assumptions

The preparation of the consolidated or combined financial statements in accordance with U.S. GAAP requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated or combined financial statements and accompanying notes included elsewhere in this report. On an ongoing basis, we evaluate estimates, which are based on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. If actual performance should differ from historical experience or if our assumptions were to change, it may materially impact our results of operations and financial position in future periods.

Revenue Recognition

The Company derives revenue by selling information on a subscription and single transaction basis as well as from performing professional services. Revenue is recognized when (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred, (iii) the fee is fixed or determinable and (iv) collectability is reasonably assured. Revenue is recognized net of discounts and rebates, as well as value-added and other sales taxes. Cash received or receivable in advance of the delivery of the services or publications is included in deferred revenue. The revenue recognition policies for the Company's revenue streams are discussed below.

Subscription Revenues

Subscription-based revenues are recurring revenues that are earned under annual, evergreen or multi-year contracts pursuant to which we license the right to use our products to our customers. Revenues from the sale of subscription data and analytics solutions are typically invoiced annually in advance and recognized ratably over the year as revenues are earned.

Subscription revenues are typically generated either on (i) an enterprise basis, meaning that the organization has a license for the particular product or service offering and then anyone within the organization can use it at no additional cost, (ii) a seat basis, meaning each individual that uses the particular product or service offering has to have his or her own license, or (iii) a unit basis, meaning that incremental revenues are generated on an existing subscription each time the product is used (e.g., a trademark or brand is searched or assessed).

Transactional Revenues

Transactional revenues are revenues that are earned under contracts for specific deliverables that are typically quoted on a product, data set or project basis and often derived from repeat customers, including customers that also generate subscription-based revenues. Revenues from the sale of transactional products and services are invoiced according to the terms of the contract, typically in arrears. Transactional content sales are usually delivered to the customer instantly or in a short period of time, at which time revenues are recognized. In the case of professional services, these contracts vary in length from several months to years for multi-year projects and customers are typically invoiced based on the achievement of milestones.

Transactional revenues are typically generated on a unit basis, although for certain product and service offerings transactional revenues are generated on a seat basis. Transactional revenues may involve sales to the same customer on multiple occasions but with different products or services comprising the order.

Allocation of Centralized Expenses

Predecessor

The combined income statements include all revenues and costs directly attributable to the Predecessor as well as an allocation of expenses from the Former Parent related to centralized facilities, technology functions, and administrative services. The Former Parent allocates costs to the Predecessor using methodologies that management believes are appropriate and reasonable, including a pro rata basis of revenue, salaries and wages, or head count. Such amounts are not necessarily representative of costs that would have been incurred if the Predecessor had operated independently of the Former Parent.

Historically, the Predecessor was managed and operated in the normal course of business consistent with other subsidiaries of the Former Parent. Accordingly, certain centralized costs have been allocated to the Predecessor and are reflected as expenses in the combined income statements for the period from January 1, 2016 through October 2, 2016. Management considers the allocation methodologies used to be reasonable and appropriately reflects the Former Parent's historical expenses attributable to the Predecessor for purposes of the combined financial statements. However, the expenses reflected in this report may not be indicative of the actual expenses that would have been incurred during the periods presented if the Predecessor had historically operated as a standalone independent entity. In addition, the expenses reflected in this report may not be indicative of related expenses that the Company will incur in the future.

- *General Corporate Overhead* – The Former Parent provided facilities, technology and other corporate and administrative services to the Predecessor. Costs related to these services primarily included corporate overhead, audit fees, legal services, treasury, communications, human resources, tax and accounting, risk management, technology support, transaction processing and rent. These expenses have been allocated to the Predecessor and are included in Allocation of costs from Former Parent and affiliates in the combined income statements. Where direct assignment was not possible, or practical, these costs were allocated on a pro rata basis using revenues, salaries and wages, or headcount, as applicable.
- *Pension and Other Post-Retirement Benefits* – The Predecessor's employees participate in defined benefit and defined contribution plans (Plans) sponsored by the Former Parent. Defined benefit plans provide pension and other post-employment benefits to covered employees. For purposes of the combined financial statements, these employees were considered to be participants of a multiemployer plan with the Former Parent as it relates to defined benefits. Amounts payable from the Predecessor to the Former Parent were considered to be effectively settled through the Former Parent Net Investment when the obligation arose. Benefits expense of the Plans for these employees was recorded in Selling, general and administrative costs, excluding depreciation and amortization, in the combined income statements.
- *Share-Based Compensation* – The Former Parent maintains certain equity-settled and cash-settled share-based compensation plans under which it receives services from employees as consideration for equity instruments of the Former Parent or cash payments based on the value of equity instruments of the Former Parent. Where the Company's employees participated in the share-based compensation plans, the allocated cost was included in the combined income statements. The share-based compensation expense is based on the grant-date fair value and is recognized over the requisite service period.

On October 3, 2016, Bidco and a subsidiary of the Former Parent entered into the TSA, which became effective on the Day 1 Closing Date, pursuant to which such subsidiary of the Former Parent will, or will cause its affiliates and/or third-party service providers to, provide Bidco, its affiliates and/or third-party service providers with certain technology, facilities management, human resources, sourcing, financial, accounting, data management, marketing and other services to support the operation of the Company as an independent company. Such services will be provided by such subsidiary of the Former Parent or its affiliates and/or third-party service providers for various time periods and at various costs to Bidco based upon the terms set forth in the TSA.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. Collections of accounts receivable are included in cash provided by operating activities in the consolidated and combined statements of cash flows. The Company maintains an allowance for doubtful accounts for losses resulting from the inability of specific customers to meet their financial obligations, representing our best estimate of probable credit losses in existing trade accounts receivable. A specific reserve for doubtful receivables is recorded against the amount due from these customers. For all other customers, the Company recognizes reserves for doubtful receivables by evaluating factors such as the length of time receivables are past due, historical collection experience, and the economic and competitive environment. The expense related to doubtful accounts is included within Selling, general and administrative costs, excluding depreciation and amortization in the consolidated and combined income statements. Account balances are written off against the allowance when the potential for recovery is considered remote. The Company does not have any off-balance sheet credit exposure related to its customers.

Business Combinations

In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are accounted for using the acquisition method at the acquisition date and are recorded at their respective fair values. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities. The determination of the fair values is based on estimates and judgments made by management. Our estimates of fair value are based upon assumptions we believe to be reasonable, but which are inherently uncertain and unpredictable. Measurement period adjustments are reflected at the time identified, up through the conclusion of the measurement period; which is the time at which all information for determination of the values of assets acquired and liabilities assumed is received, and is not to exceed one year from the acquisition date.

Goodwill is measured at the acquisition date as the fair value of the consideration transferred (including, if applicable, the fair value of any previously held equity interest and any non-controlling interests) less the net recognized amount (which is generally the fair value) of the identifiable assets acquired and liabilities assumed.

Transaction costs, other than those associated with the issuance of debt or equity securities incurred in connection with a business combination, are expensed as incurred and included in Transaction expenses in the consolidated and combined income statements.

Use of Estimates

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

Computer Software

Development costs related to internally generated software are capitalized once a project has progressed beyond a conceptual, preliminary stage to that of the application development stage. Costs of significant improvements on existing

software for internal use, both internally developed and purchased, are also capitalized. Costs related to the preliminary project stage, data conversion and post implementation/operation stage of an internal-use software development project are expensed as incurred.

Capitalized costs are amortized over five years, which is the estimated useful life of the related software. Purchased software is amortized over three years, which is the estimated useful life of the related software. The capitalized amounts, net of accumulated amortization, are included in Other intangible assets in the consolidated balance sheets. Residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. The cost and related accumulated amortization of sold or retired assets are removed from the accounts and any gain or loss is included within income (loss) from operations in the consolidated and combined income statements.

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

Other Identifiable Intangible Assets

Other identifiable intangible assets are recorded at fair value upon acquisition and are subsequently carried at cost less accumulated amortization or accumulated impairment for indefinite-lived intangible assets. Where applicable, other identifiable intangible assets are amortized over their estimated useful lives as follows:

Customer relationships	2 – 14 years
Databases and content	13 – 20 years
Other	N/A
Trade names	Indefinite

The carrying values of other identifiable intangible assets are reviewed for impairment whenever circumstances indicate that their carrying amounts may not be recoverable. The carrying values of indefinite-lived intangible assets are reviewed for impairment annually, or more frequently when circumstances indicate that impairment may have occurred. The test for impairment compares the carrying amounts to the fair value based on current revenue projections of the related operations, under the relief from royalty method. Any excess of the carrying value over the amount of fair value is recognized as an impairment. Any such impairment would be recognized in full in the reporting period in which it has been identified.

Goodwill

Goodwill represents the purchase price in excess of the fair value of net assets acquired in a business combination. Management tests goodwill annually for impairment in the fourth quarter, or more frequently when circumstances indicate that impairment may have occurred. Goodwill is evaluated at the reporting unit ("RU") level, which management determined consists of a single RU incorporating all our goodwill. The Company has the option to perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount prior to performing the goodwill impairment test. The impairment test for goodwill consists of two steps.

1. In the first step, the fair value of the RU is compared to its carrying value. In determining the fair value of the RU, the Company estimates the fair value of the RU using the fair value derived from the market approach. The market approach estimates fair value based on market multiples of revenue and earnings derived from comparable publicly-traded companies with similar operating and investment characteristics as the reporting unit

2. If the calculated fair value of the RU is less than the carrying value, goodwill is impaired and the second step must be executed to determine the amount of impairment. In this case, the second step is to allocate the fair value of the RU to the assets and liabilities of the RU, as if they had just been acquired in a business combination for the fair value of the RU. The excess of the fair value of the RU over the amounts allocated to its assets and liabilities is referred to as the implied fair value of goodwill. The implied fair value of the RU's goodwill is compared to the

actual carrying value of goodwill. If the implied fair value is less than the carrying value, an impairment loss is recognized for that excess.

Based on the results of the annual impairment test as of October 1, 2017, the fair values of the RU exceeded the carrying value and goodwill was not impaired. See additional detail in the “Notes to the Financial Statements” – Note 7 – “Goodwill.”. The determination of whether goodwill has become impaired involves a significant level of judgment by management. Changes in our strategy or market conditions could significantly impact these judgments and result in adjustments to the recorded amounts of goodwill.

Share-Based Compensation

Share-based compensation expense includes cost associated with stock options granted to certain members of key management.

Successor

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

Predecessor

The Former Parent maintained certain equity‑settled and cash‑settled share‑based compensation plans under which it received services from employees as consideration for equity instruments of the Former Parent or cash payments based on the value of equity instruments of the Former Parent. Where the Company’s employees participated in the plans, the allocated cost is included in the Predecessor combined income statements.

The share‑based compensation expense is based on the grant‑date fair value and is recognized over the requisite service period. The Former Parent used the Black‑Scholes option pricing model to estimate the fair value of options granted under their share-based compensation plans and rights to acquire shares granted under their employee stock purchase plan (“ESPP”). The model requires making assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends.

The 2016 Predecessor financial statements include expense related to the accelerated vesting of all outstanding share-based awards that occurred concurrently at the closing of the Acquisition.

Debt

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

Debt is classified as a current liability unless the Company has an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Derivative Financial Instruments

Foreign Exchange Derivative Contracts

The Company uses derivative financial instruments to manage foreign currency exchange rate risk in IPM. The Company's derivative financial instruments consist of foreign currency forward contracts ("forward contracts"). Derivative financial instruments are neither held nor issued by the Company for trading purposes.

The Company records all derivative instruments at fair value in the consolidated balance sheets as either assets or liabilities. The Company's forward contracts have not been designated as hedges for accounting purposes.

Interest Rate Swaps

The Company has interest rate swaps with counterparties to reduce its exposure to variability in cash flows relating to interest payments on a portion of its outstanding Term Loan Facility. The Company applies hedge accounting and has designated these instruments as cash flow hedges of the risk associated with floating interest rates on designated future quarterly interest payments. The Company measures the ineffectiveness on a quarterly basis using the Hypothetical Derivative Method. Management assumes the hedge is highly effective and therefore changes in the value of the hedging instrument are recorded in Accumulated other comprehensive income (loss) in the consolidated balance sheets. Any ineffectiveness is recorded in earnings. Amounts in Accumulated other comprehensive income (loss) are reclassified into earnings in the same period during which the hedged transactions affect earnings, or upon termination of the hedging relationship.

Fair Value of Financial Instruments

The Company discloses and recognizes the fair value of its assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following valuation techniques are used to measure fair value for assets and liabilities:

Level 1 - Quoted market prices in active markets for identical assets or liabilities;

Level 2 - Significant other observable inputs (e.g., quoted prices for similar items in active markets, quoted prices for identical or similar items in markets that are not active, inputs other than quoted prices that are observable such as interest rate and yield curves, and market-corroborated inputs); and

Level 3 - Unobservable inputs for the asset or liability, which are valued based on management's estimates of assumptions that market participants would use in pricing the asset or liability.

Contingent Considerations

The Company recorded a contingent consideration, the Earn-out, as a result of the acquisition of Publons. The Company records liabilities for the estimated cost of such contingencies when expenditures are probable and reasonably estimable. A significant amount of judgment is required to estimate and quantify the potential liability in these matters. We engage outside experts as deemed necessary or appropriate to assist in the calculation of the liability, however management is responsible for evaluating the estimate. As information becomes available regarding changes in circumstances for ongoing contingent considerations, our potential liability is reassessed and adjusted as necessary. See "Notes to the Financial Statements" – Note 15 – "Commitments and Contingencies" for further information on contingencies.

Taxation

Successor

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

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

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

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

Predecessor

Income taxes as presented herein attribute current and deferred income taxes of the Former Parent to the Predecessor combined financial statements in a manner that is systematic, rational, and consistent with the asset and liability method. Accordingly, the income tax provision was prepared following the "Separate Return Method," which computes income tax balances of each member of the consolidated group as if the group member were a separate taxpayer and a standalone enterprise. As a result, actual tax transactions included in the consolidated financial statements of the Former Parent may not be included in the Predecessor combined financial statements. Similarly, the tax treatment of certain items reflected in the Predecessor combined financial statements may not be reflected in the consolidated financial statements and tax returns of the Former Parent. Therefore, such items as net operating losses, credit carry‑forwards, and valuation allowances may exist in the Predecessor combined financial statements that may or may not exist in the Former Parent's consolidated financial statements.

The Former Parent computes an income tax provision in each of the jurisdictions in which it operates. These income tax provisions include amounts that are based upon the Predecessor's estimates and assumptions regarding prices and values used to record intercompany transactions. The breadth of the Predecessor's operations and the complexity of global tax regulations require assessments of uncertainties and judgments in estimating taxes that the Predecessor would have paid if it had been a separate taxpayer. The final taxes that would have been paid are dependent upon many factors, including negotiations with taxing authorities in various jurisdictions, outcomes of tax litigation and resolution of disputes arising from federal, state and international tax audits in the normal course of business.

The provision for income taxes is determined using the asset and liability approach of accounting for income taxes. Under this approach, deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes represents income taxes paid or payable for the current year plus the change in deferred taxes during the year and the impact of the deferral and subsequent

recognition of tax related to the intercompany sale of assets. Deferred taxes result from differences between the book and tax bases of assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Interest accrued related to unrecognized tax benefits and income tax related penalties are included in the provision for income taxes.

In general, the taxable income (loss) of the Predecessor's entities was included in the Former Parent's consolidated tax returns, where applicable in jurisdictions around the world. As such, separate income tax returns were not prepared for any entities included within the Predecessor combined financial statements. Consequently, income taxes currently payable are deemed to have been remitted to the Former Parent, in cash, in the period in which the liability arose and income taxes currently receivable are deemed to have been received from the Former Parent in the period in which the receivable arose.

QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

Overview

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

Foreign Currency Exchange Rate Risk

As a result of our international operations, foreign currency exchange risk exposures exist on sales, purchases, financial assets and borrowings that are denominated in currencies that are not the functional currency of that subsidiary. In these circumstances, a change in exchange rates would impact the profit or loss component of our consolidated or combined statements of comprehensive income (loss). See “Key Factors Affecting Our Financial Condition and Results of Operations—Effect of Currency Fluctuations” for more information about the foreign currency exchange rate risks we face.

In accordance with our treasury policy, we take advantage of natural offsets to the extent possible. Therefore, when commercially feasible, we expect to borrow in the same currencies in which cash flows from operations are generated. On a limited basis, we use derivatives to hedge foreign currency exchange risk arising from receipts and payments denominated in foreign currencies in our IP Payments business made to patent and trademark offices. In the future, when considered appropriate, we may enter into derivatives to hedge foreign currency exchange risk arising from specific transactions.

Revenues denominated in currencies other than U.S. dollars were $192,015, or 21% of revenues for the year ended December 31, 2017. The majority of our non-U.S. dollar revenues were denominated in Euros, British pounds and Japanese yen. A 5% increase or decrease in the value of the Euro, British pound, and Japanese yen relative to the U.S. dollar would have caused our revenues for the year ended December 31, 2017 to increase or decrease by $9,381.

Interest Rate Risk

Our interest rate risk arises from long-term borrowings at floating rates.

Borrowings under the Senior Secured Credit Facilities are subject to floating interest rates. As a result of the Transactions and a subsequent Term Loan Facility amendment, we have $1,530,700 of floating rate debt outstanding under the Senior Secured Credit Facilities consisting of borrowings under the Term Loan Facility as of December 31, 2017. A one-eighth percentage point increase or decrease in the applicable interest rate for the Senior Secured Credit Facilities (assuming the Revolving Credit Facility is undrawn and, with respect to the Term Loan Facility, LIBOR is in excess of the 1.00% floor rate of the Term Loan Facility) would have an annual impact of $1,707 on cash interest expense for the year ended December 31, 2017. We hedged a portion of our floating interest rate borrowings. See additional disclosures in the Notes to the Financial Statements – Note 11 – “Debt.”

Credit Risk

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our accounts receivables from customers. For the year ended December 31, 2017, no single customer comprised more than 10% of our consolidated revenues.

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

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Report of Independent Auditors

To the Management of Camelot Holdings (Jersey) Limited:

We have audited the accompanying consolidated financial statements of Camelot Holdings (Jersey) Limited and its subsidiaries (the "Successor"), which comprise the consolidated balance sheets as of December 31, 2017 and December 31, 2016, and the related consolidated statements of income (loss), comprehensive income (loss), changes in equity and cash flows for the year ended December 31, 2017 and the period from August 4, 2016 (date of inception) through December 31, 2016.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Camelot Holdings (Jersey) Limited and its subsidiaries as of December 31, 2017 and 2016, and the results of their operations and their cash flows for the year ended December 31, 2017 and the period from August 4, 2016 (date of inception) to December 31, 2016 in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Florham Park, New Jersey
March 5, 2018

PricewaterhouseCoopers LLP, 400 Campus Drive, P.O. Box 988, Florham Park, NJ 07932
T: (973) 236 4000, F: (973) 236 5000, www.pwc.com/us

Report of Independent Auditors

To the Management of Camelot Holdings (Jersey) Limited:

We have audited the accompanying combined financial statements of Thomson Reuters Intellectual Property & Science (the "Predecessor"), which comprise, the combined statement of income (loss), comprehensive income (loss), changes in former parent company net investment and of cash flows for the period from January 1, 2016 through October 2, 2016.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the Predecessor's results of operations and its cash flows for the period from January 1, 2016 through October 2, 2016 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16 to the combined financial statements, amounts recorded as allocations for certain centralized costs of the Predecessor are not necessarily representative of the amounts that would have been reflected in the financial statements had the Predecessor operated as a separate, stand-alone entity. Our opinion is not modified with respect to this matter.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Florham Park, New Jersey
April 24, 2017, except for the effects of the revision discussed in Note 1 to the financial statements, as to which the date is March 5, 2018

PricewaterhouseCoopers LLP, 400 Campus Drive, P.O. Box 988, Florham Park, NJ 07932
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CAMELOT HOLDINGS (JERSEY) LIMITED
Consolidated Balance Sheets

(Dollars in thousands except share and per share data)

	Consolidated Successor	
	As of December 31,	
	2017	2016
Assets:		
Current assets:		
Cash and cash equivalents	$ 53,186	$ 77,136
Restricted cash	24,362	7,884
Accounts receivable, less allowance for doubtful accounts of $8,495 and $2,643 at December 31, 2017 and December 31, 2016, respectively	317,808	361,586
Prepaid expenses	29,465	25,887
Other current assets	20,157	45,335
Total current assets	444,978	517,828
Computer hardware and other property, net	23,010	19,312
Other intangible assets, net	2,160,087	2,320,098
Goodwill	1,311,253	1,305,571
Other non-current assets	54,569	48,920
Deferred income taxes	6,824	4,483
Total Assets	$ 4,000,721	$ 4,216,212
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 138,018	$ 143,858
Accrued expenses and other current liabilities	116,450	144,561
Current portion of deferred revenue	356,002	333,083
Short-term debt	45,345	15,500
Total current liabilities	655,815	637,002
Long-term debt	1,967,735	1,960,310
Non-current portion of deferred revenue	15,796	17,957
Other non-current liabilities	22,609	15,614
Deferred income taxes	51,792	77,473
Total liabilities	2,713,747	2,708,356
Commitments and Contingencies (Note 15)		
Shareholders' equity:		
Share capital, $0.01 par value; 2,000,000 shares authorized at December 31, 2017 and December 31, 2016; 1,644,700 and 1,635,000 shares issued and outstanding at December 31, 2017 and December 31, 2016, respectively	16	16
Additional paid-in capital	1,662,205	1,634,984
Accumulated other comprehensive income (loss)	13,984	(3,470)
Accumulated deficit	(389,231)	(123,674)
Total shareholders' equity	1,286,974	1,507,856
Total Liabilities and Shareholders' Equity	$ 4,000,721	$ 4,216,212

The accompanying notes are an integral part of these financial statements.

CAMELOT HOLDINGS (JERSEY) LIMITED
Consolidated or Combined Income (Loss) Statements
(In thousands)

	Consolidated Successor		Combined Predecessor
	Year ended December 31, 2017	Period from August 4, through December 2016	Period from January 1, through October 2, 2016
Revenues, net	$ 919,749	$ 202,022	$ 703,087
Operating costs and expenses:			
Cost of revenues, excluding depreciation and amortization	(422,213)	(97,459)	(209,146)
Selling, general and administrative costs, excluding depreciation and amortization	(318,887)	(88,705)	(225,924)
Share-based compensation expense	(17,663)	—	(6,872)
Depreciation	(6,997)	(1,785)	(7,905)
Amortization	(221,466)	(54,559)	(65,214)
Transaction expenses	(2,245)	(36,425)	(21,045)
Transition, integration and other	(78,695)	(11,991)	—
Other operating income (expense)	(237)	(6,127)	8
Allocation of costs from Former Parent, and affiliates	—	—	(106,320)
Total operating expenses	(1,068,403)	(297,051)	(642,418)
Income (loss) from operations	(148,654)	(95,029)	60,669
Interest expense, net	(138,196)	(31,500)	(155)
Income (loss) before income tax and equity method investment	(286,850)	(126,529)	60,514
Benefit (provision) for income taxes	21,293	2,855	(54,330)
Share of post-tax loss and impairment in equity method investment, net of tax	—	—	(4,357)
Net income (loss)	$ (265,557)	$ (123,674)	$ 1,827

The accompanying notes are an integral part of these financial statements.

CAMELOT HOLDINGS (JERSEY) LIMITED
Consolidated or Combined Statements of Comprehensive Income (Loss)
(In thousands)

	Consolidated Successor		Combined Predecessor
	Year ended December 31, 2017	Period from August 4, through December 31, 2016	Period from January 1, through October 2, 2016
Net income (loss)	$ (265,557)	$ (123,674)	$ 1,827
Other comprehensive income (loss), net of tax:			
Interest rate swaps	1,107	—	—
Defined benefit pension plans	881	—	—
Foreign currency translation adjustments	15,466	(3,470)	3,753
Total other comprehensive income (loss), net of tax:	17,454	(3,470)	3,753
Comprehensive income (loss)	$ (248,103)	$ (127,144)	$ 5,580

The accompanying notes are an integral part of these financial statements.

CAMELOT HOLDINGS (JERSEY) LIMITED
Consolidated Statements of Changes in Equity (Successor)
(Dollars in thousands except share data)

Successor	Share Capital		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount				
Balance at August 4, 2016	—	$ —	$ —	$ —	$ —	$ —
Issuance of common stock, net	1,635,000	16	1,634,984	—	—	1,635,000
Share-based compensation	—	—	—	—	—	—
Comprehensive income (loss)	—	—	—	(3,470)	(123,674)	(127,144)
Balance at December 31, 2016	1,635,000	16	1,634,984	(3,470)	(123,674)	1,507,856
Issuance of common stock, net	9,700	—	9,558	—	—	9,558
Share-based compensation	—	—	17,663	—	—	17,663
Comprehensive income (loss)	—	—	—	17,454	(265,557)	(248,103)
Balance at December 31, 2017	1,644,700	$ 16	$ 1,662,205	$ 13,984	$ (389,231)	$ 1,286,974

The accompanying notes are an integral part of these financial statements.

CAMELOT HOLDINGS (JERSEY) LIMITED
Combined Statement of Changes in Former Parent Company Net Investment (Predecessor)
(In thousands)

	Former Parent company net investment	Accumulated other comprehensive income (loss)	Total
Balance at January 1, 2016	$ 1,175,362	$ (45,194)	$ 1,130,168
Net income	1,827	—	1,827
Other comprehensive income	—	3,753	3,753
Net transfers to Parent	(67,941)	—	(67,941)
Balance at October 2, 2016	$ 1,109,248	$ (41,441)	$ 1,067,807

The accompanying notes are an integral part of these financial statements.

CAMELOT HOLDINGS (JERSEY) LIMITED
Consolidated or Combined Statements of Cash Flows
(In thousands)

	Consolidated Successor		Combined Predecessor
	Year ended December 31, 2017	Period from August 4, through December 31, 2016	Period from January 1, through October 2, 2016
Cash Flows From Operating Activities			
Net income (loss)	$ (265,557)	$ (123,674)	$ 1,827
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	228,463	56,344	73,119
Bad debt expense	6,505	2,735	2,196
Share of post-tax loss and impairment in equity method investment	—	—	4,357
Impact of deferred charges on intercompany sale	—	—	28,426
Deferred income tax benefit	(36,272)	(8,542)	(16,977)
Share-based compensation	17,663	—	6,872
Deferred finance charges	23,510	2,323	—
Other operating activities	2,548	6,940	—
Changes in operating assets and liabilities:			
Accounts receivable	43,109	(144,619)	68,095
Prepaid expenses	(3,205)	(2,410)	(6,215)
Other assets	13,694	(1,630)	(718)
Accounts payable	(10,786)	72,041	(2,414)
Accrued expenses and other current liabilities	(34,912)	41,843	25,703
Deferred revenue	16,636	162,501	(42,161)
Other liabilities	5,271	(596)	1,730
Net cash provided by operating activities	6,667	63,256	143,840
Cash Flows From Investing Activities			
Capital expenditures	(37,804)	(18,477)	(37,835)
Acquisition, net of cash acquired	(7,401)	(3,566,599)	—
Proceeds from sale of equity method investment	5,000	—	—
Net cash used in investing activities	(40,205)	(3,585,076)	(37,835)
Cash Flows From Financing Activities			
Borrowings of debt	30,000	2,050,000	—
Repayment of principal on long-term debt	(15,423)	(3,875)	—
Payment of debt issuance costs	(817)	(64,888)	—
Equity infusion	—	1,635,000	—
Original issue discount	—	(7,750)	—
Issuance of share capital	9,058	—	—
Net transfers to the Former Parent	—	—	(77,511)
Net cash provided by (used in) financing activities	22,818	3,608,487	(77,511)
Effects of exchange rates	3,248	(1,647)	1,082
Net increase (decrease) in cash and cash equivalents, and restricted cash	(7,472)	85,020	29,576

CAMELOT HOLDINGS (JERSEY) LIMITED
Consolidated or Combined Statements of Cash Flows
(In thousands)

	Consolidated Successor		Combined Predecessor
	Year ended December 31, 2017	Period from August 4, through December 31, 2016	Period from January 1, through October 2, 2016
Beginning of period:			
Cash and cash equivalents	77,136	—	833
Restricted cash	7,884	—	503
Total cash and cash equivalents, and restricted cash, beginning of period	85,020	—	1,336
Cash and cash equivalents, and restricted cash, end of period	77,548	85,020	30,912
Cash and cash equivalents	53,186	77,136	30,323
Restricted cash	24,362	7,884	589
Total cash and cash equivalents, and restricted cash, end of period	$ 77,548	$ 85,020	$ 30,912
Supplemental Cash Flow Information			
Cash paid for interest	$ 115,236	$ 18,376	$ —
Cash paid for income tax	$ 14,722	$ 2,620	$ —
Income taxes settled through the Former Parent net investment	$ —	$ —	$ 42,881
Non-cash transfers included in the Former Parent net investment	$ —	$ —	$ 2,698
Capital expenditures included in accounts payable	$ 2,473	$ —	$ 6,248

The accompanying notes are an integral part of these financial statements.

Note 1: Background and Nature of Operations

Jersey was formed on August 4, 2016 as a private limited liability company organized under the laws of the Island of Jersey. Its registered office is located at 4th Floor, St Paul's Gate, 22-24 New Street, St Helier, Jersey JE1 4TR.

On July 10, 2016, Bidco entered into the Acquisition Agreement to acquire (i) certain assets and liabilities related to the IP&S business from the Former Parent and (ii) all of the equity interests and substantially all of the assets and liabilities of certain entities engaged in the IP&S business together with their subsidiaries ("Acquisition"). The assets, liabilities and equity interests acquired are hereinafter referred to as the Predecessor. The Acquisition closed on the Day 1 Closing Date for total consideration of $3,566,599, net of cash acquired. Jersey is owned by affiliates of Onex Corporation and BPEA and certain co-investors and is controlled by Onex Corporation.

The Company is a provider of proprietary and comprehensive content, analytics, professional services and workflow solutions that enables users across government and academic institutions, life science companies and research and development ("R&D") intensive corporations to discover, protect and commercialize their innovations. The Company also provides software and managed services that enable customers to establish, commercialize and protect their brands. Further, the Company provides patent payment and trademark renewal services to its customers.

Revision of Prior Period Financial Statements

In connection with the preparation of the 2017 consolidated financial statements, the Company identified certain intentional misstatements of income within a business line prior to the Acquisition. The Company concluded that the correction of the intentional misstatements were not material individually or in aggregate to previously issued financial statements. However, the Company has revised its Consolidated Balance Sheet as of December 31, 2016, and the Combined Predecessor Statement of Income, Comprehensive Income, Cash Flows, and Changes in Former Parent Company Net Investment for the period January 1, 2016 through October 2, 2016. The Company also revised its fair value of identifiable assets acquired and liabilities assumed at the closing of the Acquisition.

The intentional misstatement of revenue related to an employee recording unsubstantiated revenue with a corresponding unsubstantiated asset and contra liabilities reflected on the balance sheet at the date of Acquisition. To correct the error, the Company has reversed the unsubstantiated asset and contra liabilities, and increased the goodwill by $29,680 at the date of Acquisition.

The following table shows the revised Consolidated Balance Sheet as of December 31, 2016 from amounts previously reported:

	As Previously Reported	Adjustment	As Revised
Accounts receivable	$ 370,955	$ (9,369)	$ 361,586
Total current assets	**527,197**	**(9,369)**	**517,828**
Goodwill	1,275,891	29,680	1,305,571
Total assets	**4,195,901**	**20,311**	**4,216,212**
Accounts payable	124,358	19,500	143,858
Current portion of deferred revenue	332,272	811	333,083
Total current liabilities	**616,691**	**20,311**	**637,002**
Total liabilities	**2,688,045**	**20,311**	**2,708,356**
Total Liabilities and Shareholders' Equity	**4,195,901**	**20,311**	**4,216,212**

The Company has revised the Combined Predecessor Income (Loss) Statement for the period January 1, 2016 through October 2, 2016 from amounts previously reported as follows:

	As Previously Reported	Adjustment	As Revised
Revenues, net	$ 705,267	$ (2,180)	$ 703,087
Income (loss) from operations	**62,849**	**(2,180)**	**60,669**
Income (loss) before income taxes and equity method investment	**62,694**	**(2,180)**	**60,514**
Net income (loss)	**4,007**	**(2,180)**	**1,827**

The Company has revised the Combined Predecessor Statement of Comprehensive Income (Loss) for the period January 1, 2016 through October 2, 2016 from amounts previously reported as follows:

	As Previously Reported	Adjustment	As Revised
Net income (loss)	$ 4,007	$ (2,180)	$ 1,827
Comprehensive income (loss)	**7,760**	**(2,180)**	**5,580**

The Company has revised the Former parent company net investment column within the Combined Statement of Changes in Former Parent Company Net Investment for the period January 1, 2016 through October 2, 2016 from amounts previously reported as follows:

	Former parent company net investment			**Total**
	As Previously Reported	Adjustment	As Revised	As Revised
Balance at January 1, 2016	$ 1,201,844	$ (26,482)	$ 1,175,362	$ 1,130,168
Net income	4,007	(2,180)	1,827	1,827
Other comprehensive income	—	—	—	3,753
Net transfers to Parent	(67,941)	—	(67,941)	(67,941)
Balance at October 2, 2016	$ 1,137,910	$ (28,662)	$ 1,109,248	$ 1,067,807

The Company has revised the Combined Predecessor Statement of Cash Flows for the period January 1, 2016 through October 2, 2016 from amounts previously reported as follows:

	As Previously Reported	Adjustment	As Revised
Net income (loss)	$ 4,007	$ (2,180)	$ 1,827
Accounts payable	(3,783)	1,369	(2,414)
Deferred revenue	(42,972)	811	(42,161)

The Company also concluded that its compliance with debt covenants were not affected by this adjustment.

Note 2: Basis of Presentation

Successor

While Jersey was formed on August 4, 2016, no activity occurred until after the acquisition date of October 3, 2016. The period from August 4, 2016 onward is the "Successor Period." The Successor consolidated financial statements were prepared in conformity with accounting principles generally accepted in the United States of America

(U.S. GAAP). The Company reclassified certain expenses to align the presentation with how the Company currently manages these expenses.

The consolidated financial statements of the Company include the accounts of all of its subsidiaries. Subsidiaries are entities over which the Company has control, where control is defined as the power to govern financial and operating policies. Generally, the Company has a shareholding of more than 50% of the voting rights in its subsidiaries. The effect of potential voting rights that are currently exercisable are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date control ceases.

U.S. dollar is Jersey's reporting currency. As such, the financial statements are reported on a U.S. dollar basis.

Predecessor

The Predecessor combined financial statements were derived from the accounting records of the Former Parent using the historical results of operations and the historical bases of assets and liabilities of the IP&S business, adjusted as necessary to conform to U.S. GAAP. Management of the Former Parent believes assumptions underlying these Predecessor combined financial statements are reasonable. However, these Predecessor combined financial statements may not be indicative of the financial position, results of operations and cash flows of the IP&S business in the future or if it had operated independently of the Former Parent. Because a direct ownership relationship did not exist, the Former Parent's net investment in the Predecessor is shown in lieu of equity in the Predecessor combined financial statements.

The Predecessor combined income statements include all revenues and costs directly attributable to the Predecessor as well as an allocation of expenses from the Former Parent related to centralized facilities, technology functions, and administrative services. The Former Parent allocated costs to the Predecessor using methodologies that management believes are appropriate and reasonable, including a pro rata basis of revenue, salaries and wages, or head count, as appropriate. Such amounts are not necessarily representative of costs that would have been incurred if the Predecessor had operated independently of the Former Parent.

The Predecessor combined financial statements include the attribution of certain assets and liabilities that have historically been held at the corporate level by the Former Parent, but which are specifically identifiable or allocable to the Predecessor. The Former Parent's cash management and financing activities are centralized. Accordingly, no cash equivalents, marketable securities, debt, or related interest expense have been allocated to the Predecessor combined financial statements, except for certain cash accounts that were retained by the businesses. Management of the Former Parent believes assumptions underlying these Predecessor combined financial statements are reasonable. However, the Predecessor combined financial statements may not be indicative of the financial position, earnings, and cash flows of the Predecessor in the future or if it had operated independently of the Former Parent.

Transactions between the Former Parent and the Predecessor are considered to be effectively settled at the time the transaction is recorded. The net effect of the settlement of these intercompany transactions is reflected in the combined statements of cash flows as the financing activity 'Net transfers to Former Parent.'

The Company has reclassified certain expenses to align presentation with how the Company currently manages these expenses. Prior period amounts have been reclassified to conform to the current presentation.

The period from January 1, 2016 through October 2, 2016 is the "Predecessor Period."

Note 3: Summary of Significant Accounting Policies

The significant accounting policies represent those applied by both the Successor and the Predecessor unless otherwise indicated.

Business combinations

Business combinations are accounted for using the acquisition method at the acquisition date, which is when control is obtained. The consideration transferred is generally measured at fair value, as are the identifiable assets acquired and liabilities assumed. During the one-year period following the acquisition date, if an adjustment is identified based on new information about facts and circumstances that existed as of the acquisition date, the Company will record measurement-period adjustments related to the acquisitions in the period in which the adjustment is identified.

Goodwill is measured at the acquisition date as the fair value of the consideration transferred (including, if applicable, the fair value of any previously held equity interest and any non-controlling interests) less the net recognized amount (which is generally the fair value) of the identifiable assets acquired and liabilities assumed.

Transaction costs, other than those associated with the issuance of debt or equity securities incurred in connection with a business combination, are expensed as incurred and included in Transaction expenses in the consolidated and combined income statements.

Use of Estimates

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

Cash and Cash Equivalents

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

Restricted Cash

As of December 31, 2017 and 2016, the Company's restricted cash related to funds the Company has received from customers in advance of paying patent renewals on behalf of those customers.

Accounts Receivable

Accounts receivable are presented net of the allowance for doubtful accounts and any discounts. Accounts receivable are recorded at the invoiced amount and do not bear interest. Collections of accounts receivable are included in cash provided by operating activities in the consolidated and combined statements of cash flows. The Company maintains an allowance for doubtful accounts for estimated losses and assesses its adequacy each reporting period by evaluating factors such as the length of time receivables are past due, historical collection experience, and the economic and competitive environment. The expense related to doubtful accounts is included within Selling, general and administrative costs, excluding depreciation and amortization in the consolidated and combined income statements. Account balances are written off against the allowance when the potential for recovery is considered remote. The Company does not have any off‑balance‑sheet credit exposure related to its customers.

Concentration of Risk

Accounts receivable are the primary financial instrument that potentially subjects the Company to significant concentrations of credit risk. Management performs ongoing credit evaluations of its customers' financial condition and limits the amount of credit extended when deemed appropriate. No single customer or group of related customers accounted for more than 10% of the Company's revenues for the year ended December 31, 2017, the 2016 Successor period or the 2016 Predecessor period.

Prepaid Assets

Prepaid assets represent amounts that the Company has paid in advance of receiving benefits or services. Prepaid assets include amounts for system and service contracts, sales commissions, deposits, prepaid royalties and insurance and are recognized as an expense over the general contractual period that the Company expects to benefit from the underlying asset or service.

Computer Hardware and Other Property

Generally, computer hardware and other property are recorded at cost and are depreciated over the respective estimated useful lives. Upon the Acquisition, computer hardware and other property were revalued and recorded at net book value, which approximated fair value at the Acquisition.

Depreciation is computed using the straight‑line method. Repair and maintenance costs are expensed as incurred. The cost and related accumulated depreciation of sold or retired assets are removed from the accounts and any gain or loss is included within income (loss) from operations in the consolidated and combined income statements.

The estimated useful lives are as follows:

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

Computer Software

Development costs related to internally generated software are capitalized once a project has progressed beyond a conceptual, preliminary stage to that of the application development stage. Costs of significant improvements on existing software for internal use, both internally developed and purchased, are also capitalized. Costs related to the preliminary project stage, data conversion and post implementation/operation stage of an internal use software development project are expensed as incurred.

Capitalized costs are amortized over five years, which is the estimated useful life of the related software. Purchased software is amortized over three years, which is the estimated useful life of the related software. The capitalized amounts, net of accumulated amortization, are included in Other intangible assets, net in the consolidated balance sheet. The cost and related accumulated amortization of sold or retired assets are removed from the accounts and any gain or loss is included in operating expense.

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

Other Intangible Assets

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

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

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

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

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

Customer relationships	2 – 14 years
Databases and content	13 – 20 years
Trade names	Indefinite

Impairment of Long-lived Assets

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

Goodwill and Indefinite-Lived Intangible Assets

The Company has elected October 1 as the date on which it performs an annual goodwill impairment test. Goodwill represents the purchase price in excess of the fair value of identifiable net assets acquired in a business combination. Management tests goodwill annually for impairment or more frequently when circumstances indicate that impairment may have occurred. Goodwill is evaluated at the reporting unit ("RU") level. Management determined that the Company consists of a single RU. The Company has the option to perform a qualitative or quantitative assessment. The qualitative assessment involves determining whether events or circumstances exist that indicate it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. If based on this qualitative assessment the Company determines it is more likely than not that the fair value of a reporting unit is less than its carrying amount, or if the Company elects not to perform a qualitative assessment, a quantitative assessment is performed using a two-step approach to determine whether a goodwill impairment exists at the RU. In determining the fair value of the RU, the Company estimates the fair value of the RU using the fair value derived from the market approach. The market approach estimates fair value based on market multiples of revenue and earnings derived from comparable publicly-traded companies with similar operating and investment characteristics as the reporting unit. Management concluded that no goodwill impairment existed for any of the periods presented. See Note 7 – "Goodwill" for further information on the impairment testing performed.

The Company also has indefinite-lived intangible assets related to trade names. Indefinite-lived intangible assets are subject to impairment testing annually or whenever events or changes in circumstances indicate that their carrying value may not be recoverable. For purposes of impairment testing, the fair value of trade names is determined using an income approach, specifically the relief from royalties method.

Other Current and Non-Current Assets and Liabilities

The Company defines current assets and liabilities as those from which it will benefit from or which it has an obligation for within one year that do not otherwise classify as assets or liabilities separately reported on the consolidated balance sheets. Other non-current assets and liabilities are expected to benefit the Company or cause its obligation beyond one year. The Company classifies the current portion of long-term assets and liabilities as current assets or liabilities.

Leases

Leases are classified as either operating or capital, based on the substance of the transaction at inception of the lease. Classification is re-assessed if the terms of the lease are changed.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under an operating lease (net of any incentives received from the lessor) are recognized in the consolidated income statement on a straight-line basis over the period of the lease. The Company does not currently have any capital leases.

Accounts Payable and Accruals

Accounts payable and accruals are obligations to pay for goods or services that have been acquired in the ordinary course of business. Accounts payable and accruals are recognized initially at their settlement value, and are classified as current liabilities if payment is due within one year or less.

Debt

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

Debt is classified as a current liability unless the Company has an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Derivative Financial Instruments

Foreign Exchange Derivative Contracts

The Company uses derivative financial instruments to manage foreign currency exchange rate risk in IPM. The Company's derivative financial instruments consist of foreign currency forward contracts (“forward contracts”). Derivative financial instruments are neither held nor issued by the Company for trading purposes.

The Company records all derivative instruments at fair value in the consolidated balance sheets as either assets or liabilities. The Company's forward contracts have not been designated as hedges for accounting purposes.

Interest Rate Swaps

The Company has interest rate swaps with counterparties to reduce its exposure to variability in cash flows relating to interest payments on a portion of its outstanding Term Loan Facility. The Company applies hedge accounting and has designated these instruments as cash flow hedges of the risk associated with floating interest rates on designated future quarterly interest payments. The Company measures the ineffectiveness on a quarterly basis using the Hypothetical Derivative Method. Management assumes the hedge is highly effective and therefore changes in the value of the hedging instrument are recorded in Accumulated other comprehensive income (loss) in the consolidated balance sheets. Any ineffectiveness is recorded in earnings. Amounts in Accumulated other comprehensive income (loss) are reclassified into earnings in the same period during which the hedged transactions affect earnings, or upon termination of the hedging relationship.

Fair Value of Financial Instruments

The Company discloses and recognizes the fair value of its assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following valuation techniques are used to measure fair value for assets and liabilities:

Level 1 - Quoted market prices in active markets for identical assets or liabilities;

Level 2 - Significant other observable inputs (e.g., quoted prices for similar items in active markets, quoted prices for identical or similar items in markets that are not active, inputs other than quoted prices that are observable such as interest rate and yield curves, and market-corroborated inputs); and

Level 3 - Unobservable inputs for the asset or liability, which are valued based on management's estimates of assumptions that market participants would use in pricing the asset or liability.

Contingent Considerations

The Company recorded a contingent consideration, the Earn-out, as a result of the acquisition of Publons. The Company records liabilities for the estimated cost of such contingencies when expenditures are probable and reasonably estimable. A significant amount of judgment is required to estimate and quantify the potential liability in these matters. We engage outside experts as deemed necessary or appropriate to assist in the calculation of the liability, however management is responsible for evaluating the estimate. As information becomes available regarding changes in circumstances for ongoing contingent considerations, our potential liability is reassessed and adjusted as necessary. See Note 15 – "Commitments and Contingencies" for further information on contingencies.

Pension and Other Post-Retirement Benefits

Successor

The Company may be required to sponsor pension benefit plans, for certain international markets, which are unfunded and are not significant for the Company. The net periodic pension expense is actuarially determined on an annual basis by independent actuaries using the projected unit credit method. The determination of benefit expense requires assumptions such as the discount rate, which is used to measure service cost, benefit plan obligations and the interest expense on the plan obligations. Other significant assumptions include expected mortality, the expected rate of increase with respect to future compensation and pension. Because the determination of the cost and obligations associated with employee future benefits requires the use of various assumptions, there is measurement uncertainty inherent in the actuarial valuation process. Actual results will differ from results which are estimated based on assumptions.

The liability recognized in the consolidated balance sheet is the present value of the defined benefit obligation at the end of the reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. The defined benefit obligation is included in Other non-current liabilities in the consolidated balance sheets. All actuarial gains and losses that arise in calculating the present value of the defined benefit obligation are recognized immediately in accumulated deficit and included in the consolidated statement of comprehensive income (loss). See Note 10 – "Pension and Other Post Retirement Benefits" for balances and further details including an estimate of the impact on the consolidated financial statements from changes in the most critical assumptions.

Employer contributions to defined contribution plans are expensed as incurred, which is as the related employee service is rendered.

Predecessor

The Company's employees participated in defined benefit and defined contribution plans ("Plans") sponsored by the Former Parent. These defined benefit plans provided pension and other post‑employment benefits to covered employees. For purposes of the Predecessor combined financial statements, Company employees are considered to be participants of a multiemployer plan with the Former Parent as it relates to defined benefits. Amounts payable from the Company to the Former Parent were considered to be effectively settled through Former Parent net investment when the obligation arose. Benefits expense of the Plans for Company employees was based on an allocated share of Former Parent's total benefits expense, and was recorded in Cost of revenues, excluding depreciation and amortization, or Selling, general and administrative costs, excluding depreciation and amortization, in the 2016 Predecessor combined financial statements.

Taxation

Successor

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

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

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

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

Predecessor

Income taxes as presented herein attribute current and deferred income taxes of the Former Parent to the Predecessor combined financial statements in a manner that is systematic, rational, and consistent with the asset and liability method. Accordingly, the income tax provision was prepared following the "Separate Return Method," which computes income tax balances of each member of the consolidated group as if the group member were a separate taxpayer and a standalone enterprise. As a result, actual tax transactions included in the consolidated financial statements of the Former Parent may not be included in the Predecessor combined financial statements. Similarly, the tax treatment of certain items reflected in the Predecessor combined financial statements may not be reflected in the consolidated financial statements and tax returns of the Former Parent. Therefore, such items as net operating losses, credit carry-forwards, and valuation allowances may exist in the Predecessor combined financial statements that may or may not exist in the Former Parent's consolidated financial statements.

The Former Parent computes an income tax provision in each of the jurisdictions in which it operates. These income tax provisions include amounts that are based upon the Predecessor's estimates and assumptions regarding prices and values used to record intercompany transactions. The breadth of the Predecessor's operations and the complexity of global tax regulations require assessments of uncertainties and judgments in estimating taxes that the Predecessor would have paid if it had been a separate taxpayer. The final taxes that would have been paid are dependent upon many factors, including negotiations with taxing authorities in various jurisdictions, outcomes of tax litigation and resolution of disputes arising from federal, state and international tax audits in the normal course of business.

The provision for income taxes is determined using the asset and liability approach of accounting for income taxes. Under this approach, deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes represents income taxes paid or payable for the current year plus the change in deferred taxes during the year and the impact of the deferral and subsequent recognition of tax related to the intercompany sale of assets. Deferred taxes result from differences between the book

and tax bases of assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Interest accrued related to unrecognized tax benefits and income tax related penalties are included in the provision for income taxes.

In general, the taxable income (loss) of the Predecessor's entities was included in the Former Parent's consolidated tax returns, where applicable in jurisdictions around the world. As such, separate income tax returns were not prepared for any entities included within the Predecessor combined financial statements. Consequently, income taxes currently payable are deemed to have been remitted to the Former Parent, in cash, in the period in which the liability arose and income taxes currently receivable are deemed to have been received from the Former Parent in the period in which the receivable arose.

Revenue Recognition

The Company derives revenue by selling information on a subscription and single transaction basis as well as from performing professional services. Revenue is recognized when (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred, (iii) the fee is fixed or determinable and (iv) collectability is reasonably assured. Revenue is recognized net of discounts and rebates, as well as value-added and other sales taxes. Cash received or receivable in advance of the delivery of the services or publications is included in deferred revenue. The revenue recognition policies for the Company's revenue streams are discussed below.

Subscription Revenues

Subscription-based revenues are recurring revenues that are earned under annual, evergreen or multi-year contracts pursuant to which we license the right to use our products to our customers. Revenues from the sale of subscription data and analytics solutions are typically invoiced annually in advance and recognized ratably over the year as revenues are earned.

Subscription revenues are typically generated either on (i) an enterprise basis, meaning that the organization has a license for the particular product or service offering and then anyone within the organization can use it at no additional cost, (ii) a seat basis, meaning each individual that uses the particular product or service offering has to have his or her own license, or (iii) a unit basis, meaning that incremental revenues are generated on an existing subscription each time the product is used (e.g., a trademark or brand is searched or assessed).

Transactional Revenues

Transactional revenues are revenues that are earned under contracts for specific deliverables that are typically quoted on a product, data set or project basis and often derived from repeat customers, including customers that also generate subscription-based revenues. Revenues from the sale of transactional products and services are invoiced according to the terms of the contract, typically in arrears. Transactional content sales are usually delivered to the customer instantly or in a short period of time, at which time revenues are recognized. In the case of professional services, these contracts vary in length from several months to years for multi-year projects and customers are typically invoiced based on the achievement of milestones.

Transactional revenues are typically generated on a unit basis, although for certain product and service offerings transactional revenues are generated on a seat basis. Transactional revenues may involve sales to the same customer on multiple occasions but with different products or services comprising the order.

Cost of Revenues, Excluding Depreciation and Amortization

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

Selling, General and Administrative, Excluding Depreciation and Amortization

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

Depreciation

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

Amortization

Amortization expense relates to the Company's finite-lived intangible assets including databases and content, customer relationships, and computer software. These assets are being amortized over periods of 3 to 17 years.

Share-Based Compensation

Share-based compensation expense includes cost associated with stock options granted to certain members of key management.

Successor

The fair value of stock options is estimated at the date of grant using the Black-Scholes option pricing model, which requires management to make certain assumptions of future expectations based on historical and current data. The assumptions include the expected term of the stock option, expected volatility, dividend yield, and risk-free interest rate. The expected term represents the amount of time that options granted are expected to be outstanding, based on forecasted exercise behavior. The risk-free rate is based on the rate at grant date of zero-coupon U.S. Treasury Notes with a term comparable to the expected term of the option. Expected volatility is estimated based on the historical volatility of comparable public entities' stock price from the same industry. The Company's dividend yield is based on forecasted expected payments, which are expected to be zero for current plan. The Company recognizes compensation expense over the vesting period of the award on a straight-line basis. Based on the guidance in ASU 2016-09, the Company elects to recognize forfeitures as they occur for the year ended December 31, 2017. There have been minimal forfeitures for the year ended December 31, 2017 and no share-based compensation arrangements in the 2016 Successor period. The adoption of this policy election does not have a material impact on the consolidated financial statements.

Predecessor

The Former Parent maintained certain equity‑settled and cash‑settled share‑based compensation plans under which it received services from employees as consideration for equity instruments of the Former Parent or cash payments based on the value of equity instruments of the Former Parent. Where the Company’s employees participated in the plans, the allocated cost is included in the Predecessor combined income statements.

The share‑based compensation expense is based on the grant‑date fair value and is recognized over the requisite service period. The Former Parent used the Black‑Scholes option pricing model to estimate the fair value of options granted under their share-based compensation plans and rights to acquire shares granted under their employee stock purchase plan (“ESPP”). The model requires making assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends.

The 2016 Predecessor financial statements include expense related to the accelerated vesting of all outstanding share-based awards that occurred concurrently at the closing of the Acquisition.

Transaction Expenses

Transaction expenses are incurred by the Company to complete business transactions, including acquisitions and disposals, and typically include advisory, legal and other professional and consulting costs.

Transition, Integration and Other

Transition, integration and other expenses, including transformation expenses, provide for the costs of transitioning certain activities performed by the Former Parent to the Company to enable operation on a stand-alone basis. Transition full time employee expense represents labor costs of full time employees who are currently working on migration projects and being expensed. Their traditional role is application development, which was capitalized.

Allocation of Costs from Former Parent and Affiliates

Allocation of costs from Former Parent and affiliates includes cost allocations associated with corporate overhead, audit fees, legal services, treasury, communications, human resources, tax and accounting, risk management, technology support, transaction processing and rent.

Interest Expense

Interest expense consists of interest expense related to our borrowings under the Term Loan Facility and the Notes as well as the amortization of debt issuance costs and interest related to certain derivative instruments. The Company did not incur material interest expense in the 2016 Predecessor period.

Share of Post-tax Loss in Equity Method Investment

Share of post-tax loss in equity method investment represents our portion of loss for the period and a write-down of investments accounted for under the equity method of accounting.

Foreign Currency

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

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from net income, transactions and other events or circumstances from non-owner sources.

Recently Issued Accounting Standards

In May 2014, the FASB issued new guidance, Accounting Standards Update ("ASU") 2014-09, related to revenue from contracts with customers which supersedes previous revenue recognition requirements. This new guidance affects any entity that enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. Areas of revenue recognition that will be affected include, but are not limited to, transfer of control, variable consideration, allocation of transfer pricing, licenses, time value of money, contract costs and disclosures. In August 2015, the FASB issued a one year deferral, ASU 2015-14) of the requirements under this new guidance to annual reporting periods beginning after December 15, 2018, and to interim periods within annual periods beginning after December 15, 2019. Entities can transition to the standard either retrospectively or as a cumulative-effect adjustment as of the date of adoption. We intend to adopt the standard using the full retrospective method effective January 1, 2018. The most significant impacts primarily relate to changes in the method of allocating performance obligations within our SAR business line, and the amortization period of costs to acquire contracts across multiple business lines. Further, the new standard requires additional

disclosures to help enable users of the financial statements to better understand the nature, amount, timing, risks, and judgments related to revenue recognition and related cash flows from contracts with customers. While the Company is still assessing the disclosure requirements, the standard does not have a material impact on the consolidated Financial Statements.

In February 2016, the FASB issued new guidance, ASU 2016-02, related to leases in which lessees will be required to recognize assets and liabilities on the balance sheet for leases having a term of more than 12 months. Lessor accounting remains substantially similar to current U.S. GAAP. The new standard is effective for annual periods in fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. The Company is in the process of assessing the impact of the new standard on its consolidated financial statements.

In March 2016, the FASB issued new guidance, ASU 2016-09, in order to simplify the accounting and presentation of certain share-based payments. The guidance requires the income tax effects for certain share-based payments to be recorded in earnings, changes the presentation for these tax-related cash flows, and permits entities to make an accounting policy election to continue to estimate forfeitures or recognize forfeitures as they occur. The guidance also changes the employer's statutory tax withholding requirement, permitting the employer to withhold up to the employees' maximum individual tax rate. Certain aspects of the amendment are to be applied using a modified retrospective approach, while others are to be applied either prospectively or retrospectively. The amendments are effective for annual fiscal years beginning after December 15, 2017. The Company early adopted this standard effective January 1, 2017, using the modified retrospective approach for the forfeitures policy election and using the retrospective basis for the other requirements. As the Company's share-based compensation plan was effective March 2017, forfeitures have been minimal and no stock option awards have settled or expired during the year ended December 31, 2017. Therefore, the adoption of this standard has no material impact on the consolidated financial statements.

In June 2016, the FASB issued new guidance, ASU 2016-13, related to measurement of credit losses on financial instruments which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. This new guidance replaces the existing incurred loss impairment model with an expected loss methodology, which will result in more timely recognition of credit losses. The guidance is effective for annual reporting periods beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. The Company is currently in the process of evaluating the impact of the adoption of this standard on its consolidated financial statements.

In August 2016, the FASB issued new guidance, ASU 2016-15, related to the statement of cash flows which addresses eight specific cash flow classification issues to reduce diversity in practice. This guidance will be effective for the Company for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. The guidance should be applied on a retrospective basis and early adoption is permitted. The Company is currently in the process of evaluating the impact of the adoption of this standard on its consolidated financial statements.

In October 2016, the FASB issued new guidance, ASU 2016-16, for intra-entity transfers of assets other than inventory. This standard requires that an entity should recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. Consequently, the amendments in this standard eliminate the exception for an intra-entity transfer of an asset other than inventory. This guidance is effective for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. The Company is currently evaluating the potential impact of this standard on its consolidated financial statements.

In November 2016, the FASB issued new guidance, ASU 2016-18, related to the statement of cash flows to clarify the classification and presentation of changes in restricted cash on the statement of cash flows. This guidance requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, including amounts generally described as restricted cash or restricted cash equivalents. The new standard is effective fiscal years beginning after December 15, 2018, and interim periods within fiscal periods beginning after December 15, 2019. The Company early adopted this standard for the year ended December 31, 2017, and applied this ASU retrospectively to the periods presented in the Company's consolidated statements of cash flows. As a result, net cash used in operating activities for the periods presented were adjusted for the change in restricted cash as follows:

	Period from August 4, through December 31, 2016	Period from January 1, through October 2, 2016
Net cash used in operating activities previously reported:	$ 55,372	$ 143,754
Change in other assets to remove restricted cash	7,884	86
Net cash used in operating activities as adjusted:	63,256	143,840

In January 2017, the FASB issued new guidance, ASU 2017-01, which clarifies the requirements needed for assets and activities to meet the definition of a business which affects multiple areas of accounting including acquisitions, disposals, goodwill and consolidations. This guidance is effective for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. The Company is currently in the process of evaluating the impact of the adoption of this standard on its consolidated financial statements.

In January 2017, the FASB issued new guidance, ASU 2017-04, which simplifies testing goodwill for impairment by eliminating Step 2 from the goodwill impairment test as described in previously issued guidance. The guidance is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2020. The Company is currently in the process of evaluating the impact of the adoption of this standard on its consolidated financial statements.

In February 2017, the FASB issued new guidance, ASU 2017-05, which clarifies the accounting for derecognition (e.g. sales) of nonfinancial assets in contracts with non-customers and defines what is considered an in substance nonfinancial asset. The new standard is effective at the same time of adoption of ASU 2014-09, which the Company is adopting effective January 1, 2018. The Company does not expect that the standard will have a material impact on the consolidated financial statements.

In March 2017, the FASB issued new guidance, ASU 2017-07, which changes how the net periodic benefit cost of defined benefit and other post retirement benefit plans is presented in the income statement. Under the new guidance, the service cost would be presented as a component of operating expenses in the same line item or items as employee compensation costs, and the other components of net periodic benefit cost would be presented outside of operating income. Further, the only component that would be eligible for capitalization into assets such as inventory would be service cost. The guidance is effective for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. The guidance is required to be applied on a retrospective basis, with the exception that the guidance regarding capitalization of service cost is to be applied on a prospective basis. Early adoption will be permitted as of the beginning of an annual reporting period, but only allowed in the first interim period presented. The Company is currently in the process of evaluating the impact of the adoption of this standard on its consolidated financial statements.

In May 2017, FASB issued guidance, ASU 2017-09, which provides clarification on when modification accounting should be used for changes to the terms or conditions of a share-based payment award. This guidance does not change the accounting for modifications but clarifies when modification accounting guidance should be applied. Under the new guidance, an entity should apply modification accounting in response to a change in the terms and conditions of an entity's share-based payment awards unless three newly specified criteria are met. The guidance is effective for reporting periods beginning after December 15, 2017. The Company does not expect that the standard will have a material impact on the consolidated financial statements.

In August 2017, the FASB issued guidance, ASU 2017-12, which provides targeted improvements to the accounting for hedging activities to better align an entity’s risk management activities and financial reporting for hedging

relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. The guidance is effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. The Company is early adopting effective January 1, 2018 with a modified retrospective transition method. The Company does not expect that the standard will have a material impact on the consolidated financial statements.

Note 4: Business combinations

Publons Limited Acquisition

On June 1, 2017, the Company acquired all assets, liabilities and equity interests of Publons Limited and its wholly owned subsidiary ("Publons"), a researcher-facing peer-review data and recognition platform. The acquisition of Publons, its platform and data, is believed to increase the value of multiple existing Company products, while supporting researchers in the process. Total consideration for the acquisition was $7,500, with potential future cash payments of up to $9,500 contingent upon Publons achieving certain milestones or meeting performance targets through 2020 ("Earn-out"). The fair market value of the liability associated with the Earn-out was $5,900 on the date of acquisition and $5,900 at December 31, 2017. Subsequent changes in the fair value will be included within the income statements.

The Publons transaction has been accounted for as a business combination using the acquisition method of accounting under which identifiable assets and liabilities of Publons were recorded at their respective estimated fair values as of the acquisition date, including an amount for goodwill representing the difference between the acquisition consideration and the estimated fair value of the identifiable net assets. Transaction related costs incurred in connection with the Publons acquisition were $420 for the year ended December 31, 2017.

The fair value of identifiable assets acquired and liabilities assumed at closing, which were adjusted for qualifying measurement period adjustments, net of $99 cash acquired, and contingent consideration liabilities incurred in relation to the acquisition are summarized below:

Other current assets	51
Finite-lived intangible assets	3,600
Indefinite-lived intangible assets	70
Goodwill	9,767
Other non-current assets	14
Total assets	13,502
Current liabilities	182
Non-current liabilities	19
Total liabilities	201
Interest in net assets acquired	$ 13,301

The allocations shown in the table above are preliminary and are subject to adjustment. New information that existed as of the acquisition date but at the time was unknown to the Company may become known to the Company during the remainder of the measurement period, a period not to exceed 12 months from the acquisition date. Adjustment in the purchase price allocation may require an adjustment of the amounts allocated to goodwill which will be applied prospectively.

Goodwill is calculated as the excess of the purchase price over the estimated fair values of the assets acquired and the liabilities assumed in the acquisition, and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. None of the goodwill associated with this transaction will be deductible for income tax purposes.

The Acquisition

On July 10, 2016, Bidco entered into the Acquisition Agreement with the Former Parent and certain of its subsidiaries to acquire the IP&S business. The Acquisition closed on October 3, 2016 for total consideration of $3,566,599. The purchase price for the Acquisition was financed through (i) the equity contributions made by funds managed by an affiliate of Onex Corporation and private investment funds managed by BPEA and their respective affiliates ("Sponsors") and certain co-investors to the Company of $1,635,000 in cash, (ii) borrowings under the Term Loan Facility and (iii) the issuance of Notes.

The Acquisition Agreement provided for an initial closing with respect to the Day 1 Countries and, subject to receipt of all required government approvals and satisfaction or waiver of certain additional conditions, closings on the Day 2 Countries. The Day 1 Closing Date was October 3, 2016. The consideration for the purchase of all of the Day 1 Countries and the Day 2 Countries was paid on the Day 1 Closing Date. Pursuant to the Acquisition Agreement, Bidco was entitled to receive the benefits and bear the obligations associated with owning and operating the Day 2 Countries from the Day 1 Closing Date until the completion of each Day 2 Acquisition, such that the parties will be put in nearly the same net economic position (on a cash basis) as if each of the Day 2 Acquisitions had been consummated at the Day 1 Closing Date.

Prior to December 31, 2016, the acquisition of (a) assets and liabilities related to the IP&S business located in, and (b) all of the equity interests and substantially all of the assets and liabilities of entities engaged in the IP&S business organized under the laws of China and France occurred. The remaining Day 2 Acquisitions were completed by June 30, 2017.

The Acquisition was accounted for using the acquisition method of accounting under which identifiable assets and liabilities of the IP&S business were recorded at their respective estimated fair values as of the acquisition date including an amount for goodwill representing the difference between the acquisition consideration and the estimated fair value of the identifiable net assets.

Additionally, as part of the Acquisition, the Company has agreed to continue sharing with and receiving from the Former Parent certain content that is instrumental to the continuation of certain products offered by both the Company and Former Parent. This agreement terminates in 2019.

In connection with the Acquisition, during the third quarter of 2017, Bidco recorded measurement period adjustments due to additional analysis of facts and circumstances that existed as of the Day 1 Closing Date which increased computer hardware and other property by $3,925, decreased accounts receivable by $614, decreased other current liabilities by $360, and decreased other non-current liabilities by $504. These adjustments resulted in an decrease to goodwill of $4,175. None of these measurement period adjustments had a material impact on the Bidco's results of operations.

The fair value of identifiable assets acquired and liabilities assumed at the closing of the Acquisition, after the above mentioned financial statement revisions and net of cash acquired, are summarized below:

Accounts receivable [3]	$	221,772
Computer hardware and other property		24,865
Intangible assets – finite lived		2,200,800
Intangible assets – indefinite lived		170,000
Other assets [1]		120,984
Total identifiable assets acquired		2,738,421
Accounts payable and accruals [3]		176,286
Deferred revenue [3]		190,711
Other liabilities [2]		106,221
Total liabilities		473,218
Acquired net assets		2,265,203
Goodwill [3]		1,301,396
Total consideration	$	3,566,599

[1] Includes prepaid assets, other current and non-current assets, and deferred income tax assets
[2] Includes other current and non-current liabilities and deferred income tax liabilities
[3] These accounts were impacted by the amount adjusted on the Consolidated Balance Sheet as of December 31, 2016

The intangible assets as of the closing date of the Acquisition included the following:

Databases and content	$	1,720,000
Customer relationships		295,000
Computer Software		185,800
Trade names		170,000
Total fair value	$	2,370,800

Intangible assets acquired as part of the Acquisition are databases and content, customer relationships, developed software, and trade names. The fair value was determined using an income approach, which recognizes that the fair value of an asset is premised upon the expected receipt of future economic benefits such as earnings and cash inflows based on current sales projections and estimated direct costs for each product line. Indications of value are developed by discounting these benefits to their present worth at a discount rate that reflects the current return requirements of the market. The fair value of trade names was estimated using the relief from royalty method.

The goodwill of $1,301,396, of which $715,060 is tax-deductible represents expectations about future new customers, entrance into new markets, development of new technology and the skills and competence of the workforce. There are no specific synergies or cost savings expected as the Company basically only consists of the acquired IP&S business that is expected to continue to be operated on an "as is" basis.

Concurrently with entering into the Acquisition Agreement, Bidco and a subsidiary of Former Parent entered into the Transition Services Agreement ("TSA"), which became effective on the Day 1 Closing Date, pursuant to which such subsidiary of the Former Parent will, or will cause its affiliates and/or third-party service providers to, provide Bidco, its affiliates and/or third-party service providers with certain technology, facilities management, human resources, sourcing, financial, accounting, data management, marketing and other services to support the operation of IP&S business as an independent company. Such services will be provided by the Former Parent or its affiliates and/or third-party service providers for various time periods and at various costs based on the terms set forth in the TSA. See Note 16 – "Related Party and Former Parent Transactions."

Included in the assets acquired is a $38,225 indemnification asset with the Former Parent related to future obligations arising from tax liabilities associated with activity prior to the Acquisition. The asset value is equal to the estimated

tax liability underlying pre-Acquisition activities and is expected to be recovered in full upon the Company's incurrence of related liabilities.

Transaction costs of $36,425 related to the Acquisition, which primarily consisted of banking, legal, accounting and valuation-related expenses, as well as certain employee-related bonuses, were recognized as Transaction expenses in the 2016 Successor period.

Transition costs of $11,991 related to the Acquisition, which primarily consisted of professional services related to becoming a stand-alone company, were included in Transition, integration and other in the 2016 Successor period.

Proforma Unaudited Condensed Financial Information

The following table presents unaudited financial information as if the Acquisition had occurred on January 1, 2015:

	December 31, 2016
	(unaudited)
Revenue	$ 946,809
Net loss	$ (215,481)

To calculate the proforma revenue, the Company used combined revenues and adjusted for the revaluation of deferred revenue. To estimate purchase accounting adjustments, the Company annualized amortization expense for revalued intangible assets and included interest expense as if the Senior Notes and Term Loan had been issued effective January 1, 2016. In transaction costs and other adjustments, the Company eliminated operating expense allocations from the Former Parent and included the impact of the TSA expense.

Note 5: Computer Hardware and Other Property, Net

Computer hardware and other property consisted of the following:

	December 31,	
	2017	2016
Computer hardware	$ 11,238	$ 4,634
Leasehold improvements	13,885	12,885
Furniture, fixtures and equipment	6,768	3,578
Total computer hardware and other property	31,891	21,097
Accumulated depreciation	(8,881)	(1,785)
Total computer hardware and other property, net	$ 23,010	$ 19,312

Depreciation amounted to $6,997 for the year ended December 31, 2017. Depreciation amounted to $1,785 for the 2016 Successor period, and $7,905 for the 2016 Predecessor period.

Note 6: Other Intangible Assets

The Company's identifiable intangible assets consist of the following:

	December 31, 2017			December 31, 2016		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Finite-lived intangible assets						
Customer relationships	$ 299,886	$ (95,606)	$ 204,280	$ 289,968	$ (18,814)	$ 271,154
Databases and content	1,733,304	(130,271)	1,603,033	1,710,890	(26,247)	1,684,643
Computer software	235,420	(52,696)	182,724	203,799	(9,498)	194,301
Finite-lived intangible assets	$ 2,268,610	$ (278,573)	$ 1,990,037	$ 2,204,657	$ (54,559)	$ 2,150,098
Indefinite-lived intangible assets						
Trade names	170,050	—	170,050	170,000	—	170,000
Total intangible assets	$ 2,438,660	$ (278,573)	$ 2,160,087	$ 2,374,657	$ (54,559)	$ 2,320,098

The Company performed the indefinite-lived impairment test as of October 1, 2017. As part of this analysis, the Company determined that its trade name, with a carrying value of $170,050, and $170,000 as of December 31, 2017 and 2016, respectively, was not impaired and will continue to be reported as indefinite-lived intangible assets. The estimated fair value of the trade name exceeded the carrying value by a narrow margin. Management reviewed the sensitivity of the key assumptions noting that a drop in the perpetual growth rate of 0.18% or an increase in the discount rate of 0.10% or an increase in the tax rate of 0.92% would each contribute individually to a conclusion of impairment. The trade name will continue to be closely monitored for impairment.

The weighted-average amortization period for each class of finite-lived intangible assets and for total finite-lived intangible assets is as follows:

	Remaining Weighted - Average Amortization Period (in years)
Customer relationships	8.0
Databases and content	15.7
Software	3.9
Total	14.5

Amortization amounted to $221,466 for the year ended December 31, 2017. Amortization amounted to $54,559 for the 2016 Successor period, and $65,214 for the 2016 Predecessor period.

Estimated amortization for each of the five succeeding years as of December 31, 2017 is as follows:

Year ended December 31,		
2018	$	226,890
2019		176,586
2020		157,820
2021		148,493
2022		116,949
Thereafter		1,154,316
Subtotal finite-lived intangible assets		1,981,054
Internally developed software projects in process		8,983
Total finite-lived intangible assets		1,990,037
Intangibles with indefinite lives		170,050
Total intangible assets	$	2,160,087

Note 7: Goodwill

Goodwill consisted of the following:

Successor:		
Balance as of August 4, 2016	$	—
Acquisition		1,305,571
Balance as of December 31, 2016		1,305,571
Acquisition		9,767
Measurement period adjustments		(4,175)
Other		90
Balance as of December 31, 2017	$	1,311,253

The Company performed the goodwill impairment test as of October 1, 2017 and determined no impairment existed. The Company reviewed goodwill for indicators of impairment at December 31, 2016. No indicators of impairment existed as a result of the Company's assessment.

Note 8: Derivative Instruments

The Company enters into forward contracts in order to mitigate exposure from changes in foreign currency exchange rates related to certain foreign denominated payables. The maximum term of the forward contracts is six months with the majority of forward contracts having a term of one month. The Company records these forward contracts in either Accounts receivable or Accrued expenses and other current liabilities at fair value in the consolidated balance sheets and recognizes changes in the fair value of these forward contracts through earnings, as these instruments have not been designated as hedges.

The notional values of forward contracts were \$36,639 and \$37,978 at December 31, 2017 and 2016, respectively. Losses/(gains) on the forward contracts amounted to \$(1,479) for the year ended December 31, 2017, \$775 for the 2016 Successor period, and \$243 for the 2016 Predecessor period and were recorded in Revenues, net in the income statements. The cash flows from forward contracts were reported as operating activities in the consolidated and combined statements of cash flows. The fair value of the forward contracts was \$83 and \$1,396 at December 31, 2017 and 2016. The fair value of the forward contracts was recorded in Other current assets and Accrued expenses and other current liabilities, respectively.

Effective March 31, 2017, the Company entered into interest rate swap arrangements with counterparties to reduce its exposure to variability in cash flows relating to interest payments on \$300,000 of its outstanding Term Loan. This

hedging instrument matures on March 31, 2021. The Company applies hedge accounting by designating the interest rate swaps as a hedge on applicable future quarterly interest payments. The fair value of the interest rate swaps is recorded in Other long-term assets according to the duration of related cash flows. The total fair value of interest rate swap asset was $1,107 at December 31, 2017.

Note 9: Fair Value Measurements

The carrying value of cash and cash equivalents, restricted cash, accounts receivable, accounts payable, and other accruals readily convertible into cash approximate fair value because of the short-term nature of the instruments. Additionally, the Company has a long-term indemnification asset from the Former Parent, the amount of which is equal to certain tax liabilities incurred prior to the Acquisition. The carrying amount approximates fair value because settlement is expected to be based on the underlying tax amount. The carrying value of the Company's variable interest rate debt, excluding unamortized debt issuance costs and original issue discount, approximates fair value due to the short-term nature of the interest rate bench mark rates. The fair value of the fixed rate debt is estimated based on market observable data for debt with similar prepayment features. The fair value of the Company's debt was $2,093,827 and $2,064,250 at December 31, 2017 and 2016, respectively. The carrying value of debt, net of unamortized original issue discount and debt issuance costs was $2,013,080 and $1,975,810 at December 31, 2017 and 2016, respectively. The fair value is considered Level 2 under the fair value hierarchy.

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The Company has determined that its forward contracts, included in Other current assets and Accrued expenses and other current liabilities, and interest rate swaps, included in Accrued expenses and other current liabilities and Other non-current liabilities according to the duration of related cash flows, reside within Level 2 of the fair value hierarchy.

Pursuant to the agreement governing the acquisition of Publons, the Company may be required to pay additional cash consideration. The fair value of the contingent payments was determined at the time of the acquisition and at December 31, 2017 based on Publons reaching certain targets over a 3-year period, including number of cumulative users, cumulative reviews and annual revenue. The Earn-out liability is recorded in Accrued expenses and other current liabilities and Other non-current liabilities and is classified as Level 3 in the fair value hierarchy.

There were no transfers of assets or liabilities between levels during the year ended December 31, 2017, the 2016 Successor period, or the Predecessor period.

The following table provides a summary of the Company's assets and liabilities that were recognized at fair value on a recurring basis as at December 31, 2017 and 2016:

	Level 1	Level 2	Level 3	Total Fair Value
December 31, 2017				
Assets				
Forward contracts asset	$ —	$ 83	$ —	$ 83
Interest rate swap asset	—	1,107	—	1,107
	—	1,190	—	1,190
Liabilities				
Earn-out liability	—	—	5,900	5,900
Total	—	—	5,900	5,900
December 31, 2016				
Forward contracts liability	$ —	$ 1,396	$ —	$ 1,396

There were no level 3 items in the 2016 Successor or 2016 Predecessor period. The following table presents the changes in the Earn-out (see Note 4 – "Business Combinations"), the only level 3 item, for the year ended December 31, 2017.

Balance at December 1, 2017	$	—
Business combination		(5,900)
Balance at December 31, 2017	$	(5,900)

Non-Financial Assets Valued on a Non-Recurring Basis

The Company's long-lived assets, including goodwill and finite-lived intangible assets subject to amortization, are measured at fair value on a non-recurring basis. These assets are measured at cost but are written-down to fair value, if necessary, as a result of impairment. There have been no impairments of the Company's long-lived assets during any of the periods presented.

Note 10: Pension and Other Post‑Retirement Benefits

Retirement Benefits

Successor

Defined contribution plans

Employees participate in various defined contribution savings plans that provide for Company-matching contributions. Costs for future employee benefits are accrued over the periods in which employees earn the benefits. Total expense related to defined contribution plans was $12,488 for the year ended December 31, 2017 and $2,965 for the 2016 Successor period, which approximates the cash outlays related to the plans. As part of the Acquisition, employees of the Company were able to remain in the Former Parent's 401(K) plan until July 1, 2017.

Defined benefit plans

A limited number of employees participate in noncontributory defined benefit pension plans that are maintained in certain international markets. The plans provide pension benefits to covered employees in accordance with local regulations and practices. The projected benefit obligation related to the defined benefit pension plans is recorded in Other non-current liabilities.

The following table presents the changes in projected benefit obligations related to the defined benefit pension plans:

Balance as of August 4, 2016	$	—
Acquisition		8,302
Interest cost		33
Service cost		120
Benefit payments		(66)
Effect of foreign currency translation		(909)
Balance as of December 31, 2016		7,480
Interest cost		175
Service cost		456
Actuarial (gain)/loss		(57)
Benefit payments		(153)
Effect of foreign currency translation		834
Balance as of December 31, 2017	$	8,735

The following table presents the weighted-average assumptions used to determine the benefit obligations as of December 31:

	2017	2016
Discount rate	2.30%	2.40%
Rate of compensation increase	3.90%	4.50%
Social Security increase rate	2.50%	2.50%
Pension increase rate	1.80%	2.00%

The Company determines the assumptions used to measure plan liabilities as of the December 31 measurement date.

The following table provides the estimated pension benefit payments that are payable from the plans to participants as of December 31, 2017 for the following years:

2018	$	398
2019		409
2020		521
2021		381
2022		533
2023 to 2027		3,411
Total	$	5,653

Other Post-Retirement Benefits Plan

The expense for employees who participated in post-retirement benefit plans was immaterial for the year ended December 31, 2017 and the 2016 Successor period.

Predecessor

Defined Contribution Plans

Certain employees participated in defined contribution plans that provide for Former Parent-matching contributions. Total expense related to defined contribution plans amounted to $8,155 for the 2016 Predecessor period.

Defined Benefit Plans

Certain employees participated in defined benefit pension plans sponsored and administered by the Former Parent. The pension plans call for benefits to be paid to eligible employees at retirement, based primarily upon years of service and compensation rates near retirement. The expense for employees who participate in these plans amounted to $2,454 for the 2016 Predecessor period.

Other Post-Retirement Benefits Plan

The expense for employees who participated in post-retirement benefit plans amounted to $11 for the 2016 Predecessor period.

Note 11: Debt

The following is a summary of the Company's debt:

		December 31, 2017		December 31, 2016	
Type	**Maturity**	**Effective Interest Rate**	**Carrying Value**	**Effective Interest Rate**	**Carrying Value**
Senior Unsecured Notes	2024	7.875%	$ 500,000	7.875%	$ 500,000
Term Loan Facility, discount to par of 99.5%	2023	4.700%	1,526,166	4.850%	1,538,375
The Revolving Credit Facility	2021	4.751%	30,000		—
Total debt outstanding			2,056,166		2,038,375
Debt issuance costs			(43,086)		(62,565)
Short-term debt			(45,345)		(15,500)
Long-term debt, net of current portion and capitalized debt issuance costs			$ 1,967,735		$ 1,960,310

Senior Unsecured Notes

On October 3, 2016, in connection with the Acquisition, Camelot Finance S.A., a wholly-owned subsidiary of the Company, issued senior unsecured notes ("Notes") in an aggregate principal amount of $500,000. The Notes bear interest at a rate of 7.875% per annum, payable semi-annually to holders of record in April and October and mature in October 2024. The first interest payment was made April 2017. The Notes include customary covenants, including covenants that restrict, subject to certain exceptions, Bidco's, and certain of its subsidiaries', ability to incur indebtedness, issue certain types of stock, incur liens, make certain investments, dispose of assets, make certain types of restricted payments, consolidate or merge with certain entities or enter into certain related party transactions.

The Notes are subject to redemption as a result of certain changes in tax laws or treaties of (or their interpretation by) a relevant taxing jurisdiction at 100% of the principal amount, plus accrued and unpaid interest to the date of redemption, and upon certain changes in control at 101% of the principal amount, plus accrued and unpaid interest to the date of purchase. Additionally, at the Company's election the Notes may be redeemed (i) prior to October 15, 2019 at a redemption price equal to 100% of the aggregate principal amount of Notes being redeemed plus a "make-whole" premium, plus accrued and unpaid interest to the date of redemption or (ii) on October 15 of each of the years referenced below based on the call premiums listed below, plus accrued and unpaid interest to the date of redemption.

Period	Redemption Price (as a percentage of principal)
2019	103.938%
2020	101.969%
2021 and thereafter	100.000%

Senior Secured Credit Facility

The Company's credit agreement, dated as of October 3, 2016 ("Credit Agreement"), initially consisted of a $1,550,000 Term Loan Facility and a $175,000 Revolving Credit Facility. The Revolving Credit Facility carries an interest rate at LIBOR plus 3.25% per annum or Prime plus a margin of 2.25% per annum, as applicable depending on the borrowing, and matures on October 3, 2021. The Revolving Credit Facility interest rate margins will decrease upon the achievement of certain first lien net leverage ratios (as the term is used in the Credit Agreement). The Term Loan Facility consisted of a $651,000 borrowing by Camelot Finance LP, a subsidiary of Onex Corporation, and an $899,000 borrowing by Camelot Cayman LP, a subsidiary of Onex Corporation (collectively "Tower Borrowers"). Camelot Finance LP was dissolved on December 31, 2017, at which time Credit Suisse AG, Cayman Islands Branch, acting as the administrative

agent for the respective portion of the Term Loan Facility, became the direct lender to the Company. The proceeds of the loans to Tower Borrowers were, in turn, loaned to the Company in loans with identical principal amounts and substantially similar repayment terms. The Term Loan Facility matures on October 3, 2023. Principal repayments under the Term Loan Facility are due quarterly in an amount equal to 0.25% of the aggregate outstanding principal amount borrowed under the Term Loan Facility on the Day 1 Closing Date and on the maturity date, in an amount equal to the aggregate outstanding principal amount on such date, together in each case, with accrued and unpaid interest. In connection with the Term Loan Facility, the Company incurred $64,888 of debt issuance costs.

On April 6, 2017, and November 16, 2017, the Borrowers and the other loan parties entered into Amendments (the "Amendments") to the Credit Agreement in order to (i) reduce the margins under the existing senior secured U.S. dollar-denominated Term Loan Facility to LIBOR plus 3.50%, and 3.25%, respectively, per annum (with a 1.00% LIBOR floor) or Prime plus 2.25% per annum, as applicable, and (ii) reset the prepayment premium of 101% on certain prepayments and amendments of the Term Loan Facility in connection with re-pricing events ("Amended Term Loan Facility"). The Amended Term Loan Facility was $1,534,539. As a result of the Amendments, debt issuance costs and debt discounts of $13,892, which had been capitalized in connection with the original Term Loan Facility issued on October 3, 2016, were written off to Interest expense, net in the Consolidated Income (Loss) statement as extinguishment charges for the year ended December 31, 2017. The Amendments also provided for a 0.25% step-down in margin once UK Holdco achieves a B2 corporate family rating from Moody's. Except as noted above, all other terms of the Amended Term Loan Facility are substantially similar to terms of the Company's existing Term Loan Facility.

The Revolving Credit Facility provides for revolving loans, same-day borrowings and letters of credit pursuant to commitments in an aggregate principal amount of $175,000 with a letter of credit sublimit of $25,000. Proceeds of loans made under the Revolving Credit Facility may be borrowed, repaid and reborrowed prior to the maturity of the Revolving Credit Facility. Our ability to draw under the Revolving Credit Facility or issue letters of credit thereunder will be conditioned upon, among other things, delivery of required notices, accuracy of the representations and warranties contained in the Credit Agreement and the absence of any default or event of default under the Credit Agreement.

With respect to the Amendments, the Company may be subject to certain negative covenants, including either a fixed charge coverage ratio, total first lien net leverage ratio, or total net leverage ratio if certain conditions are met. These conditions were not met and the Company was not required to perform these covenants as of December 31, 2017.

The obligations of the borrowers under the Credit Agreement are guaranteed by UK Holdco and certain of its restricted subsidiaries and are collateralized by substantially all of UK Holdco's and certain of its restricted subsidiaries' assets (with customary exceptions described in the Credit Agreement). UK Holdco and its restricted subsidiaries are subject to certain covenants including restrictions on UK Holdco's ability to pay dividends, incur indebtedness, grant a lien over its assets, merge or consolidate, make investments, or make payments to affiliates.

As of December 31, 2017, letters of credit totaling $2,030 were collateralized by the Revolving Credit Facility. The Company borrowed $30,000 against the Revolving Credit Facility as of December 31, 2017 to support current operations. The Company did not have any loans outstanding under the Revolving Credit Facility as of December 31, 2016. The Company's cash from operations is expected to meet repayment needs for the next twelve months.

Amounts due under all of the outstanding borrowings as of December 31, 2017 for the next five years are as follows:

Year ended December 31,		
2018	$	45,345
2019		15,345
2020		15,345
2021		15,345
2022		15,345
Thereafter		1,953,975
Total maturities		2,060,700
Less: capitalized debt issuance costs and original issue discount		(47,620)
Total debt outstanding as of December 31, 2017	$	2,013,080

Note 12: Shareholders' Equity

Shareholders' Equity

In March 2017, the Company formed the Management Incentive Plan under which certain employees of the Company may be eligible to purchase shares of the Company. In exchange for each share purchase subscription, the purchaser is entitled to a fully vested right to an ordinary share. Additionally, along with a subscription, employees receive a corresponding number of options to acquire additional ordinary shares subject to five year vesting. See Note 13 – "Employment and Compensation Arrangements" for additional detail related to the options. The Company has received subscriptions for 9,200 shares during the year ended December 31, 2017. Additionally, the Company granted 500 ordinary shares in exchange for services provided during the year ended December 31, 2017. At December 31, 2017, the number of shares issued and outstanding under the Management Incentive Plan was 9,700. There were no subscriptions related to the Management Incentive Plan or other share issuances at December 31, 2016.

Note 13: Employment and Compensation Arrangements

Employment Agreements and Share‑Based Compensation

From time to time, we may enter into employment agreements and other compensation arrangements with each of our key officers and other employees on terms and conditions as our Board of Directors may determine.

Successor

Employee Incentive Plans

The Company's 2016 Equity Incentive Plan provides for certain employees of the Company to be eligible to participate in equity ownership in the Company. Equity awards may be issued in the form of options to purchase shares of the Company which are exercisable upon the occurrence of conditions specified within individual award agreements. Equity awards may also be issued in the form of restricted shares with dividend rights subject to vesting terms and conditions specified in individual award agreements. Additionally, the Company may make available share purchase rights under the terms of the 2016 Equity Incentive Plan. Total share-based compensation expense included in the consolidated statements of earnings amounted to $17,663 for the year ended December 31, 2017. There was no share-based compensation in the 2016 Successor period.

There were no outstanding awards related to the Equity Incentive Plan at December 31, 2016.

The Company's Management Incentive Plan provides for certain employees of the Company to be eligible to purchase shares of the Company. See Note 12 – "Shareholders' Equity" for additional information. Along with each subscription, employees may receive a corresponding number of options to acquire additional ordinary shares subject to five year vesting.

The Company issues shares for stock options from authorized shares. At December 31, 2017, the Company was authorized to grant up to 250,000 stock options under its existing stock incentive plans.

As of December 31, 2017, there was $29,633 of total unrecognized compensation cost, related to outstanding stock options, which is expected to be recognized through 2022 with a remaining weighted-average service period of 4.0 years.

The Company's stock option activity is summarized below:

	Number of Options	Weighted Average Exercise Price per Share	Weighted-Average Remaining Contractual Life	Aggregate Intrinsic Value
Outstanding as of December 31, 2016		$ —	—	$ —
Granted	187,288	1,573	—	—
Forfeited	(16,595)	1,589	—	—
Outstanding as of 12/31/2017	170,693	$ 1,572	9.3	$ 2,262
Vested and exercisable at December 31, 2017	21,048	$ 1,563	9.5	$ 345

The aggregate intrinsic value in the table above represents the difference between the Company's most recent valuation and the exercise price of each in-the-money option on the last day of the period presented.

No stock options exercised in the year ended December 31, 2017. The weighted-average fair value of options granted per share was $253 as of December 31, 2017. There was no share-based compensation expenses for the 2016 Successor period.

The Company accounts for awards issued under the Equity Incentive Plan as additional contributions to equity. Share-based compensation includes expense associated with stock option grants which is estimated based on the grant date fair value of the award issued. Share-based compensation expense related to stock options is recognized over the vesting period of the award, which is generally five years, on a straight-line basis. The Company uses the Black-Scholes option pricing model to estimate the fair value of options granted. The Black-Scholes model takes into account the fair value of an ordinary share and the contractual and expected term of the stock option, expected volatility, dividend yield, and risk-free interest rate. The Company relies on an external valuation performed to determine the fair value of its ordinary shares. The contractual term of the option ranges from the 1 year to 10 years. While the Company does not have any history for expected terms, employees do not have any specific benefit to exercise the options before the terms are met as the shares are not freely tradable, and as such an expected term near the high end of the contractual range is deemed most appropriate. Expected volatility is the average volatility over the expected terms of comparable public entities from the same industry. The risk-free interest rate is based on a treasury rate with a remaining term similar to the contractual term of the option. The Company is recently formed and at this time does not expect to distribute any dividends. The Company recognizes forfeitures as they occur and does not expect to have material forfeitures. The assumptions used to value the Company's options granted during the period presented and their expected lives were as follows:

	December 31, 2017
Weighted-average expected dividend yield	—
Weighted-average expected volatility	27.50%
Weighted-average risk-free interest rate	2.53%
Expected life (in years)	9

Predecessor

The Former Parent maintains a number of share-based compensation programs under which it receives services from the Company's employees as consideration for equity of the Former Parent or cash payments. All awards granted under the programs relate to Former Parent common stock. Accordingly, the amounts presented are not necessarily indicative of future performance of the Company and do not necessarily reflect the results that it would have experienced had it operated as an independent, publicly traded company for the periods presented.

Total share-based compensation expense related to the Former Parent's share-based compensation program amounted to $6,552 for the 2016 Predecessor period.

The total associated tax benefits recognized amounted to $2,292 for the 2016 Predecessor period. The following table summarizes the valuation methods used to measure the fair value for each type of award and the related vesting period over which compensation expense is recognized:

Type of Award	Vesting Period	Fair Value Measure	Compensation Expense Based on
TRSUs	Up to seven years	Closing Common share price	Fair value on business day prior to grant date
PRSUs	Three year performance period	Closing Common share price	Fair value on business day prior to grant date

Time-Based Restricted Share Units (TRSUs)

TRSUs give the holder the right to receive one common share for each unit that vests on the vesting date. The holders of TRSUs have no voting rights and accumulate additional units based on notional dividends paid by the Former Parent on its common shares on each dividend payment date, which are reinvested as additional TRSUs. The weighted average fair value of TRSUs granted amounted to $36.60 for the 2016 Predecessor period. All outstanding unvested awards under this program became fully vested at the date of the Acquisition.

Performance Restricted Share Units (PRSUs)

PRSUs give the holder the right to receive one common share for each unit that vests on the vesting date. The holders of PRSUs have no voting rights and accumulate additional units based on notional dividends paid by the Former Parent on its common shares on each dividend payment date, which are reinvested as additional PRSUs. The percentage of PRSUs initially granted that vest depends upon the Former Parent's performance, typically over a three-year period, against pre-established performance goals. Between 0% and 200% of the initial amounts may vest for grants made from 2013 through 2016.

The weighted average fair value of PRSUs granted amounted to $36.63 for the 2016 Predecessor period.

The movement in the number of awards outstanding and their related weighted average grant-date fair value are as follows:

	PRSU		TRSU	
	Shares	Weighted Average Grant Date Fair Value per Share	Shares	Weighted Average Grant Date Fair Value per Share
Outstanding at January 1, 2016	148,905	$ 33.93	176,526	$ 34.99
Granted	63,810	36.63	6,906	36.60
Vested	(69,398)	31.68	(30,932)	29.69
Forfeited	(85,643)	36.17	(9,965)	37.69
Transfers	61,956	35.70	7,500	30.85
Vested upon acquisition	—	—	(150,035)	0.00
Retained by Former Parent	(119,630)	—	—	—
Outstanding at October 2, 2016	—	$ —	—	$ —

Employees of the Company cannot participate in the Former Parent’s share-based compensation plan following the Acquisition.

Employee Stock Purchase Plan

The Former Parent maintains an ESPP whereby eligible employees can purchase common shares of the Former Parent at a 15% discount up to a specified limit utilizing after-tax payroll deductions. The discount is expensed as incurred and amounted to $320 in the 2016 Predecessor period.

Note 14: Income Taxes

Income tax (benefit)/expense on income/(loss) analyzed by jurisdiction is as follows:

	Consolidated Successor		Combined Predecessor
	Year ended December 31, 2017	Period from August 4, through December 31, 2016	Period from January 1, through October 2, 2016
Current			
U.K.	$ (142)	$ 207	$ —
U.S. Federal	5,202	1,232	28,066
U.S. State	833	115	2,712
Other	8,552	4,133	12,103
Total current	14,445	5,687	42,881
Deferred			
U.K.	(427)	(3,781)	—
U.S. Federal	(10,648)	(1,024)	(15,032)
U.S. State	(142)	(43)	(788)
Other	(24,521)	(3,694)	(1,157)
Total deferred	(35,738)	(8,542)	(16,977)
Impact of intercompany sales of assets	—	—	28,426
Total provision for income taxes	$ (21,293)	$ (2,855)	$ 54,330

Successor income/(loss) has been reported for the United Kingdom, the jurisdiction of the Company. The amounts for the 2016 Predecessor period was reported for the United States, the jurisdiction of the Predecessor. The components of pre-tax income are as follows:

	Consolidated Successor		Combined Predecessor
	Year ended December 31, 2017	Period from August 4, through December 31, 2016	Period from January 1, through October 2, 2016
U.K. earnings	$ (211,944)	$ (104,606)	$ —
U.S. earnings	(59,681)	(21,119)	34,739
Non-U.S. earnings	(15,225)	(804)	21,418
Elimination of gains on intercompany sales of assets	—	—	—
Pre-Tax income	$ (286,850)	$ (126,529)	$ 56,157

A reconciliation of the statutory U.S. income tax rate to the Company's effective tax rate for the Predecessor and a reconciliation of the statutory U.K. income tax rate to the Company's effective tax rate for the Successor are as follows:

	Consolidated Successor		Combined Predecessor
	Year ended December 31, 2017	Period from August 4, through December 31, 2016	Period from January 1, through October 2, 2016
Profit/(loss) before tax:	$ (286,850)	$ (126,529)	$ 56,157
Income tax using the United Kingdom rate (Successor period)	(55,220)	(25,306)	—
Income tax using the United States rate (Predecessor periods)	—	—	19,654
Statutory rate	19.3 %	20.0 %	35.0 %
State and local tax	— %	— %	3.5 %
Impact of intercompany sale of assets	— %	— %	53.1 %
Effect of different tax rates	3.3 %	2.6 %	1.8 %
Uncertain tax positions	— %	— %	3.7 %
Tax rate modifications (1)	5.7 %	(0.6)%	0.4 %
Unrecognized tax losses and temporary differences	(20.8)%	(16.9)%	— %
Permanent differences	0.3 %	(2.5)%	— %
Withholding tax	(0.3)%	(0.4)%	— %
Other	— %	— %	(0.8)%
Effective rate	7.5 %	2.3 %	96.7 %

(1) Due to rate reductions in the U.S. and Belgium enacted in the 4th quarter of 2017.

The tax effects of the significant components of temporary differences giving rise to the Company's deferred income tax assets and liabilities are as follows:

	December 31,	
	2017	2016
Accounts receivable	$ 1,310	$ 1,275
Goodwill	1,217	5,228
Fixed assets, net	1,670	2,061
Accrued expenses	3,417	6,068
Deferred revenue	915	—
Other liabilities	4,700	138
Unrealized gain/loss	528	953
Outside basis difference	—	5,384
Operating losses and tax attributes	94,571	40,859
Total deferred tax assets	108,328	61,966
Valuation allowances	(92,812)	(48,179)
Net deferred tax assets	15,516	13,787
Other identifiable intangible assets, net	(57,082)	(78,365)
Other liabilities	(3,286)	—
Other assets	—	(2,207)
Deferred revenue	—	(5,373)
Debt issuance costs	(116)	(832)
Total deferred tax liabilities	(60,484)	(86,777)
Net deferred tax liabilities	$ (44,968)	$ (72,990)

In the consolidated balance sheets, deferred tax assets and liabilities are shown net if they are in the same jurisdiction. The components of the net deferred tax liabilities as reported on the consolidated balance sheets are as follows:

	December 31,	
	2017	2016
Deferred tax asset	$ 6,824	$ 4,483
Deferred tax liability	(51,792)	(77,473)
Net deferred tax liability	$ (44,968)	$ (72,990)

The Company is required to assess the realization of its deferred tax assets and the need for a valuation allowance. The assessment requires judgment on the part of management with respect to benefits that could be realized from future taxable income. The valuation allowance is $92,812 and $48,179 at December 31, 2017 and 2016, respectively.

At December 31, 2017, the Company had U.K. tax loss carryforwards of $215,411, Japan tax loss carryforwards of $57,605, U.S. federal tax loss carryforwards of $87,931, tax loss carryforwards in other foreign jurisdictions of $18,082, and U.S. state tax loss carryforwards of $73,780. The majority of the unrecognized deductible tax losses relate to UK, US, and Japan. The carryforward period for the Japan tax losses is nine years, and the expiration period begins 2025. The carryforward period for the UK tax losses is indefinite. The carryforward period for US federal tax losses is twenty years, and the expiration period begins 2036. The carryforward period for US state losses varies, and the expiration period is between 2018 and 2036.

The Company has not provided income taxes and withholding taxes on the undistributed earnings of foreign subsidiaries as of December 31, 2017 because the Company intends to permanently reinvest such earnings. As of December 31, 2017, the cumulative amount of earnings upon which income taxes and withholding taxes have not been provided is approximately $4,260. Determination of the amount of unrecognized deferred tax liability related to these earnings is not practicable.

Uncertain Tax Positions

Unrecognized tax benefits represent the difference between the tax benefits that we are able to recognize for financial reporting purposes and the tax benefits that we have recognized or expect to recognize in filed tax returns.

The Company recognizes accrued interest and penalties associated with uncertain tax positions as part of the tax provision. As of December 31, 2017, the interest and penalties are $3 and as of December 31, 2016, the interest and penalties are $2. It is reasonably possible that the amount of unrecognized tax benefits will change during the next 12 months, however, it is anticipated that any such change, if it were to occur, would not have a material impact on our results of operations.

Note 15: Commitments and Contingencies

Operating Leases

The Company enters into various operating leases in the ordinary course of business, primarily for real property and equipment. In connection with certain leases, the Company guarantees the restoration of the leased property to a specified condition after completion of the lease period. As of December 31, 2017 and 2016, the liability of $4.2 and $3.9, respectively, associated with these restorations is recorded within other liabilities.

The following table outlines future minimum lease payments under all non-cancelable operating leases as of December 31, 2017:

Year ended December 31,		
2018	$	19,641
2019		18,707
2020		17,074
2021		16,144
2022		14,002
Thereafter		41,292
Total operating lease commitments	$	126,860

Total rental expense under operating leases amounted to $15,771 for the year ended December 31, 2017. The total rental expense under operating leases amounted to $7,372 for the 2016 Successor period and $15,723 for the 2016 Predecessor period.

There were no material future minimum sublease payments to be received under non-cancelable subleases at December 31, 2017. There were no material sublease payments received for the 2016 Successor period or for the 2016 Predecessor period.

Litigation and Other Claims

The Company is engaged in various legal proceedings, claims, audits and investigations that have arisen in the ordinary course of business. The outcome of all of these matters against the Company is subject to future resolutions, including the uncertainties of litigation. Based on information currently known to the Company and after consultation with outside legal counsel, management of the Company believes that the ultimate resolution of any such matters, individually or in the aggregate, will not have a material adverse impact on the Company's financial condition taken as a whole.

Contingent Purchase Price Payment

In conjunction with the acquisition of Publons, the Company agreed to pay former shareholders up to an additional $9,500 through 2020. Amounts payable are contingent upon Publons' achievement of certain milestones and performance metrics. As of December 31, 2017, the Company had an outstanding liability for $5,900 related to the estimated fair value of this contingent consideration, of which $2,250 was included in Accrued expenses and other current liabilities, and $3,650 was included in Other non-current liabilities in the consolidated balance sheets.

Note 16: Related Party and Former Parent Transactions

Successor

Onex Partners Advisor LP ("Onex"), an affiliate of the Company, is considered a related party. Concurrent with the Acquisition, the Company entered into a Consulting Services Agreement with Onex, pursuant to which the Company is provided certain ongoing strategic and financing consulting services in exchange for a quarterly management fee. In connection with this agreement, the Company recognized $646 in operating expenses related to this agreement for the year ended December 31, 2017 and $158 for the 2016 Successor period. The Company had an outstanding liability of $162 to Onex as of December 31, 2017 and no outstanding liability to Onex as of December 31, 2016.

BPEA, an affiliate of the Company, is considered a related party. Concurrently with the Acquisition, the Company entered into a Management Services Agreement with BPEA, pursuant to which the Company is provided certain ongoing strategic and financing consulting services. In connection with this agreement, the Company recognized $854 in operating expenses related to this agreement for the year ended December 31, 2017 and $214 for the 2016 Successor period. The Company had an outstanding liability of $641 and $214 to BPEA as of December 31, 2017 and 2016, respectively.

The fees to Onex and BPEA were negotiated at a rate that management believes is appropriate and reasonable for the value of the services being provided, and is commensurate with the fee that would be charged by independent third parties for similar services.

In connection with the Acquisition, Bidco and a subsidiary of the Former Parent entered into the TSA, which became effective on the Day 1 Closing Date, pursuant to which such subsidiary of the Former Parent will, or will cause its affiliates and/or third-party service providers to, provide Bidco, its affiliates and/or third-party service providers with certain technology, facilities management, human resources, sourcing, financial, accounting, data management, marketing and other services to support the operation of the IP&S business as an independent company. Such services are provided by such subsidiary of the Former Parent or its affiliates and/or third-party service providers for various time periods and at various costs based upon the terms set forth in the TSA.

In connection with the acquisition of Publons, the Company paid a $320 consulting fee, which is included in Transaction expenses, to a former member of its Board of Directors.

Predecessor

Historically, the Predecessor was managed and operated in the normal course of business consistent with other subsidiaries of the Former Parent. Accordingly, certain centralized costs were allocated to the Predecessor and are reflected as expenses in the Predecessor combined income statement. Management considers the allocation methodologies used to be reasonable and appropriately reflects the Former Parent’s historical expenses attributable to the Predecessor for purposes of the Predecessor combined financial statements. However, the expenses reflected in the Predecessor combined financial statements may not be indicative of the actual expenses that would have been incurred during the periods presented if the Predecessor had historically operated as a standalone independent entity. In addition, the expenses reflected in the Predecessor combined financial statements may not be indicative of related expenses that the Company will incur in the future. Concurrent with the Acquisition, allocations of expense from the Former Parent ceased.

General Corporate Overhead Allocation

The Former Parent provided facilities, technology and other corporate and administrative services to the Predecessor. Costs related to these services primarily included corporate overhead, audit fees, legal services, treasury, communications, human resources, tax and accounting, risk management, technology support, transaction processing and rent. These expenses have been allocated to the Predecessor and are included in Allocation of costs from Former Parent and affiliates in the Predecessor combined income statement. Where direct assignment is not possible, or practical, these costs were allocated on a pro rata basis using revenues, salaries and wages, or headcount, as applicable.

The following table summarizes the components of allocated corporate expenses by functional expense:

	Combined Predecessor	
	Period from January 1, through October 2, 2016	
Cost of revenue, excluding depreciation and amortization	$	43,520
Selling, general and administrative, excluding depreciation and amortization		62,800
Total	$	106,320

Cash Management and Financing

The Former Parent periodically swept the Predecessor's cash receipts and funded the Predecessor's cash disbursements. As cash was disbursed and received by the Former Parent, it was accounted for by the Predecessor through the Former Parent net investment.

The Predecessor did not receive funding from the Former Parent for its operating and investing cash needs. The Former Parent's debt and the related interest expense have not been allocated and reflected in the Predecessor combined financial statements as the Predecessor was not the legal obligor of the debt and the Former Parent's borrowings were not directly attributable to the Predecessor's business.

Other Intercompany Transactions

All intercompany transactions between the Predecessor and the Former Parent and its other businesses were considered to be effectively settled for cash at the time the transaction was recorded. The net effect of the settlement of these intercompany transactions has been accounted for through the Former Parent net investment in the Predecessor combined balance sheets and is reflected in the Predecessor combined statements of cash flows as a financing activity.

The Predecessor sells products to subsidiaries of the Former Parent on an on-going basis. The combined income statement includes revenues of $1,277 for the 2016 Predecessor period.

Former Parent Net Investment

Net transfers to Former Parent are included within the Parent company net investment on the Predecessor combined statements of changes in Parent net investment. The components of the net transfers to the Former Parent for the Predecessor period were:

	Combined Predecessor	
	Period from January 1, through October 2, 2016	
Cash pooling and general finance activities	$	(244,720)
Net cash deposits included with sale		27,578
Allocation of costs from Former Parent and affiliates		106,320
Current provision for income taxes		42,881
Net transfers to Former Parent	$	(67,941)

Shareholders Agreement

The Company, the Sponsors and their co-investors who invested in the Company (or an entity through which they invested) entered into a shareholders' agreement with respect to their ownership of shares in the Company. The shareholders agreement contains agreements among the parties with respect to, among other things, the composition of our Board of Directors, minority shareholder protections, tag-along rights, drag-along rights, pre-emptive rights and restrictions on the transfer of shares. The agreement also contains provisions relating to any potential exit by the Sponsors from their investment, including by way of an initial public offering of shares.

Note 17: Subsequent Events

In January 2018, the Company entered into additional interest rate swap arrangements with counterparties to reduce its exposure to variability in cash flows relating to interest payments on $50,000 of its outstanding Term Loan. This hedging instrument matures on March 31, 2021. The Company will apply hedge accounting by designating the interest rate swaps as a hedge in applicable future quarterly interest payments.

In February 2018, management completed the full pay down of the $30,000 outstanding Revolving Credit Facility balance as of December 31, 2017.

Management has evaluated the impact of events that have occurred subsequent to December 31, 2017 through the date of the financial statements in this report were available for issuance. Based on this evaluation, other than as recorded or disclosed within these consolidated and combined financial statements and related notes, the Company has determined no other events were required to be recognized or disclosed.