Refinitiv Holdings Ltd.
(formerly known as King (Cayman) Holdings Ltd.)

Consolidated Financial Statements as of and for the twelve months ended December 31, 2018 (Successor)

Combined Financial Statements for the nine months ended September 30, 2018 (Predecessor)
and as of and for the year ended December 31, 2017 (Predecessor)

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Refinitiv Holdings Ltd. (formerly known as King (Cayman) Holdings Ltd.)

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Refinitiv Holdings Ltd. and subsidiaries (“Refinitiv” or the "Company") as of December 31, 2018, the related consolidated statements of income, comprehensive income, changes in stockholders’ equity, and cash flows for the twelve-month period ended December 31, 2018 (the “Successor Period”), and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018, and the results of its operations and its cash flows for the twelve-month period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB and 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 financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Emphasis of a Matter

As discussed in Notes 1 and 4 to the financial statements, on October 1, 2018, the Company acquired substantially all of the financial and risk business of Thomson Reuters Corporation, and as a result of such acquisition, the Company’s financial statements for the Successor Period are not comparable to the periods prior to the consummation of such acquisition presented in this report, which are referred to as the Predecessor Periods.

Deloitte & Touche LLP

New York, New York
May 1, 2019

We have served as the Company's auditor since 2018.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Refinitiv Holdings, Ltd (formerly known as King (Cayman) Holdings Ltd.)

Opinion on the Financial Statements

We have audited the accompanying combined balance sheet of Financial & Risk, a business of Thomson Reuters Corporation (Predecessor) (the "Company") as of December 31, 2017, and the related combined statements of income, of comprehensive income, of changes in net parent investment, non-controlling interests, and accumulated other comprehensive loss, and of cash flows for the nine months ended September 30, 2018 and for the year ended December 31, 2017, including the related notes (collectively referred to as the "combined financial statements"). In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017, and the results of its operations and its cash flows for the nine months ended September 30, 2018 and for the year ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

We conducted our audits of these combined financial statements in accordance with the standards of the PCAOB and 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 of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the combined financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the combined financial statements. We believe that our audits provide a reasonable basis for our opinion.

Significant Transactions with Related Parties

As discussed in Note 1 and Note 23 to the combined financial statements, the Company has entered into significant transactions with Thomson Reuters Corporation, the parent, a related party.

PricewaterhouseCoopers LLP

New York, New York
December 19, 2018

We served as the Company's auditor from 2017 to 2018.

REFINITIV
Consolidated and Combined Balance Sheets
(U.S. dollars in millions)

	December 31, 2018 *Successor*	December 31, 2017 *Predecessor*
Assets		
Current assets:		
Cash and cash equivalents	$ 1,192	$ 381
Accounts receivable, less allowance for doubtful accounts of $1 and $9 as of December 31, 2018 and 2017, respectively	512	525
Prepaid expenses and other current assets	600	119
Total current assets	2,304	1,025
Computer hardware and other property, net	505	417
Computer software, net	3,315	651
Other identifiable intangible assets, net	7,721	1,968
Goodwill	9,082	10,126
Deferred tax assets	22	20
Other non-current assets	533	528
Total assets	**$ 23,482**	**$ 14,735**
Liabilities, Temporary equity, Stockholders' equity and Net Parent investment		
Current liabilities:		
Accounts payable	$ 391	$ 84
Deferred revenue	122	169
Accrued expenses and other current liabilities	1,265	609
Current portion of long-term debt	91	-
Total current liabilities	1,869	862
Deferred revenue, net of current portion	24	44
Deferred tax liabilities	672	404
Other non-current liabilities	463	336
Long-term debt	12,898	-
Total liabilities	15,926	1,646
Commitments and contingencies (note 22)		
Temporary equity		
14.5% Preferred Stock	1,037	-
Redeemable non-controlling interests	18	-
Total temporary equity	1,055	-
10% Preferred Stock	5,316	-
Common Stock A and B	-	-
Common Stock C and D	-	-
Retained earnings	(683)	-
Net Parent investment	-	15,386
Accumulated other comprehensive loss	(94)	(2,794)
Non-controlling interests	1,962	497
Total Stockholders' equity and Net Parent investment	6,501	13,089
Total liabilities, Temporary equity, Stockholders' equity and Net Parent investment	**$ 23,482**	**$ 14,735**

The accompanying notes are an integral part of these Consolidated and Combined Financial Statements.

REFINITIV
Consolidated and Combined Statements of Income
(U.S. dollars in millions)

	Twelve months ended December 31, 2018	Nine months ended September 30, 2018	Year ended December 31, 2017
	Successor	*Predecessor*	*Predecessor*
Revenues, net	**$ 1,550**	**$ 4,737**	**$ 5,997**
Total Operating costs and expenses			
Cost of revenues, excluding depreciation and amortization	(538)	(807)	(1,081)
General and administrative, excluding depreciation and amortization	(700)	(548)	(828)
Selling and marketing, excluding depreciation and amortization	(212)	(602)	(768)
Allocation of costs from Thomson Reuters and Affiliates	-	(1,239)	(1,692)
Depreciation and amortization	(471)	(663)	(864)
Other operating losses, net	(5)	(1)	(5)
Income/(loss) from operations	(376)	877	759
Interest (expense)/income, net	(203)	42	72
Other finance income /(expense)	24	(2)	(2)
Other pension related (losses)/ gains	(38)	(116)	41
Income/(loss) before tax and equity method investments	(593)	801	870
Income tax benefit/(expense)	48	(108)	28
Income/(loss) before equity method investments	(545)	693	898
Share of net earnings in equity method investments	1	1	2
Net income/(loss)	(544)	694	900
Net income attributable to non-controlling interests	10	70	61
Net income/(loss) attributable to Refinitiv (Successor) / Thomson Reuters (Predecessor)	**$ (554)**	**$ 624**	**$ 839**

The accompanying notes are an integral part of these Consolidated and Combined Financial Statements.

REFINITIV
Consolidated and Combined Statements of Comprehensive Income
(U.S. dollars in millions)

	Twelve months ended December 31, 2018	Nine months ended September 30, 2018	Year ended December 31, 2017
	Successor	*Predecessor*	*Predecessor*
Net income/(loss)	**$ (544)**	**$ 694**	**$ 900**
Other comprehensive income/(loss):			
Foreign currency translation adjustments	(28)	(161)	414
Unamortized net prior service, net of tax of $6	(36)	1	2
Cash flow hedges, net of tax of $11	(36)	-	-
Amortization of net prior service credit included in net income/(loss), net of tax expense of nil and nil	6	-	-
Other comprehensive income/(loss)	(94)	(160)	416
Total comprehensive income/(loss)	(638)	534	1,316
Less: Total comprehensive income/(loss) attributable to non-controlling interests	10	70	63
Total comprehensive income/(loss) attributable to Refinitiv (Successor) / Thomson Reuters (Predecessor)	**$ (648)**	**$ 464**	**$ 1,253**

The accompanying notes are an integral part of these Consolidated and Combined Financial Statements.

REFINITIV

Consolidated Statement of Changes in Stockholders' Equity and Combined Statements of Changes in Net Parent Investment, Non-Controlling Interests, and Accumulated Other Comprehensive Loss
(U.S. dollars in millions)

	Net Parent Investment	Accumulated Other Comprehensive Loss	Non-controlling interests	Total
Predecessor				
Balance as of January 1, 2017	$ 15,219	$ (3,206)	$ 485	$ 12,498
Net earnings	839	-	61	900
Other comprehensive income	2	412	2	416
Equity transactions with non-controlling interests	43	-	15	58
Distributions to non-controlling interests	-	-	(66)	(66)
Net transfers to Thomson Reuters	(717)	-	-	(717)
Balance as of December 31, 2017	**$ 15,386**	**$ (2,794)**	**$ 497**	**$ 13,089**
Net earnings	624	-	70	694
Other comprehensive loss	-	(160)	-	(160)
Equity transactions with non-controlling interests	28	-	(1)	27
Distributions to non-controlling interests	-	-	(60)	(60)
Net transfers to Thomson Reuters	(722)	-	-	(722)
Balance as of September 30, 2018	**$ 15,316**	**$ (2,954)**	**$ 506**	**$ 12,868**

Successor

	Temporary Equity			Permanent Equity									
				10% Preferred Stock	Common Stock				Accumulated Other Comprehensive Loss				
	14.5% Preferred Stock	Redeemable Non-Controlling Interests	Total	Par and Additional Paid in Capital	Series A & B	Series C & D	Additional Paid in Capital	Retained Earnings	Currency Translation Adjustments	Prior Service Costs	Cash Flow Hedges	Non-Controlling Interests	Total
Balance as of January 19, 2018	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Issuances	963		963	5,250			56						5,306
Acquired Non-Controlling Interest		18	18									1,954	1,954
Net Loss								(554)				10	(544)
Stock-based Compensation							4						4
Current Translation Adjustments									(28)				(28)
Unamortized prior service costs, net of tax of $6										(30)			(30)
Cash Flow Hedges, net of tax of $11											(36)		(36)
Accretion	123		123	66			(60)	(129)					(123)
Distributions												(19)	(19)
Other	(49)		(49)					-				17	17
Balance as of December 31, 2018	**$ 1,037**	**$ 18**	**$ 1,055**	**$ 5,316**	**$ -**	**$ -**	**$ -**	**$ (683)**	**$ (28)**	**$ (30)**	**$ (36)**	**$ 1,962**	**$ 6,501**

The accompanying notes are an integral part of these Consolidated and Combined Financial Statements.

REFINITIV

Consolidated and Combined Statements of Cash Flows

(U.S. dollars in millions)

	Twelve months ended December 31, 2018	Nine months ended September 30, 2018	Year ended December 31, 2017
	Successor	*Predecessor*	*Predecessor*
Cash flows from operating activities			
Net income/(loss)	$ (544)	$ 694	$ 900
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	471	663	864
Amortization of debt issuance costs	17	-	-
Net gains on disposals of businesses and investments	-	(6)	-
Deferred tax	(84)	(73)	(192)
Other non-cash items included within net income	69	65	210
Changes in net working capital and other items:			
Accounts receivable	114	(137)	(7)
Prepaid expenses and other current assets	(167)	(21)	21
Accounts payable, accrued expenses and other current and non-current liabilities	595	65	(104)
Deferred revenue	(30)	9	(84)
Employee benefit plans	(175)	(25)	(54)
Other	33	(18)	(12)
Net cash provided by operating activities	**299**	**1,216**	**1,542**
Cash flows from investing activities			
Acquisitions, net of cash acquired	(16,165)	-	(182)
Capital expenditures	(70)	(355)	(477)
Proceeds from disposals of businesses and investments, net of taxes paid	-	6	-
Other investing activities, net	-	-	3
Net cash used in investing activities	**(16,235)**	**(349)**	**(656)**
Cash flows from Financing activities:			
Proceeds from issuance of debt, net	13,472	-	-
Proceeds from issuance of equity instruments	4,088	-	-
Dividends paid to non-controlling interests	(19)	(60)	(66)
Debt issuance costs	(413)	-	-
Net transfers to Thomson Reuters	-	(722)	(789)
Net cash provided by/(used in) financing activities	**17,128**	**(782)**	**(855)**
Effects of exchange rate changes	-	(5)	3
Net increase in cash and cash equivalents	1,192	85	31
Cash and cash equivalents at beginning of period	-	381	347
Cash and cash equivalents at end of period	**$ 1,192**	**$ 461**	**$ 381**
Supplemental cash flow information			
Interest paid	$ 128	$ -	$ -
Income taxes paid (Successor) / settled by Thomson Reuters (Predecessor)	-	181	164
Non-cash proceeds from issuance of equity instruments	2,101		
Non-cash transfer of net assets from Thomson Reuters and affiliates	-	(19)	43

The accompanying notes are an integral part of these Consolidated and Combined Financial Statements.

(1) General business description and basis of presentation

General business description

On January 30, 2018, Thomson Reuters Corporation ("Thomson Reuters") entered into a Transaction Agreement with Refinitiv Holdings Ltd. (formerly known as King (Cayman) Holdings Ltd.), an exempted company incorporated with limited liability under the laws of the Cayman Islands ("Holdco"), controlled by certain investment funds affiliated with The Blackstone Group L.P. ("Blackstone"), pursuant to which Holdco would acquire all of the equity interests of certain specified entities and assets and liabilities that are primarily related to the Financial & Risk business of Thomson Reuters ("Financial & Risk") and Thomson Reuters would indirectly acquire a 45% interest in Holdco (the "Acquisition").

The Acquisition closed on October 1, 2018 (the "Closing Date"). Prior to the Closing Date, references to "Company" within these consolidated and combined financial statements refer to Financial & Risk, while references to Company on or after the Closing Date refer to Holdco, which, along with its consolidated subsidiaries is operating under the brand name "Refinitiv". An affiliate of Canada Pension Plan Investment Board and an affiliate of GIC invested alongside Blackstone in certain investment funds that control Holdco.

Nature of operations

The Company is a provider of critical news, information, and analytics, enabling transactions and connecting communities of trading, investment, financial, and corporate professionals.

- Financial provides a broad range of offerings to financial market professionals. It delivers global content sets, including fundamentals, estimates, and primary and secondary research. Financial also provides customers with tools, venues, and services to enable decision-making. Its flagship financial markets' desktop offering is Eikon.
- Risk provides solutions to help customers address third-party risk (customer, supplier, and partner), regulatory compliance, corporate governance, operational risk controls, and pricing and valuation. Risk's solutions combine technology with regulatory and risk intelligence to deliver integrated offerings to financial services and multinational institutions for global regulatory intelligence, financial crime prevention, anti-bribery, anti-money laundering and anticorruption, know your customer and other due diligence, compliance management, internal audit, e-learning, and risk management services.

Basis of presentation

These financial statements, (i) as of and for the twelve months ended December 31, 2018, present the consolidated financial position, results of operations and cash flows of Refinitiv as a stand-alone entity (the "Successor") and (ii) the nine months ended September 30, 2018 and as of and for the year ended December 31, 2017, present the combined financial position, results of operations and cash flows of Financial & Risk when operated as part of the Thomson Reuters Corporation (the "Predecessor"), including adjustments, allocations and related party transactions (which are recognized at arm's length), and in each case have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

The consolidated financial statements as of and for the twelve months ended December 31, 2018 include the financial condition, results of operations and cash flows for the Company on a Successor basis, certain pre-acquisition costs and financial instrument gains, and the impact of acquisition accounting. These consolidated financial statements include the accounts of the Company and all of its subsidiaries. All intercompany transactions have been eliminated.

Prior to the Acquisition, Holdco entered into certain transactions, including merger and acquisition costs and a foreign exchange and interest rate swaps. These swaps were fair valued, at $30, as of October 1, 2018 and total merger and acquisition costs were approximately $79. These amounts are included net of income taxes in the Successor results of operations for the twelve months ended December 31, 2018. The accounts and operating activity for the Successor period from January 19, 2018 (date of inception) to September 30, 2018 consist solely of the activity of Holdco prior to the close of the Acquisition. On October 1, 2018, Holdco acquired substantially all of Financial & Risk and recorded the impact of acquisition accounting. The consolidated financial statements as of and for the twelve months ended December 31, 2018 include the activity and accounts of Financial & Risk beginning on October 1, 2018.

The combined financial statements for the nine months ended September 30, 2018 and as of and for the year ended December 31, 2017 have been derived from the accounting records of Thomson Reuters, using the historical statements of income and the historical bases of assets and liabilities of the Company. Intercompany transactions and interactions within the Company have been eliminated in preparing the combined financial statements. Principal assumptions underlying the combined financial statements for the Predecessor periods include the following:

- The combined statements of income include all revenues and costs directly attributable to the Company as well as an allocation of expenses from Thomson Reuters related to centralized facilities, technology functions, and administrative services. Thomson Reuters allocates these costs to the Company using methodologies that are considered to be appropriate and reasonable, including a pro rata basis of revenue, salaries and wages, or head count. In addition, Thomson Reuters provides editorial content which is featured in the Company's products. The cost of such content is included in "Allocations of costs from Thomson Reuters and affiliates" in the combined statements of income and has been derived using Thomson Reuters' best estimate of costs to produce the content. Such amounts are not necessarily representative of costs that would have been incurred if the Company had operated independently of Thomson Reuters.

- The combined balance sheet includes the attribution of certain assets and liabilities that have historically been held at the corporate level by Thomson Reuters, but which are specifically identifiable or attributable to the Company. Thomson Reuters' cash management and financing activities are centralized. Accordingly, no cash, cash equivalents, marketable securities, debt, or related interest expense have been allocated to the combined financial statements, except for certain cash accounts that are retained by the businesses because they were not available for general use by Thomson Reuters.

- "Net Parent investment" is shown in lieu of stockholders' equity in the combined financial statements because a direct ownership relationship did not exist. Current assets and current liabilities associated with allocations of costs from Thomson Reuters and affiliates are recorded within "Net Parent investment".

- Transactions between Thomson Reuters and the Company are considered to be effectively settled in cash 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 a financing activity and in the combined balance sheet as Net Parent investment.

References to "$" are to U.S. dollars, and references to "£" are to British pound sterling.

(2) Significant Accounting Policies

Principles of consolidation (Successor period)

The consolidated financial statements include the accounts of Holdco and its consolidated subsidiaries. Intercompany transactions and balances have been eliminated. Non-controlling interests are recorded for entities in which Holdco owns less than 100% of the equity interests but has a controlling financial interest in accordance with Accounting Standards Codification ("ASC") 810, *Consolidation*.

Principles of combination (Predecessor period)

The combined financial statements present the financial position, results of operations, Net Parent investment and cash flows of the Company and include the accounts of certain wholly-owned and majority-owned subsidiaries of Thomson Reuters, as well as certain net assets wholly owned by subsidiaries of Thomson Reuters. All significant balances and transactions between entities in the Financial & Risk business have been eliminated for these combined financial statements. All significant balances between Thomson Reuters and the Company are included in Net Parent investment in the combined balance sheet. Non-controlling interests are recorded for entities in which Thomson Reuters owns less than 100% of the equity interests but more than 50% and can exercise control.

Use of estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Examples of estimates include: the fair value of and/or potential impairment of goodwill and intangible assets for our reporting units; useful lives of our tangible and intangible assets;

and allowances for doubtful accounts. Examples of assumptions include: when technological feasibility is achieved for our products; the potential outcome of future tax consequences of events that have been recognized on our consolidated or combined financial statements or tax returns; and, for the Predecessor periods, allocation of costs from Thomson Reuters and affiliates to the Company. On an ongoing basis, management evaluates these estimates and assumptions in reference to historical experience and other factors, including expectations of future events that are believed to be reasonable. Actual results and outcomes may differ from management's estimates and assumptions.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and investments with an original maturity at the date of purchase of three months or less. For the Predecessor periods, such cash and cash equivalent amounts related to items which were not available for general use by Thomson Reuters.

Accounts receivable

Accounts receivable are amounts due from customers for providing services or the sale of goods in the ordinary course of business. Accounts receivable are recorded at the invoiced amount and do not bear interest. Accounts receivable are classified as current assets if payment is due within one year or less.

The Company maintains reserves for amounts considered to be uncollectible 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 allowance for doubtful accounts represents the estimated uncollectible amounts for customers not having the ability to pay. The reserve for billings represents estimated customer disputes. The reserve for billings balance was $1 and $12 as of December 31, 2018 and December 31, 2017, respectively.

Account balances are written off against the allowance when the potential for recovery is considered remote. The expense relating to doubtful accounts is included within "General and administrative, excluding depreciation and amortization" in the consolidated and combined statements of income. The expense relating to reserve for billings is included within "Revenues, net" in the consolidated and combined statements of income.

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. During the Successor period, no single customer or group of related customers accounted for more than 10% of the Company's accounts receivable balance as of December 31, 2018, nor for more than 10% of revenues for the twelve months ended December 31, 2018. During the Predecessor periods, no single customer or group of related customers accounted for more than 10% of the Company's accounts receivable balance as of December 31, 2017, nor for more than 10% of revenues for the nine months ended September 30, 2018 or for the year ended December 31, 2017.

Computer hardware and other property

Computer hardware and other property are recorded at cost and depreciated on a straight-line basis over their estimated useful lives as follows:

Computer hardware	3-5 years
Building and building improvements	10-40 years
Furniture, fixtures and equipment	5-7 years

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 in operating expenses.

Computer software

Development costs related to internally generated software are capitalized once a project has reached technological feasibility, that is, the project has progressed beyond a conceptual, preliminary stage to that of the application development stage, in accordance with ASC 350, *Intangibles — Goodwill and Other*. 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.

Costs that qualify for capitalization include both internal and external costs, but are limited to those that are directly related to a specific project. The capitalized amounts, net of accumulated amortization, are included in "Computer software, net" in the consolidated and combined balance sheets. These costs are amortized over a three-year expected useful life. Amortization expense is included in "Depreciation and amortization" in the consolidated and combined statements of income.

Intangible assets

Other identifiable intangible assets

Upon acquisition, identifiable intangible assets are recorded at fair value and are subsequently carried at cost, less accumulated amortization.

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

	Successor	Predecessor
Trade names	15 Years	2-20 years
Customer relationships	12-15 Years	3-30 years
Databases and content	5-7 Years	3-30 years
Other	2-10 Years	2-30 years

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the identifiable net assets of the acquired business at the date of acquisition. Gains and losses on the disposal of an entity include an allocation of goodwill to the extent goodwill was previously allocated to the entity.

Impairment

Computer software, Computer hardware and other property

Computer software and computer hardware and other property are evaluated for impairment whenever circumstances indicate the carrying amount may not be recoverable, in accordance with ASC 360, *Property, Plant and Equipment*. 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.

Goodwill and Other identifiable intangible assets

The carrying values of other finite-lived identifiable intangible assets are reviewed for impairment whenever circumstances indicate that their carrying amounts may not be recoverable, in accordance with ASC 360. The test for impairment compares the carrying amounts with the sum of undiscounted cash flows related to the other identifiable intangible asset. If the carrying value is greater than the undiscounted cash flows of the asset, the other identifiable intangible asset is written down to its estimated fair value.

Management tests goodwill and other indefinite-lived identifiable intangible assets annually for impairment as of October 1, or more frequently when circumstances indicate that an impairment may have occurred, in accordance with ASC 350, *Intangibles – Goodwill and Other*. Goodwill is evaluated at the reporting unit ("RU") level, which management determined consists of a single RU in the Predecessor periods, and two RUs in the Successor period incorporating all the goodwill of the Company.

The impairment test for goodwill consists of these steps.

- Step zero consists of a review of qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If factors indicate that is the case, we continue to Step 1.
- In the next or first step, the fair value of the RU is compared to its carrying value. In determining the fair value of the RU, the Company uses a discount rate reflective of its risk profile in order to calculate the present value of the Company's projected cash flows.
- If the calculated fair value of the RU is less than the carrying value, goodwill may be impaired and the second step must be executed to measure the impairment loss, if any. 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.

During the Successor period, Management concluded that goodwill was not impaired as of December 31, 2018. During the Predecessor periods, Management concluded that goodwill was not impaired as of September 30, 2018 or December 31, 2017.

Equity method investments

Investments in which the Company is deemed to exert significant influence, but not control, are accounted for using the equity method of accounting. Under the equity method of accounting, the Company's share of earnings from equity method investments is included in "Share of net earnings in equity method investments" in the consolidated and combined statements of income. The carrying amounts of equity method investments are reflected in "Other non-current assets" in the consolidated and combined balance sheets.

Equity

The Company has elected to apply the guidance per ASC 480-10-S99-3A, of ASC 480 *Distinguishing Liabilities from Equity*, regarding the classification of equity instruments subject to redemption outside permanent securities. Accordingly, the 14.5% Preferred Shares and Redeemable Non-Controlling Interests are classified in "Temporary Equity" on the consolidated balance sheet due to redemption features outside of the Company's control.

Employee future benefits

For defined benefit pension plans and other post-employment benefits, the net periodic pension expense is determined actuarially on an annual or interim basis using the projected unit credit method. The determination of benefit expense requires assumptions such as the discount rate and an expected return on plan assets, which are used to determine the net periodic benefit cost (income). Other significant assumptions include expected increases to future compensation and pension payments. Actual results will differ from results that are estimated based on assumptions.

The impact of plan amendments that are retroactive is recorded in "Accumulated other comprehensive loss" as a prior service cost in the consolidated and combined balance sheets, and is amortized as a component of net periodic cost generally over the plan participants' life expectancy.

The asset, in "Other non-current assets", or liability, in "Other non-current liabilities", recognized in the consolidated and combined balance sheets is the present value of the projected benefit obligation at the end of the reporting period, less the fair value of plan assets. The present value of the projected benefit obligation (other than covered by a buy-in insurance policy) 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. Projected benefit obligation covered by a buy-in insurance policy is revalued equal to the value of the insurance policy asset. The value of the insurance policy asset is estimated by applying a periodically determined market adjustment to the discounted estimated future cash outflows relating to the population covered by the buy-in insurance policy.

All actuarial gains and losses that arise in calculating the present value of the projected benefit obligation and the fair value of plan assets are recognized immediately in the consolidated and combined statements of income.

"Other pension related (losses) gains" in the consolidated and combined statements of income are comprised of actuarial gains, amortization of prior service costs, curtailment and other pension costs.

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

Profit sharing and bonus plans

Liabilities for profit sharing and bonuses are recognized based on a formula that takes into consideration various financial metrics after certain adjustments. The Company recognizes an accrual when contractually obliged or where there is a past practice that has created an obligation to make such compensation payments.

Derivative financial instruments

The Company recognizes all derivatives as assets, in "Prepaid expenses and other current assets" or "Other non-current assets", or liabilities, in "Accrued expenses other current liabilities" or "Other non-current liabilities", on its consolidated financial statements at fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and the nature of the item hedged.

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flow of hedged transactions.

Non-performance risk, including the Company's own credit risk, is considered when determining the fair value of financial instruments.

The Company designates certain derivatives as either:

- Fair value hedges: These are hedges of the fair value of recognized assets and liabilities, liabilities of a firm commitment. Changes in the fair value of these derivatives are recorded in the consolidated statement of income together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.
- Cash flow hedges: These are hedges of highly probable forecast transactions. The effective portion of changes in the fair value of these derivatives is recognized in other comprehensive income or loss. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated statement of income in "Other finance expense." Additionally:
    a. Amounts accumulated in other comprehensive income or loss is reclassified to the consolidated statement of income in the period when the hedged item will affect earnings;
    b. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss in other comprehensive income or loss remains in other comprehensive income or loss and is reclassified from accumulated other comprehensive income to the consolidated statement of income when the forecast transaction is ultimately recognized in consolidated statement of income; and
    c. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income or loss is immediately recognized in the consolidated statement of income

<u>Derivatives that do not qualify for hedge accounting</u>

Certain derivative instruments, while providing effective economic hedges, are not designated as hedges for accounting purposes. Changes in the fair value of any derivatives that are not designated as hedges for accounting purposes are recognized within the consolidated statement of income, in "Other operating losses, net", consistent with the underlying nature and purpose of the derivative instruments. Settlements from these instruments are classified within "Net Cash provided by Operating activities" in the consolidated statement of cash flow.

<u>Embedded Derivatives</u>

The Company has embedded foreign currency derivatives primarily in certain revenue contracts where the currency of the contract is different from the functional or local currencies of the parties involved. The Company records these derivative instruments at fair value in the consolidated and combined balance sheets as either assets or liabilities. Changes in the fair value of derivative instruments are recognized within "General and administrative, excluding depreciation and amortization" in the consolidated and combined statements of income.

The Company has an embedded derivative within the 14.5% Preferred Shares entered on October 1, 2018. Under certain circumstances related to a possible initial public offering or change of control of the Company future dividends are effectively accelerated and owed to the preferred equity holder. This embedded derivative expires on October 1, 2022. This embedded derivative is recorded at fair value, at issuance of $49, in “Other non-current liabilities” in the consolidated balance sheet and changes in the fair value are recognized in “Other operating losses, net” in the consolidated statement of income. The fair value of the embedded derivative at issuance was allocated from the proceeds received related to 14.5% Preferred shares in “Other” in the consolidated statement of changes in stockholders’ equity.

Derivative financial instruments are neither held nor issued by the Company for trading purposes.

Fair value of financial instruments

Fair value is defined under ASC 820, *Fair Value Measurements and Disclosures*, 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.

U.S. GAAP includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. 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.

Net Parent investment (Predecessor period)

In the combined balance sheet, the Net Parent investment represents Thomson Reuters’ historical investment in the Company, accumulated net earnings after taxes, and the net effect of transactions with Thomson Reuters.

Earnings per share data has not been presented in the accompanying combined financial statements because the Company does not operate as a separate legal entity with its own capital structure.

Non-controlling interests

Tradeweb Markets LLC (“Tradeweb LLC”), a Delaware limited liability company, is a consolidated subsidiary and is included within the consolidated and combined financial statements of the Company, with a non-controlling interest owned by investment and commercial banks. Tradeweb LLC operates the Tradeweb Fixed Income business, which provides services that enable institutional market participants to view fixed income, fixed-income derivative, and equity derivative market data and to trade fixed-income securities, fixed-income derivatives, and equity derivatives on the Tradeweb Fixed Income Network, through its regulated subsidiaries. (See note 25.)

Revenue

The Company derives its revenue from selling information, software, and services. Revenues are recognized when control of the Company’s products or services is transferred to customers, in an amount that reflects the consideration to which the Company expects to be entitled. Such consideration is net of discounts, value-added taxes and other sales taxes.

Revenue is recognized as follows:

Subscription revenue

Subscription revenue, which represents a majority of our revenues, primarily consist of fees to access products or services delivered electronically over time that include desktop services, such as Eikon, and non-desktop services, such

as Elektron. These products are generally provided under one-year initial subscription arrangements, which most customers renew at the end of each subscription term for an annual term. Subscription revenue is generally recognized on a ratable basis over the contract term as this is the time period that the customer can use and benefit from the service. Subscription revenues also include fees from software maintenance arrangements that are recognized over the maintenance period. Arrangements are generally billed annually or quarterly in advance.

Transactions revenue

Transactions revenues are recognized primarily at a point in time when control transfers based on their type, as follows:

- Volume-based fees related to fixed income trading venues, currency trading venues and brokerage processing solutions are recognized based on usage; and
- Professional fees from service and consulting arrangements are recognized as services are performed, generally based on hours incurred relative to total hours expected to be incurred, reflecting the continuous transfer of control to the customer.

Transactions revenue is generally billed in arrears on a monthly or quarterly basis.

Recoveries revenue

Recoveries revenue consists of fees for third-party content, such as exchange data that we distribute directly to our customers, and communications fees. This revenue, and its related costs, is recognized on a gross basis, as the Company is considered the principal. Recoveries revenue is generally recognized on a ratable basis over the contract term as this is the time period that the customer can use and benefit from the service. The contract terms and billing arrangements for Recoveries are similar to Subscription revenue.

The Company also considers the following:

- *Multiple performance obligations*

  Certain customer contracts include multiple products and services, which are accounted for as separate performance obligations when they are distinct. A product or service is distinct if a customer can benefit from it either on its own or with other readily available resources, and the promise to transfer the good or service is separately identifiable in the contract. In making the determination, management considers whether the Company regularly sells a good or service separately and whether the goods or services are highly interrelated. The transaction price is allocated to the separate performance obligations based on the relative standalone selling price.

  The Company typically has more than one standalone selling price for individual products and services due to the stratification of its offerings by customer. As a result, management determines the standalone selling price by considering market conditions and other factors, including the value of its contracts, the product or service sold, the customer's market, geographic location, and the number and types of users in each contract.

  A series of distinct goods or services is accounted for as a single performance obligation if the items in the series are substantially the same, have the same pattern of transfer and: (1) each distinct item in the series represents a performance obligation that would be satisfied over time, and (2) the measure to satisfy the performance obligation for each distinct item in the series is the same.

  Certain Transactions revenue arrangements include installation or implementation services. If these services are distinct, consideration is allocated to them and revenue is recognized as the services are performed.

- *Sales involving third parties*

  Revenue from sales of third-party content or services delivered by the Company is recorded on a gross basis as the Company is the principal to these transactions because it supports the delivery of the service and generally has pricing discretion.

Deferred revenue

Deferred revenue is recorded when cash payments are received or due in advance of the transfer of the related products or services. The following table presents the changes in the Company's current and non-current deferred revenue balances:

	Twelve months ended December 31, 2018	Nine months ended September 30, 2018	Year ended December 31, 2017
	Successor	*Predecessor*	*Predecessor*
Balance at beginning of period/year	$ -	$ 213	$ 258
Additions due to Acquisition	180	-	-
Changes in deferred revenue			
Revenue recognized during the period that was included in the deferred revenue balance at the beginning of the period	(99)	(146)	(172)
Increases due to amounts billable, excluding amounts recognized as revenue during the period	65	152	127
Total changes in deferred revenue	*(34)*	*6*	*(45)*
Balance at end of period/year	**$ 146**	**$ 219**	**$ 213**

The changes in the deferred revenue balance during the twelve months ended December 31, 2018 are primarily due to the recognition of billed in advance subscription services.

The changes in the deferred revenue balance during the nine months ended September 30, 2018 are due to the recognition of billed in advance subscription services offset by a multi-year contract that was billed and paid in advance at period end. This is a unique instance, since services are generally billed quarterly or annually in advance at the beginning of a quarter or year.

The decrease in the deferred revenue balance for the year ended December 31, 2017 is primarily due to the recognition of billed in advance subscription services.

Contract costs

Deferred commissions are incremental costs of obtaining customer contracts that are recognized as assets when the benefits of such costs are expected to be longer than one year. Incremental costs include sales commissions to direct sales personnel as well as to account executives and sales management.

Sales commissions on new customer contracts are generally paid at significantly higher rates than sales commissions on contract renewals. As such, assets related to commissions on new customer contracts are deferred and amortized over three years, which is generally longer than the initial contract term, as management estimates that this corresponds to the period over which a customer benefits from existing technology in the underlying product or service.

Deferred commissions are classified as current or non-current within "Prepaid assets and other current assets" or "Other non-current assets", respectively. The consolidated and combined balance sheets include current deferred commissions of $39 and $34, and non-current deferred commissions of $29 and $29 as of December 31, 2018 and December 31, 2017, respectively. The Company applied the practical expedient in ASC 606, *Revenue from Contracts with Customers*, to recognize the incremental costs of obtaining a contract as an expense when incurred, if the amortization period is one year or less. This largely applies to sales commissions on contract renewals.

The Company recorded amortization expense, which is done so on a straight-line basis, of $233 for the twelve months ended December 31, 2018, $28 for the nine months ended September 30, 2018 and $39 for the year ended December 31, 2017.

Cost of revenues

Cost of revenues relate to the production and servicing of the Company's offerings, including employee compensation, the production and maintenance of data, third-party content fees, and royalty fees.

General and administrative

General and administrative expenses include employee compensation for support and administrative functions in addition to rent, office expenses, professional fees and other miscellaneous expenses.

Selling and marketing

Selling and marketing expenses primarily consist of employee compensation associated with selling products to new and existing customers.

Share-based compensation plans

During the Predecessor periods, Thomson Reuters maintained certain share-based compensation plans under which it received services from employees as consideration for its equity instruments. The share-based compensation expense was based on the grant-date fair value and was recognized over the requisite service period. Where the Company's employees participated in the plans, the allocated costs were included in the combined statements of income. Total share-based compensation expense for the nine months ended September 30, 2018 and for the year ended December 31, 2017 was $10 and $18, respectively. The combined balance sheet does not include Thomson Reuters' equity instruments related to stock-based compensation plans. Furthermore, the combined financial statements do not include certain share-based compensation disclosures on the basis that such disclosures were not considered to be material or meaningful.

Termination benefits

Termination benefits, offered to employees in connection with workforce reductions, are considered part of an ongoing benefit arrangement. Consequently, such benefits are recorded when payment of the benefits is probable and can be reasonably estimated.

Foreign currency

The consolidated and combined financial statements are presented in U.S. dollars, which is the Company's reporting currency. The financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates (the "functional currency").

- Assets and liabilities of entities with functional currencies other than U.S. dollars are translated to U.S. dollars at the period-end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. The effects of foreign currency translation adjustments are included in "Accumulated other comprehensive loss" in the accompanying consolidated and combined balance sheets.
- Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, as well as from the translation of monetary assets and liabilities not denominated in the functional currency of the subsidiary, are recognized in the consolidated and combined statements of income. Foreign currency transaction gains (losses) arising from the re-measurement of monetary balances were not material for the twelve months ended December 31, 2018, for the nine months ended September 30, 2018, or for the year ended December 31, 2017.
- Foreign exchange gains and losses arising from cash and cash equivalents are presented in the consolidated and combined statements of income within "Other finance expense".
- All other foreign exchange gains and losses are presented in the consolidated and combined statements of income within "General and administrative, excluding depreciation and amortization''.

Upon loss of control or significant influence of the applicable entity, accumulated foreign exchange gains and losses are reclassified from "Accumulated other comprehensive loss" to "Other operating losses, net" within the consolidated and combined statements of income.

Taxation

Successor period

The provision for income taxes is determined in accordance with ASC 740, *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 period plus the change in deferred taxes during the period and the impact of the deferral. 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 “Interest (expense)/income, net” in the consolidated statement of income.

Predecessor periods

Income taxes attributed current and deferred income taxes of Thomson Reuters to the combined financial statements in a manner that was systematic, rational, and consistent with the asset and liability method. Accordingly, the income tax provision was prepared following the “Separate Return Method”, which computed income tax balances of each member of the consolidated group as if the group member were a separate taxpayer and a stand-alone enterprise. As a result, actual tax transactions included in the consolidated financial statements of Thomson Reuters may not have been included in the combined financial statements. Similarly, the tax treatment of certain items reflected in the combined financial statements may not have been reflected in the consolidated financial statements and tax returns of Thomson Reuters. Therefore, items such as net operating losses, credit carryforwards, and valuation allowances may have existed in the combined financial statements that may or may not existed in Thomson Reuters’ consolidated financial statements.

The Company computed an income tax provision in each of the jurisdictions in which it operated (the main jurisdiction for the Company during the Predecessor periods was Canada). These income tax provisions included amounts that were based upon the Company’s estimates and assumptions regarding prices and values used to record intercompany transactions. The Company applied its transfer pricing policies on the same basis as the historical entities’ financial statements had been prepared. The breadth of the Company’s operations and the complexity of global tax regulations required assessments of uncertainties and judgments in estimating taxes that the Company 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 was determined using the asset and liability approach of accounting for income taxes. Under this approach, deferred taxes represented the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes represented income taxes paid or payable for the period plus the change in deferred taxes during the period and the impact of the deferral. Deferred taxes resulted 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 “Interest (expense)/income, net” in the combined statements of income.

In general, the taxable income (loss) of the Company’s entities was included in Thomson Reuters’ 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 combined financial statements. Consequently, income taxes currently payable were deemed to have been remitted to Thomson Reuters, in cash, in the period in which the liability arose and income taxes receivable were deemed to have been received from the Thomson Reuters in the period in which the receivable arose.

Thomson Reuters has centralized the ownership and management of its technology and content assets (for all business units) in a subsidiary operating in Switzerland. The Company’s Swiss assets are held in this subsidiary. The Swiss subsidiary is subject to a tax ruling. Income taxes presented within the combined financial statements reflect the Company’s historical Swiss taxes as calculated pursuant to the terms of the ruling. The Company’s Swiss tax expense may be materially different when its assets are transferred to an entity that is not a party to the tax ruling.

Acquisitions

Acquisitions are accounted for using the acquisition method and the results of acquired businesses are included in the consolidated and combined financial statements from the date control is obtained.

Recently adopted accounting pronouncements

Revenue from contracts with customers

The Company early adopted Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers" (Topic 606) ("ASU 2014-09") effective January 1, 2016 using the full retrospective approach. All reporting periods are presented as subsequent to adoption of Topic 606.

Balance sheet classification of deferred taxes

The Company early adopted ASU 2015-17, "Income Taxes" (Topic 740) ("ASU 2015-17") effective for the year ended December 31, 2017, (and interim periods therein), on a retrospective basis. The amendments in ASU 2015-17 require that deferred income tax liabilities and assets be classified as noncurrent in a classified combined balance sheet.

Income taxes on intra-entity transfers of assets other than inventory

The Company early adopted ASU 2016-16, "Income Taxes" (Topic 740) ("ASU 2016-16") effective January 1, 2016, using the modified retrospective approach. The amendments in ASU 2016-16 require that the income tax effects of intra-entity asset transfers are recognized immediately, as opposed to being deferred and recognized as the transferred assets are either sold or used by the entity.

Net periodic pension cost and net periodic postretirement benefit cost

The Company early adopted ASU 2017-07, "Compensation - Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost" (Topic 715) ("ASU 2017-07") effective January 1, 2016 on a retrospective basis, which improves the presentation of net periodic pension cost. The Company has retrospectively adopted the presentation of service cost separate from the other components of net periodic costs. The amortization of prior service costs, actuarial gains, curtailment gain and other costs have been classified to "Other pension related gains / (losses)" within the consolidated and combined statements of income.

Classification of Certain Cash Receipts and Cash Payments

The Company early adopted ASU 2016-15, "Classification of Certain Cash Receipts and Cash Payments" effective for the year ended December 31, 2017, (and interim periods therein) and the adoption of this guidance did not have significant impact on the Company's consolidated or combined financial statements.

(3) Recent accounting pronouncements not yet adopted

Leases

In February 2016, the FASB issued ASU 2016-02, "Leases" (Topic 842) related to leases to increase transparency and comparability among organizations by requiring the recognition of right-of-use ("RoU") assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of RoU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. ASC 842 requires a lessee to recognize right-of-use assets and lease liabilities in the balance sheet for almost all leases having a term of more than twelve months.

The Company will adopt ASU 2016-02 and transition to ASC 842 effective from January 1, 2019. The Company has determined it will transition to ASC 842 via the cumulative-effect adjustment method, which will be applied as of January 1, 2019. Prior year figures will not be adjusted.

In preparing for the transition to ASC 842, the Company is substantially complete in assessing its portfolio of leases for accounting and disclosure purposes. While the assessment of the adoption impact is ongoing, the Company preliminarily expects that ASC 842 will result in a material increase to assets and liabilities. For reference, the Company's future aggregate minimum lease payments under non-cancellable operating leases were, on an undiscounted basis, approximately $752 as of December 31, 2018 and $892 as of December 31, 2017. The Company continues to evaluate the impact of the standard on its processes, internal controls and financial statements.

Financial instruments – credit losses

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments – Credit Losses" to replace the incurred loss impairment methodology under current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The Company will be required to use a forward-looking expected credit loss model for accounts receivable, loans, and other

financial instruments. Credit losses relating to available-for-sale securities will also be recorded through an allowance for credit losses rather than as a reduction in the amortized cost basis of the securities. The standard will be effective for the Company for fiscal periods beginning after December 15, 2019, with early adoption permitted beginning December 15, 2018. The Company is currently evaluating the impact of this standard on its financial statements, including accounting policies, processes, and systems.

Goodwill

In January 2017, the FASB issued ASU 2017-04, "Intangibles - Goodwill and Other: Simplifying the Test for Goodwill Impairment". This guidance simplifies the accounting for goodwill impairments by eliminating the second step from the goodwill impairment test. The ASU requires goodwill impairments to be measured on the basis of the fair value of a reporting unit relative to the reporting unit's carrying amount rather than on the basis of the implied amount of goodwill relative to the goodwill balance of the reporting unit. The ASU also (i) clarifies the requirements for excluding and allocating foreign currency translation adjustments to reporting units related to an entity's testing of reporting units for goodwill impairment; and (ii) clarifies that an entity should consider income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. The guidance is effective for fiscal periods beginning after December 15, 2019. The Company is currently evaluating the impact of this guidance on the financial statements, including accounting policies, processes, and systems. The Company does not anticipate the adoption of this ASU to have a material impact on the Company's financial statements.

Reclassification of Certain Tax Effects

In February 2018, the FASB issued ASU 2018-02, "Income Statement - Reporting Comprehensive Income: Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income", which allows companies to reclassify certain stranded income tax effects resulting from the enactment of the Tax Cuts and Jobs Act from accumulated other comprehensive income to retained earnings. The guidance is effective for reporting periods after December 15, 2018; however early adoption is permitted. The Company is currently evaluating the impact of the adoption of this guidance on its consolidated financial statements.

(4) Acquisitions

Predecessor

The number of acquisitions completed, and the related cash consideration, during the year ended December 31, 2017 were as follows:

	2017	
	Number of Transactions	Amounts
Business acquired	3	$ 212
Less: cash acquired	-	(7)
Business acquired, net of cash	3	205
Investment in business	1	5
	4	$ 210
Consideration comprised of:		
Cash consideration	-	182
Non-cash consideration[1]	-	28
	-	$ 210

[1]Represents future services that the Company will provide to the seller, which was recorded in "Deferred revenue" within the combined balance sheet.

Each business combination has been accounted for using the acquisition method. The results of acquired businesses are included in the combined financial statements from the respective dates of acquisition.

The details of net assets acquired were as follows:

	December 31, 2017
Cash and cash equivalents	$ 7
Accounts receivable	10
Prepaid expenses and other current assets	2
Current assets	19
Computer hardware and other property	7
Computer software	18
Other identifiable intangible assets	51
Deferred tax assets	31
Total assets	126
Accounts payable, accrued expenses and other current liabilities	(25)
Deferred revenue	(9)
Current liabilities	(34)
Deferred tax liabilities	(4)
Total liabilities	(38)
Net assets acquired	88
Goodwill	124
Total net assets and goodwill acquired	$ 212

A brief description of the most significant acquisition completed during the year ended December 31, 2017 is as follows:

Date	Company	Description
January 2017	REDI Global Technologies LLC	A provider of a cross-asset trade execution management system for financial professionals

The excess of the purchase price over the net tangible and identifiable intangible assets acquired and assumed liabilities was recorded as goodwill and reflects synergies and the value of the acquired workforce. The majority of goodwill for acquisitions completed in 2017 is not expected to be deductible for tax purposes.

Acquisition transactions were completed by acquiring all equity interests or the net assets of the acquired business.

The Company did not make any acquisitions during the nine months ended September 30, 2018.

Other

The revenues and operating profit of acquired businesses since the date of acquisition are not material to the Company's results of operations.

Successor

Acquisition of Financial & Risk

On October 1, 2018, Holdco acquired substantially all of Financial & Risk for cash consideration of $16,626 and Holdco stock valued at $2,101. The acquisition was funded with the proceeds from the Senior Secured Credit Facilities and the Secured Notes and the Unsecured Notes, each of which are further described in Note 18, and proceeds of $4,088 from the issuance of preferred equity and equity contributions.

During the measurement period, which will not exceed one year from the Closing Date, the Company will continue to obtain information to assist in finalizing the acquisition date fair values.

The preliminary purchase price and purchase price allocation are as follows:

Consideration transferred consists of the following:	
Cash consideration	$ 16,626
Fair value of non-controlling interests	1,972
Fair value of equity issued	2,101
Total consideration transferred	**$ 20,699**
Consideration acquired consist of the following	
Fair value of identifiable assets acquired:	
Cash	$ 461
Accounts receivable	638
Prepaid expenses and other current assets	268
Computer hardware and other property	511
Computer software	3,431
Other identifiable intangible assets	8,006
Other non-current financial assets	440
Other non-current assets	53
Amount attributable to identifiable assets acquired	**$ 13,808**
Fair value of liabilities assumed:	
Accounts payable	$ (138)
Deferred revenue (current and non-current)	(180)
Accrued expenses and other current liabilities	(759)
Other non-current liabilities	(382)
Deferred tax liabilities	(751)
Amount attributable to liabilities assumed	(2,210)
Fair value of net assets acquired	11,598
Goodwill	**$ 9,101**
Total fair value of net assets required	**$ 20,699**

The purchase price allocation to other identifiable intangible assets acquired was as follows:

	Estimated useful lives	Amounts
Trade names	15 Years and Indefinite	$ 518
Customer relationships	12-15 Years	4,100
Databases and content	5-7 Years	3,165
Other	2-10 Years	223
Total other identifiable intangible assets		**$ 8,006**

The fair value of assets acquired and liabilities assumed was determined based on assumptions that reasonable market participants would use in the principal (or most advantageous) market for the asset or liability. The following assumptions, the majority of which include significant unobservable inputs (Level 3), and valuation methodologies were used to determine fair value:

- Internally developed computer software, trade names, databases, and content — The income approach: relief from royalty method was used. Under this method, the value of the asset is a function of (a) the projected revenue attributable to the asset, (b) the expected economic life of the asset, (c) the royalty rate, as a percentage of revenue that would hypothetically be charged by a licensor of the asset to an unrelated licensee, and (d) a discount rate that reflects the level of risk associated with the future income attributable to the asset.
- Customer relationships — The income approach: multi-period excess earnings method was used. Under this method, the economic benefit of the asset is measured indirectly by calculating the income attributable to an asset after contributory asset charges.

- Broker-Dealer Licenses — The income approach: with or without method was used. Under this method, fair value is estimated based on income streams, such as cash flows or earnings, discounting to a present value. These discounted cash flows are calculated both with the asset and without the asset. The difference in the cash flows is discounted to the present value to determine the value of the asset.
- Land and buildings – The market approach was used. Third-party databases were utilized to identify listings of recent sales and of comparable properties within pertinent market areas.
- Building improvements, furniture, fixtures, machinery, non-office equipment and purchased computer software — The cost approach was used. Under this method the assets are valued based on the cost to a market participant to acquire a substitute asset of comparable utility, adjusted for obsolescence.
- Computer hardware and office equipment — The market approach was used. Under this method, the Percent of Cost Method was used to establish the ratio of today's used selling price to the new cost at the time of original sale,
- Leasehold interests —The income approach: discounted cash flow method was used. This approach involves comparing the annual lease contract rent over the remaining contractual term to a market rental rate cash flow stream. The difference between the contractual and market based cash flows is then discounted to present value to estimate the fair value of any favorable or unfavorable positions.
- Deferred revenue – The income approach: avoided costs method was used. Avoided costs represent costs that have already been incurred by the seller to generate the revenue and therefore would not burden the acquirer of the liability. A profit margin was applied and the result was then discounted to present value at a risk-adjusted rate.
- Non-controlling interest – The income approach: discounted cash flow method was used. Under this method, fair value is estimated based on income streams, such as cash flows or earnings, discounting to a present value. Lack of control and marketability discounts were also applied to account for the fact that the subject liability represents a non-marketable minority interest in the business.

The amount and timing of future cash flows used in these approaches were based on the Company's most recent financial forecasts as of the Closing Date. In preparing the purchase price allocations, the Company considered a report of a third-party valuation expert. The Company's management is responsible for these internal and third-party valuations and appraisals and they are continuing to review the amounts and allocations to finalize these amounts. The Company has one year from the date of the Acquisition to finalize these amounts.

The Company did not make any other acquisitions during the twelve months ended December 31, 2018.

(5) Revenues

The following table presents the Company's revenues by revenue source:

	Twelve months ended December 31, 2018	**Nine months ended September 30, 2018**	**Year ended December 31, 2017**
	Successor	***Predecessor***	***Predecessor***
Subscription	$ 1,175	$ 3,646	$ 4,778
Transactions	266	739	751
Recoveries and Other	109	352	468
Total	$ **1,550**	**$ 4,737**	**$ 5,997**

The following table presents the Company's revenues by country of destination:

	Twelve months ended December 31, 2018	Nine months ended September 30, 2018	Year ended December 31, 2017
	Successor	*Predecessor*	*Predecessor*
United States	$ 584	$ 1,750	$ 2,325
Canada	33	105	130
Other	23	78	64
Americas (North America, Latin America, South America)	640	1,933	2,519
United Kingdom	234	702	1,109
Other	382	1,207	1,329
Europe, Middle East and Africa	616	1,909	2,438
Asia Pacific	294	895	1,040
Total	**$ 1,550**	**$ 4,737**	**$ 5,997**

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized, which includes unearned revenue and amounts that will be invoiced and recognized as revenue in future periods. Excluding contracts that have a term of a year or less, the Company's remaining performance obligation was $2,567 as of December 31, 2018, of which 42% is expected to recognize as revenue over the next 12 months, 30% the following 12 months and the remainder thereafter.

(6) Interest (expense)/income, net

Interest (expense)/income, net for the twelve months ended December 31, 2018 was primarily interest expense on borrowings and for the nine months ended September 31, 2018 and year end December 31, 2017 was primarily income from the return on pension plan assets.

(7) Other finance expense

Other Income and Expense, net for the twelve months ended December 31, 2018 primarily consisted of foreign currency effects on cash and cash equivalents and internal borrowings.

(8) Cash and cash equivalents

Cash and cash equivalents consisted of the following

	December 31, 2018	December 31, 2017
	Successor	*Predecessor*
Cash:		
Cash at bank and on hand	$ 455	$ 267
Cash Equivalents:		
Short-term deposits	42	2
Money market accounts	695	112
Cash and cash equivalents	**$ 1,192**	**$ 381**

Of total cash and cash equivalents, $412 and $354 are attributable to Tradeweb LLC as of December 31, 2018 and December 31, 2017, respectively. Additionally, $156 and $111 as of December 31, 2018 and December 31, 2017, respectively, were held in subsidiaries that have regulatory restrictions and contractual restrictions or operate in

countries where exchange controls and other legal restrictions apply, and were, therefore, not available for general use by the Company.

(9) Prepaid expenses and other current assets

Prepaid expenses and other current assets consisted of the following:

	December 31, 2018	December 31, 2017
	Successor	*Predecessor*
Prepaid expenses	$ 82	$ 48
Deferred commissions	39	34
Other current assets	479	37
Total prepaid expenses and other current assets	**$ 600**	**$ 119**

(10) Computer hardware and other property, net

Computer hardware and other property, net consisted of the following:

	December 31, 2018	December 31, 2017
	Successor	*Predecessor*
Computer hardware, gross	$ 289	$ 1,423
Land, building, and building improvements, gross	181	585
Furniture, fixtures and equipment, gross	103	217
Less: accumulated depreciation	(68)	(1,808)
Computer hardware and other property, net	**$ 505**	**$ 417**

Depreciation expense amounted to $70, $132 and $173 for the twelve months ended December 31, 2018, nine months ended September 30, 2018 and year ended December 31, 2017, respectively.

(11) Computer software, net

Computer software, net consisted of the following:

	December 31, 2018	December 31, 2017
	Successor	*Predecessor*
Computer software, gross	$ 3,483	$ 2,888
Less: accumulated amortization	(168)	(2,237)
Computer software, net	**$ 3,315**	**$ 651**

Amortization expense for computer software amounted to $168, $280 and $355 for the twelve months ended December 31, 2018, nine months ended September 30, 2018 and year ended December 31, 2017, respectively.

(12) Other identifiable intangible assets, net

The following table summarizes the gross carrying amounts and accumulated amortization of other identifiable intangible assets by major class:

	December 31, 2018			December 31, 2017		
	Successor			*Predecessor*		
	Gross Carrying Amount	**Accumulated Amortization**	**Net Carrying Amount**	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**
Customer relationships	$ 4,081	$ (72)	$ 4,009	$ 4,790	$ (3,043)	$ 1,747
Trade names	514	(6)	508	96	(91)	5
Databases and content	3,139	(154)	2,985	161	(136)	25
Other	223	(4)	219	814	(623)	191
Total	**$ 7,957**	**$ (236)**	**$ 7,721**	**$ 5,861**	**$ (3,893)**	**$ 1,968**

Other identifiable intangible assets were acquired as a part of business combinations.

- Customer relationships primarily consist of customer contracts and customer relationships arising from such contracts.
- Trade names consist of purchased brand names that the Company continues to use.
- Databases and content primarily consists of repositories of the Company's specific financial and customer information.
- In the Predecessor periods, Other consists of various historical intangibles including rights to the Company's intellectual content, favorable leasehold interests and liquidity contracts. In the Successor period, Other consists of favorable leasehold interests and broker-dealer licenses.

Trade names and Other includes indefinite-lived assets of $154 and $169, respectively, as of December 31, 2018.

Amortization expense for other identifiable intangible assets amounted to $233, $251 and $336 for the twelve months ended December 31, 2018, for the nine months ended September 30, 2018 and for the year ended December 31, 2017, respectively.

Estimated amortization expense for other identifiable intangible assets succeeding December 31, 2018 is as follows:

Year ending December 31,	**Amount**
2019	$ 946
2020	946
2021	943
2022	933
2023	784
2024 and thereafter	2,846
Total	$ 7,398

The Company's intangible assets as of December 31, 2018 are expected to amortize over a weighted-average period of 10 years.

(13) Goodwill

The following table summarizes changes in the carrying amount of goodwill for the years ended December 31, 2018 and 2017:

	Goodwill
Predecessor	
Cost:	
Balance as of January 1, 2017	$ 12,270
Acquisitions	124
Effect of foreign currency translation	509
Balance as of December 31, 2017	12,903
Acquisitions	-
Effect of foreign currency translation	(162)
Balance as of September 30, 2018	12,741
Accumulated impairment:	
Balance as of January 1, 2017	(2,680)
Effect of foreign currency translation	(97)
Balance as of December 31, 2017	(2,777)
Effect of foreign currency translation	32
Balance as of September 30, 2018	$ (2,745)
Predecessor carrying amount as of December 31, 2017	**$ 10,126**
Successor	
Cost:	
Balance as of January 19, 2018	$ -
Acquisitions	9,101
Effect of foreign currency translation and other	(19)
Balance as of December 31, 2018	**$ 9,082**

(14) Financial instruments measured at fair value

The Company's assets and liabilities measured at fair value on a recurring basis consisted of the following:

	Level 2	
	December 31, 2018	**December 31, 2017**
	Successor	***Predecessor***
Assets, at fair value		
Available-for-sale investments	$ 6	$ 11
Embedded derivatives	34	12
Total assets	**$ 40**	**$ 23**
Liabilities, at fair value		
Derivative instruments – Cash flow hedges	40	-
Embedded derivatives	4	59
Total liabilities	**$ 44**	**$ 59**

The Company recognizes transfers into and out of the fair value measurement hierarchy levels at the end of the reporting period in which the event or change in circumstances that caused the transfer occurred. There were no transfers between

hierarchy levels for the twelve months ended December 31, 2018, for the nine months ended September 30, 2018 and for the year ended December 31, 2017.

Derivative Instruments

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed by using derivative instruments are foreign currency exchange risk and interest rate risk. The Company recognizes all derivatives as assets or liabilities on its consolidated financial statements at fair value.

Foreign exchange contracts

The Company uses foreign exchange contracts to manage foreign currency risk on cash flow excluding indebtedness. Specifically, the Company mitigates such exposure by entering into a series of exchange contracts to purchase or sell certain currencies in the future at fixed amounts. As of December 31, 2018 the Company did not have any foreign exchange contracts.

Interest rate risk exposures

To hedge its exposures in expected future cash flows due to the changes in interest rates, the Company enters into interest rate swap derivatives, which swap the US dollar monthly floating rate interest payments into US dollars fixed interest payments. The interest rate swaps, which cover a portion of the Company's debt, were designated as cash flow hedges recorded in the consolidated balance sheet at their fair value.

As of December 31, 2018, the Company had $3,250 in cash flow hedges that were entered into to hedge forecasted interest payments. The Company paid a fixed rate of interest and received a floating rate of interest for hedges maturing in 2021. The fair value of those hedges was $(40) as of December 31, 2018.

Fair value gains and losses from derivative financial instruments

The Company fair valued its interest rate swaps and recognized a $48 loss in "Other comprehensive income" within the Statement of other comprehensive income and $1 of expense in "Other finance income/(expense)" within the consolidated statement of income for the twelve months ended December 31, 2018.

Embedded derivatives

The Company has embedded foreign currency derivatives primarily in certain revenue contracts where the currency of the contract is different from the functional or local currencies of the parties involved. These derivatives are accounted for as separate instruments and are measured at fair value at the end of the reporting period using forward exchange market rates. Changes in their fair values are recognized within "General and administrative, excluding depreciation and amortization" in the consolidated and combined statements of income. The derivatives are recorded within other current assets, other non-current assets, other current liabilities, or other non-current liabilities in the consolidated and combined balance sheets, as applicable.

For the twelve months ended December 31, 2018, nine months ended September 30, 2018 and year ended December 31, 2017, fair value gains (losses) from embedded derivatives of $1, $68 and $(117), respectively, were recognized in "General and administrative, excluding depreciation and amortization" within the consolidated and combined statements of income.

Fair value of non-derivative financial instruments

Financial instruments including cash, accounts receivable, accounts payable and accrued expenses are carried in the consolidated and combined financial statements at amounts that approximate their fair value based on the short maturities of those instruments.

Available-for-sale financial assets are non-derivatives that are either designated in the level 2 category or not classified in any of the other categories. They are included in other non-current financial assets, unless management intends to dispose of the investment within 12 months of the end of the reporting period. Included within this category are investments in entities over which the Company does not have control, joint control, or significant influence.

Available-for-sale investments are initially recognized at fair value plus transaction costs and are subsequently carried at fair value with changes recognized within "Other operating losses, net" in the consolidated and combined statements of income. Upon sale or impairment, the accumulated fair value adjustments are reclassified from "Accumulated other comprehensive loss" to "Other operating losses, net" within the consolidated and combined statements of income.

(15) Other non-current assets

Other non-current assets consisted of the following:

	December 31, 2018	December 31, 2017
	Successor	*Predecessor*
Net defined benefit plan surpluses	$ 438	$ 425
Equity method investments	7	12
Deferred commissions	29	29
Other non-current assets	59	62
Total other non-current assets	**$ 533**	**$ 528**

(16) Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consisted of the following:

	December 31, 2018	December 31, 2017
	Successor	*Predecessor*
Accrued employee related liabilities	$ 565	$ 301
Other accrued expense	443	222
Other current liabilities	263	86
Total accrued expenses and other current liabilities	**$ 1,271**	**$ 609**

(17) Other non-current liabilities

Other non-current liabilities consisted of the following:

	December 31, 2018	December 31, 2017
	Successor	*Predecessor*
Net defined benefit plan obligation	$ 155	$ 195
Other non-current liabilities	308	141
Total other non-current liabilities	**$ 463**	**$ 336**

(18) Debt

In conjunction with the Acquisition, the Company entered into approximately $13,506 of debt financing transactions on October 1, 2018.

Senior Secured Credit Facilities

On October 1, 2018, Refinitiv US Holdings, Inc. (formerly known as Financial & Risk US Holdings, Inc.) (“Refinitiv US”) entered into a credit agreement (the “Credit Agreement”) that governs the following facilities (the “Senior Secured Credit Facilities”):

- Dollar Term Loan Facility in an aggregate principal amount of $6,500 maturing October 1, 2025 (the “Dollar Term Loan Facility”);
- Euro Term Loan Facility in an aggregate principal amount of €2,355 maturing October 1, 2025 (the “Euro Term Loan Facility”; together with the Dollar Term Loan Facility, the “Term Loan Facilities”); and
- Revolving Credit Facility in an aggregate principal amount of $750 maturing October 1, 2023 (the “Revolving Credit Facility”).

The Revolving Credit Facility includes sub-facilities for letters of credit and for short-term borrowings referred to as swing line borrowings. In addition, the Credit Agreement provides that Refinitiv US has the right at any time, subject

to customary conditions, to request incremental term loans or incremental revolving credit commitments of up to the greater of $2,000 and an amount equal to 80% of consolidated EBITDA, subject to additional increases upon satisfaction of a certain first lien net leverage test, refinance the loans with debt incurred outside the Credit Agreement and extend the maturity date of the revolving loans and term loans.

Borrowings under the Dollar Term Loan Facility bear interest, at the option of Refinitiv US, at a per annum rate equal to either (a) a base rate determined by reference to the highest of (1) the administrative agent's prime lending rate, (2) the federal funds effective rate plus 1/2 of 1% and (3) the LIBO rate for a one-month interest period plus 1.00% or (b) a LIBO rate determined by reference to the LIBO rate published on the applicable screen page for the interest period relevant to such borrowing, in each case, plus a per annum margin of 3.75% for LIBO rate loans and 2.75% for base rate loans. The margin for the Dollar Term Loan Facility is subject to one 25 basis point step-down upon achievement of a certain first lien net leverage ratio.

Borrowings under the Euro Term Loan Facility will bear interest at a per annum rate equal to the EURIBO rate determined by reference to the European Money Markets Institute EURIBO Rate as published on the applicable Reuters screen page for the interest period relevant to such borrowing, plus a per annum margin of 4.00%. The margin for the Euro Term Loan Facility is subject to one 25 basis point step-down upon achievement of a certain first lien net leverage ratio. In no event will the EURIBO rate for the Euro Term Loan Facility be deemed to be less than zero.

Borrowings under the Revolving Credit Facility will bear interest, at the option of Refinitiv US, at a per annum rate equal to either (a) a base rate determined by reference to the highest of (1) the administrative agent's prime lending rate, (2) the federal funds effective rate plus 1/2 of 1% and (3) the LIBO rate for a one-month interest period plus 1.00% or (b) a LIBO rate determined by reference to the LIBO rate published on the applicable screen page for the interest period relevant to such borrowing, in each case, plus a per annum margin of 3.00% for LIBO rate loans and 2.00% for base rate loans. The margin for the Revolving Credit Facility is subject to two 25 basis point step-downs upon achievement of certain first lien net leverage ratios. In no event will the base rate or LIBO rate for the Revolving Credit Facility be deemed to be less than zero.

In addition to paying interest on outstanding principal under the Senior Secured Credit Facilities, Refinitiv US will be required to pay an unused facility fee of 0.50% per annum to the lenders under the Revolving Credit Facility in respect of the commitments thereunder. The facility fee rate is subject to one 12.5 basis point step-down upon the achievement of a certain first lien net leverage ratio. Refinitiv US is also required to pay customary letter of credit fees.

The term loans under each of the Dollar Term Loan Facility and the Euro Term Loan Facility are expected to amortize in equal quarterly installments in an aggregate annual amount equal to 1.00% of the original principal amount of such term loans, with the balance being payable on maturity.

The Credit Agreement contains financial covenants which, solely with respect to the New Revolving Credit Facility, require Refinitiv Parent Ltd. (formerly known as F&R (Cayman) Parent Ltd.) ("Parent"), an exempted company incorporated with limited liability under the laws of the Cayman Islands and a direct subsidiary of Holdco, to comply with a maximum ratio of consolidated first lien net indebtedness to consolidated EBITDA. Additionally, the Credit Agreement contains covenants that, among other things, limit or restrict Parent's and its restricted subsidiaries' ability to incur additional indebtedness; to incur liens; merge or consolidate; sell, transfer or dispose of assets; pay dividends; prepay, redeem or repurchase certain subordinated indebtedness; make investments, loans and advances; enter into certain transactions with affiliates; enter into agreements which prohibit its ability to incur liens on assets; and enter into amendments to certain subordinated indebtedness in a manner materially adverse to the lenders. Parent was in compliance with the covenants under the Credit Agreement as of December 31, 2018.

Refinitiv US' obligations under the Senior Secured Credit Facilities are guaranteed by Parent, an exempted company incorporated with limited liability under the laws of the Cayman Islands and a direct subsidiary of Holdco, and by Refinitiv US' material wholly-owned domestic subsidiaries, subject to certain agreed upon exceptions. The obligations under the Senior Secured Credit Facilities are also, subject to certain agreed upon exceptions, secured by a first-priority pledge on substantially all of Refinitiv US' and its material wholly-owned domestic subsidiaries' equity, including 100% of the equity of material domestic subsidiaries and 65% of the equity of certain first-tier foreign subsidiaries (including 65% of the equity of Refinitiv UK Parent Limited) and all of the tangible and intangible personal property of Refinitiv US and the subsidiary guarantors. Holdco is not a guarantor of the Senior Secured Credit Facilities and is not subject to the covenants in the Credit Agreement. None of Parent's foreign subsidiaries or non-wholly owned domestic subsidiaries that are restricted subsidiaries guarantee or provide security in respect of the Senior Secured Credit Facilities but are subject to the covenants in the Credit Agreement.

Secured Notes and Unsecured Notes

On October 1, 2018, Refinitiv US issued $1,250 aggregate principal amount of 6.250% senior first lien notes due 2026 (the "Dollar Secured Notes") and €860 million aggregate principal amount of 4.500% senior first lien notes due 2026 (the "Euro Secured Notes" and, together with the Dollar Secured Notes, the "Secured Notes") under an indenture (the "Secured Indenture").

On October 1, 2018, Refinitiv US also issued $1,575 aggregate principal amount of 8.250% senior notes due 2026 (the "Dollar Unsecured Notes") and €365 million aggregate principal amount of 6.875% senior notes due 2026 (the "Euro Unsecured Notes" and, together with the Dollar Unsecured Notes, the "Unsecured Notes") under an indenture (the "Unsecured Indenture").

The Secured Indenture and the Unsecured Indenture contains covenants that, among other things, limit or restrict Parent's and its restricted subsidiaries' ability to incur additional indebtedness; to incur liens; merge or consolidate; sell, transfer or dispose of assets; pay dividends; prepay, redeem or repurchase certain subordinated indebtedness; make investments, loans and advances; enter into certain transactions with affiliates; and enter into agreements which prohibit its ability to incur liens on assets. Parent was in compliance with the covenants under the Secured Indenture and the Unsecured Indenture as of December 31, 2018.

The Secured Notes and the Unsecured Notes are general senior obligations, equal in right of payment with any existing and future senior indebtedness of Refinitiv US. The Secured Notes are secured on a first-priority basis by the same collateral that secures the Senior Secured Credit Facilities.

Parent and the subsidiary guarantors that guarantee the Senior Secured Credit Facilities guarantee the Secured Notes and the Unsecured Notes. These guarantors jointly and severally guarantee, fully and unconditionally, on a senior basis, the performance and full and punctual payment when due of all obligations under the Secured Indenture, the Secured Notes, the Unsecured Indenture and the Unsecured Notes. The guarantees of the Secured Notes are secured on a first-priority basis by the same collateral that secures the Senior Secured Credit Facilities.

Interest on the Secured Notes and the Unsecured Notes is payable semi-annually in cash in arrears on May 15 and November 15 of each year, beginning on May 15, 2019. The Secured Notes mature on May 15, 2026 and the Unsecured Notes mature on November 15, 2026.

Long-term debt consisted of the following as of December 31, 2018:

	December 31, 2018
	Successor
Long-term debt:	
Senior Secured Credit Facilities:	
Dollar Term Loan Facility	$ 6,500
Euro Term Loan Facility	2,692
Revolving Credit Facility	-
Notes offered:	
Dollar Secured Notes (6.25%, due May 15, 2026)	1,250
Euro Secured Notes (4.5%, due May 15, 2026)	983
Dollar Unsecured Notes (8.25%, due November 15 2026)	1,575
Euro Unsecured Notes (6.875%, due November 15, 2026)	417
Total	**13,417**
Less: unamortized debt issuance costs	428
Less: current maturities	91
Total long-term debt	**$ 12,898**

Debt fair values

The fair values of the Dollar Term Loan Facility, Euro Term Loan Facility, Dollar Secured Notes, Euro Secured Notes, Dollar Unsecured Notes and Euro Unsecured notes as of December 31, 2018 were approximately $6,110, $2,577, $1,202, $955, $1,441 and $384, respectively. The estimated fair values of the Term Loan Facilities and the Secured Notes and the Unsecured Notes are based on quotes received from third-party brokers.

Maturities

Aggregate principal payments, exclusive of any debt issuance costs, due on long-term debt as of December 31, 2018 are as follows:

	Amount
2019	$ 92
2020	92
2021	92
2022	92
2023	92
2024 and thereafter	12,957
Total	**$ 13,417**

(19) Pension and other postretirement benefits

Retirement benefits

Substantially all of the Company's employees participate in defined benefit and defined contribution employee future benefit plans. Costs for future employee benefits are accrued over the periods in which the employees earn the benefits. Defined benefit plans provide pension and other post-retirement benefits to covered employees. Plan obligations are valued under ASC 715, *Compensation — Retirement Benefits*, using the projected unit credit method.

The consolidated and combined balance sheets include the assets and liabilities of the Reuters Pension Fund ("RPF") and the Supplementary Pension Scheme ("SPS"), covering U.K. employees (collectively, the "Large U.K. plans"), as well as various smaller plans closely associated with the operations of the Company. For other defined benefit plans in the Predecessor periods, the Company's employees were considered to be participants of a multiemployer plan with Thomson Reuters such that the combined financial statements excluded the specific assets and liabilities of those plans. For those multiemployer plans, amounts payable from the Company to Thomson Reuters were considered to be effectively settled through "Net Parent investment" when the obligation arose. The consolidated and combined statements of income included the portion of net periodic benefit cost (income) attributed to the Company relative to all plans.

Defined benefit plan overview

Benefits payable are generally based on salary and years of service, although each plan has a unique benefits formula. Employees in the Large U.K. plans (and in some smaller global plans) may also make voluntary contributions to augment future benefits. The normal retirement age is typically in the range of 60 to 65 years and benefits are generally payable in annuity or lump sum upon retirement. Most plans include provisions for early retirement, death, survivor, and disability benefits. Under the Large U.K. plans, vested benefits of former employees who are not yet of retirement age are held in deferment. Eligible benefits under the Large U.K. plans increase based on inflation.

Except where required by law, virtually all defined benefit plans are closed to new employees. However, most new employees are eligible to participate in defined contribution plans.

The Company bears the cost of the Large U.K. plans (less employee contributions). However, the responsibility for the management and governance of each of the Large U.K. plans lies with an independent trustee board (the "Trustees"). The Trustees are responsible for carrying out triennial valuations (unless circumstances require an earlier review) and securing funding for benefit payments. In order to develop funding valuations and investment policies, the Trustees consult with the plan's actuary (who is independent of the Company's actuary), the plan's investment advisors (also independent of the Company's investment advisors), and the Company. The Trustees and the Company are required to agree on a schedule of contributions in support of funding objectives. The Company has separate funding agreements with the respective Large U.K. plans' Trustees that provide for ongoing contributions to fund current service accruals and scheduled deficit recovery contributions to remedy prior funding deficits over a period of several years. These arrangements are updated in conjunction with the triennial valuations.

Additionally, the Company provides guarantees to the Trustees of the RPF and to the Trustees of the SPS in conjunction with triennial valuation and funding agreements. As of December 31, 2018, the aggregate maximum liability under the guarantees was £700 million for the RPF and £120 million for the SPS.

Other international locations operate various pension plans in accordance with the local regulations and practices.

The following analysis relates to the material plans, which primarily relate to the Large U.K. plans.

Obligation and Funded Status

The projected benefit obligation ("PBO") is the actuarial present value of benefits earned based upon service and compensation prior to the valuation date and, if applicable, includes assumptions regarding future compensation levels.

The movement in the projected benefit obligation is as follows:

	Projected benefit obligation
Predecessor	
Projected benefit obligation as of January 1, 2017	$ 3,337
Service cost	33
Interest cost	84
Plan participants' contribution	8
Actuarial loss	65
Administration fee disbursements	(4)
Currency impact	306
Benefit payments directly by employer	(1)
Benefits paid	(157)
Projected benefit obligation as of December 31, 2017	**$ 3,671**

Predecessor	Projected benefit obligation
Projected benefit obligation as of January 1, 2018	$ 3,671
Service cost	23
Interest cost	63
Plan participants' contribution	5
Actuarial gain	(184)
Curtailment	(1)
Administration fee disbursements	(3)
Currency impact	(117)
Benefit payments directly by employer	(1)
Benefits paid	(105)
Projected benefit obligation as of September 30, 2018	**$ 3,351**

Successor	
Projected benefit obligation as of January 19, 2018	$ -
Additions due to Acquisition	3,464
Service Costs	6
Interest cost	21
Plan participants' contribution	1
Actuarial gain	(2)
Curtailment and Plan amendments	42
Administration fee disbursements	1
Currency impact	(76)
Benefits paid	(40)
Projected benefit obligation as of December 31, 2018	**$ 3,417**

The change in the fair value of plan assets and the plans' funded status is as follows:

	Fair value of plan assets
Predecessor	
Fair value of plan assets as of January 1, 2017	$ 3,444
Actual return of plan assets	271
Employer contributions	47
Plan participants' contribution	8
Administration fee disbursements	(4)
Currency impact	320
Benefits paid	(157)
Fair value of plan assets as of December 31, 2017	**$ 3,929**
Funded status as of December 31, 2017	**$ 258**
Fair value of plan assets as of January 1, 2018	$ 3,929
Actual loss of plan assets	(186)
Employer contributions	27
Plan participants' contribution	5
Administration fee disbursements	(3)
Currency impact	(121)
Benefits paid	(105)
Fair value of plan assets as of September 30, 2018	**$ 3,546**
Funded status as of September 30, 2018	**$ 195**
Successor	
Fair value of plan assets as of January 19, 2018	$ -
Additions due to Acquisition	3,641
Expected return of plan assets	36
Actuarial loss	(36)
Employer contributions	176
Plan participants' contribution	1
Currency impact	(82)
Benefits paid	(40)
Fair value of plan assets as of December 31, 2018	**$ 3,696**
Funded status as of December 31, 2018	**$ 279**

The assets and liabilities recognized on the consolidated and combined balance sheets are as follows:

	December 31, 2018	December 31, 2017
	Successor	*Predecessor*
Non-current assets	$ 424	$ 425
Current liabilities	-	(1)
Non-current liabilities	(145)	(166)
Net assets recognized	**$ 279**	**$ 258**

The accumulated benefit obligation ("ABO") is the actuarial present value of benefits earned based on service and compensation prior to the valuation date. The ABO differs from the PBO in that the ABO does not include assumptions about future compensation levels. The ABO as of December 31, 2018 and 2017 was $3,336 and $3,560, respectively.

The following table provides information for benefit plans where the projected benefit obligation and accumulated benefit obligation exceed plan assets:

	December 31, 2018	December 31, 2017
	Successor	*Predecessor*
Projected benefit obligation	$ 377	$ 770
Accumulated benefit obligation	356	750
Fair value of plan assets	232	603

The following table provides information for benefit plans where plan assets exceed the projected benefit obligation and accumulated benefit obligation:

	December 31, 2018	December 31, 2017
	Successor	*Predecessor*
Projected benefit obligation	$ 3,040	$ 2,901
Accumulated benefit obligation	2,980	2,810
Fair value of plan assets	3,464	3,326

Investment policy of the material plans

Plan assets consist primarily of government and corporate bonds, and various other investment vehicles. Plan assets are invested to adequately secure benefits and to minimize the need for long-term contributions to the plans. However, specific investment allocations will vary across plans.

The principal investment objectives are to ensure the availability of funds to pay pension benefits as they become due under a broad range of future economic scenarios, maximize long-term investment return with an acceptable level of risk based on our pension obligation, and diversify broadly across and within the capital markets to insulate asset values against adverse experience in any one market.

Plan Trustees set investment policies and strategies for each plan and oversee investment allocation, which includes selecting investment managers, commissioning periodic asset-liability studies, and setting long-term strategic targets. The plan Trustees may consult the Company (Thomson Reuters in the Predecessor periods) in setting investment policy, but the plan Trustees are accountable for investment policy. Investment allocation takes into consideration a number of factors, including the funded status of the plan, a balance between risk and return, the plan's liquidity needs, current and expected economic and market conditions, specific asset class risk as well as the risk profile and maturity pattern of the respective plan.

Target investment allocation ranges are guidelines, not limitations. Funded plans may have broadly diversified portfolios with investments in equities, fixed income, real estate, insurance contracts, derivatives, and other asset classes through direct ownership or through other instruments such as mutual funds, commingled funds, and hedge funds. Derivatives may be used to achieve investment objectives or as a component of risk management such as for interest rate and currency management strategies.

The plans' asset targets and actual allocations as a percentage of plan assets, by asset categories, are as of:

	Target	December 31, 2017
Predecessor		
Equities	4%	5%
Fixed income	59%	56%
Multi-asset	19%	19%
Property	1%	1%
Cash and cash equivalents	13%	14%
Other asset classes	4%	5%
Total	**100%**	**100%**

	Target	December 31, 2018
Successor		
Equities	4%	4%
Fixed income	40%	40%
Buy in Policy	21%	21%
Cash and cash equivalents	3%	3%
Multi assets and other	32%	32%
Total	**100%**	**100%**

The following tables set forth by level, within the fair value hierarchy, the pension assets at fair value:

	Predecessor			
December 31, 2017	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Equities[1]				
U.S.	$ 82	$ 16	$ -	$ 66
All other	97	93	4	-
Bonds[2]				
Corporate				
U.K.	54	2	52	-
All other	611	16	595	-
Government				
U.K.	1,169	2	1,167	-
All other	9	9	-	-
Other fixed income	372	74	298	-
Multi-asset[3]				
U.K.	99	-	99	-
All other	638	-	245	393
Property	33	27	-	6
Insurance	131	-	-	131
Cash and cash equivalents	554	395	130	29
Other	80	7	73	-
Total pension plan assets	**$ 3,929**	**$ 641**	**$ 2,663**	**$ 625**

[1] Represents funds focused on equity strategies.
[2] Bonds include direct credit holdings and funds focused on fixed income strategies.
[3] Multi-asset includes funds that invest in a range of asset classes.

		Successor		
December 31, 2018	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Equities[(1)]				
U.S.	$ 65	$ 10	$ -	$ 55
All other	83	80	3	-
Bonds[(2)]				
Corporate				
U.K.	91	2	89	-
All other	530	13	517	-
Government				
U.K.	594	2	592	-
All other	298	6	292	-
Other fixed income	88	78	10	-
Buy-in-assets	787	-	-	787
Cash and cash equivalents	125	78	35	12
Multi-assets and Other[(3)]	1,035	30	347	658
Total pension plan assets	**$ 3,696**	**$ 299**	**$ 1,885**	**$ 1,512**

(1) Represents funds focused on equity strategies.
(2) Indebtedness includes direct credit holdings and funds focused on the fixed income strategies.
(3) Represents funds invested in a range of asset classes.

The following tables set forth a summary of changes in the fair value of the Level 3 plan assets:

Level 3 Roll forward	**Equities**	**Multi-assets**	**Cash and cash equivalents**	**Other**	**Total**
Predecessor					
January 1, 2017	$ 141	$ 165	$ 35	$ 47	$ 388
Realized gains (losses)	(64)	31	-	1	(32)
Unrealized losses	(6)	(11)	-	(1)	(18)
Purchases, sales and settlements, net	(5)	201	7	84	287
December 31, 2017	66	386	42	131	625
Realized gains	5	-	-	-	5
Unrealized gains (losses)	4	(15)	-	3	(8)
Purchases, sales and settlements, net	(18)	(8)	-	723	697
September 30, 2018	$ 57	$ 363	$ 42	$ 857	$ 1,319

Level 3 Roll forward	**Equities**	**Cash and cash equivalents**	**Multi-assets and Other**	**Total**
Successor				
January 19, 2018	$ -	$ -	$ -	$ -
Additions due to Acquisition	57	42	1,220	1,319
Realized gains	1	-	-	1
Unrealized gains (losses)	2	-	(30)	(28)
Purchases, sales and settlements, net	(5)	(30)	255	220
December 31, 2018	$ 55	$ 12	$ 1,445	$ 1,512

As of December 31, 2018 and December 31, 2017, there were no securities of Thomson Reuters held in the Company's

pension plans' assets.

Contributions

For the twelve months ended December 31, 2018, the Company contributed $176, which included approximately $170 in aggregate to the Large U.K. plans pursuant to a recovery plan agreement and a pension increases agreement signed on October 1, 2018 with the Trustees of these plans.

In 2019, the Company expects to contribute approximately $38 to its material defined benefit plans.

For the nine months ended September 30, 2018 and year ended December 31, 2017, the Company contributed $27 and $47, respectively, to its material defined benefit plans.

For the Large U.K. plans, the Trustees have the right to call for special valuations, which could subsequently result in the Company having to make an unexpected contribution. Market-related factors may also affect the timing and the amount of contributions.

Estimated future benefit payments

Expected benefit payments are estimated using the same assumptions used in determining the benefit obligation as of December 31, 2018. Because benefit payments will depend on future employment and compensation levels; average years employed; average life spans; and payment elections, among other factors, changes in any of these assumptions could significantly affect these expected amounts.

The following table provides expected benefit payments under the Company's pension plans:

Year ending December 31,	Amount
2019	$ 141
2020	104
2021	103
2022	110
2023	117
2024-2028	691
Total	**$ 1,266**

On October 26, 2018, the U.K. High Court issued a ruling in a case relating to how guaranteed minimum pensions provided to pension plan participants should be equalized across genders. The ruling relates to defined benefit pension schemes operated by the Lloyds Banking Group but impacts other U.K. defined benefit pension plans. The estimated impact of this ruling on the large U.K defined benefit pension plans was approximately $9.

In determining the projected benefit obligation, the Company used the following significant weighted-average assumptions:

	December 31, 2018	December 31, 2017
	Successor	*Predecessor*
Projected benefit obligation discount rate	2.35%	2.31%
Rate of increase in compensation levels	3.17%	3.30%

In determining the net periodic benefit cost (income), the Company used the following significant weighted-average assumptions:

	Twelve months ended December 31, 2018	Nine months ended September 30, 2018	Year ended December 31, 2017
Pension Benefits	*Successor*	*Predecessor*	*Predecessor*
Discount rates	2.39%	2.26%	2.44%
Expected long-term rate of return on assets	3.58%	3.95%	4.49%
Rate of increase in compensation levels	3.30%	3.31%	3.26%

Discount rate

The discount rate was based on current market interest rates of high-quality corporate bonds, adjusted to reflect the duration of expected future cash outflows for pension benefit payments. To estimate the discount rate, a hypothetical yield curve that represented yields on high-quality zero-coupon bonds was constructed with durations that mirrored the expected payment stream of the benefit obligation.

Net periodic benefit cost (income)

Net periodic benefit cost (income), including service cost, interest cost, and expected return on assets are determined using assumptions regarding the benefit obligation and the fair value of plan assets (where applicable) as of the beginning of each year or period. The Company uses the fair value of plan assets to calculate the expected return on assets in net periodic benefit cost (income). The benefit obligation and related funded status are determined using assumptions as of the end of each year or period. Actuarial gains and losses resulting from plan remeasurement are recognized in net periodic benefit cost (income) in the period of the remeasurement. The impact of a 2011 plan amendment to increase benefits under the Large U.K. plans is recorded in Accumulated other comprehensive loss, and is amortized as a component of net periodic benefit cost over the plan participants' life expectancy, since the plans are primarily inactive.

The components of net periodic benefit cost (income) are as follows:

	Twelve months ended December 31, 2018	Nine months ended September 30, 2018	Year ended December 31, 2017
	Successor	*Predecessor*	*Predecessor*
Service cost – benefits earned during the period	$ 7	$ 23	$ 33
Interest cost on projected benefit obligation	21	63	84
Expected return on plan assets	(36)	(114)	(159)
Amortization of actuarial loss (gain)	34	116	(40)
Amortization of prior service cost	6	1	2
Curtailment gain	(2)	(1)	-
Net periodic benefit cost (income)	**$ 30**	**$ 88**	**$ (80)**

Analysis of accumulated other comprehensive loss

The following amounts are recognized in "Accumulated other comprehensive loss" on the consolidated and combined balance sheets:

	Accumulated other comprehensive loss
Predecessor	
Accumulated other comprehensive loss as of January 1, 2017	$ 48
Currency impact	5
Amortization of prior service credit	(2)
Accumulated other comprehensive loss as of December 31, 2017	51
Currency impact	(2)
Amortization of prior service credit	(1)
Accumulated other comprehensive loss as of September 30, 2018	**$ 48**
Successor	
Accumulated other comprehensive loss as of January 19, 2018	$ -
Currency impact	(2)
Prior Service Cost recognized during the year	44
Amortization of prior service cost[1]	(6)
Accumulated other comprehensive loss as of December 31, 2018	**$ 36**

[1] Recognized in the statement of income due to Curtailment

The estimated prior service cost that will be amortized from accumulated other comprehensive loss into net periodic benefit cost (income) over the next twelve months is $2.

Defined contribution plans

The Company sponsors various defined contribution savings plans that provide for Company-matching contributions. Total expense related to defined contribution plans was $15, $31 and $39 for the twelve months ended December 31, 2018, nine months ended September 30, 2018 and year ended December 31, 2017, respectively, which approximates the cash outlays related to the plans.

(20) Income taxes

The components of the tax provision and pre-tax income are presented separately for Cayman Islands, the tax jurisdiction of Holdco, as well as the United Kingdom which is the tax jurisdiction of Parent and a significant operating jurisdiction.

The components of income tax (benefit) expense are as follows:

	Twelve months ended December 31, 2018	Nine months ended September 30 2018	Year ended December 31, 2017
	Successor	*Predecessor*	*Predecessor*
Current			
Cayman Islands			
UK	$ 7	$ 52	$ 46
Other jurisdictions	29	129	118
Total current	36	181	164
Deferred			
Cayman Islands			
UK	(21)	(41)	5
Other jurisdictions	(63)	(32)	(197)
Total deferred	(84)	(73)	(192)
Total provision for income tax (benefit) expense	**$ (48)**	**$ 108**	**$ (28)**

The components of pre-tax income are as follows:

	Twelve months ended December 31, 2018	Nine months ended September 30, 2018	Year ended December 31, 2017
	Successor	*Predecessor*	*Predecessor*
Cayman Islands earnings			
UK earnings	$ (353)	$ (5)	$ 42
Other jurisdictions earnings	(240)	807	830
Pre-tax income	**$ (593)**	**$ 802**	**$ 872**

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, 2018	December 31, 2017
	Successor	*Predecessor*
Computer hardware, software and other property, net	$ -	$ 85
Other identifiable intangible assets, net	-	16
Other financial liabilities	42	-
Employee benefits	24	34
Other liabilities	31	47
Operating losses and tax attributes	67	23
Total deferred tax assets	$ 164	$ 205
Valuation allowances	(46)	(3)
Net deferred tax assets	$ 118	$ 202
Computer hardware, software and other property, net	(258)	-
Other identifiable intangible assets, net	(233)	(408)
Goodwill	(10)	(68)
Employee benefits	-	(71)
Partnership inside basis	(240)	-
Outside basis of overseas subsidiaries	(7)	-
Other assets	(20)	(39)
Total deferred tax liabilities	$ (768)	$ (586)
Net deferred tax liabilities	**$ (650)**	**$ (384)**

In the consolidated and combined 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 and combined balance sheets are as follows:

	December 31, 2018	December 31, 2017
	Successor	*Predecessor*
Deferred tax assets	$ 22	$ 20
Deferred tax liabilities	(672)	(404)
Net deferred tax liabilities	**$ (650)**	**$ (384)**

The Company is required to assess the realization of its deferred tax assets and the need for a valuation allowance on a standalone basis. The assessment requires judgment on the part of management with respect to benefits that could be realized from future taxable income, as well as other positive and negative factors influencing the realization of deferred tax assets. As of December 31, 2018, the Company had tax losses carried forward of $292 and other tax credits with an estimated value of $14. The majority of the tax losses carried forward may be carried forward indefinitely and the amount of carry forwards that can be used by the Company is not expected to be impacted in case of a substantial change in the Company's' ownership.

As of December 31, 2018, the Company has provided deferred tax of $7 on the unremitted earnings or other temporary differences associated with investments in affiliates. The retained earnings attributable to overseas affiliates at December 31, 2018 are estimated at $143 with a potential deferred tax liability of $7.

A reconciliation of the statutory UK tax rate to the Company's effective tax rate is as follows:

	Twelve months ended December 31, 2018
	Successor
Statutory rate	19.0%
Foreign rate differential	2.8%
Permanent differences	(4.5%)
Withholding taxes	(0.9%)
Impact of non-controlling interests	0.3%
Impact of tax rate changes	(0.5%)
Movement in valuation allowance	(7.5%)
Provision for uncertain tax positions	0.1%
Other	(0.6%)
Effective rate	8.2%

For the Predecessor periods, a reconciliation of the statutory Canadian tax rate to the Company's effective tax rate is as follows:

	Nine months ended September 30, 2018	Year ended December 31, 2017
	Predecessor	*Predecessor*
Statutory rate	26.6%	26.5%
Foreign rate differential	(17.5%)	(23.1)%
Withholding taxes	2.1%	2.8%
Impact of non-controlling interests	(2.4%)	(2.1)%
Impact of tax rate changes	2.0%	(10.8)%
Provision for uncertain tax positions	2.6%	1.4%
Other	0.1%	2.1%
Effective rate	13.5%	(3.2)%

Uncertain tax positions

The Company is subject to taxation in numerous jurisdictions and is routinely under audit by many different tax authorities in the ordinary course of business. There are many transactions and calculations during the course of business for which the ultimate tax determination is uncertain, as taxing authorities may challenge some of the Company's positions and propose adjustments or changes to its tax filings. As a result, the Company maintains provisions for uncertain tax positions that it believes appropriately reflect its risk. These provisions have been included in "Provisions and other non-current liabilities" or "deferred tax liabilities" within the consolidated and combined balance sheets based upon the expected method of settlement with the tax authorities. The Company has a tax indemnity for all tax liabilities arising up to September 30, 2018 in the predecessor Company. This tax indemnity balance is included in "Other current assets" within the consolidated and combined balance sheet. The Company believes that it is reasonably possible that approximately $2 of unrecognized tax benefits within the uncertain tax positions, may be recognized by December 31, 2019 as a result of the lapse of the statute of limitations.

The following table summarizes the Company's uncertain tax positions:

	December 31, 2018	December 31, 2017
	Successor	*Predecessor*
Uncertain tax positions	$ 86	$ 139
Portion that, if recognized, would reduce tax expense	86	139
Accrued interest on uncertain tax positions	10	22
Accrued penalties on uncertain tax positions	6	10

The following table reconciles the beginning and ending balances of uncertain tax positions for each consolidated and combined balance sheet period presented:

	Uncertain tax positions
Predecessor	
Balance as of January 1, 2017	$ 138
Additions for tax positions of the current year	20
Additions for tax positions of prior years	(3)
Expiration of statute of limitations	(6)
Settlements with tax authorities	(11)
Effect of foreign currency translation	1
Balance as of December 31, 2017	**$ 139**
Additions for tax positions of the current period	15
Additions for tax positions of prior years	4
Expiration of statute of limitations	-
Settlements with tax authorities	(6)
Effect of foreign currency translation	(3)
Balance as of September 30, 2018	**$ 149**
Successor	
Balance as of October 1, 2018	$ -
Additions due to Acquisition	86
Additions for tax positions of the current period	1
Expiration of statute of limitations	(1)
Balance as of December 31, 2018	**$ 86**

As of December 31, 2018 the Company's open tax years in its major tax jurisdictions are 2008 through 2018.

As of December 31, 2018 the Company has a tax indemnity receivable of $75 in relation to the uncertain tax positions reflected above.

(21) Preferred and common shares

The Company has 5,000,000 authorized and 1,000,000 issued and outstanding 14.5% Preferred shares, $0.00001 par value per share, as of December 31, 2018. These shares rank senior in priority to other preferred or common shares and are not transferable by the investors except to their affiliates. They have a 14.5% per annum rate and accrete daily with semi-annual compounding. These shares are classified as temporary equity as they are redeemable for cash at the option of the holder after October 1, 2027 and callable by the Company, which is controlled by the holder, after October 1, 2022 or earlier under certain circumstances related to a possible initial public offering or change of control. These shares are recorded as of December 31, 2018 based upon marking them to their theoretical, current redemption value, including dividend accretion. The redemption value is its initial liquidation preference adjusted for dividend accretion through the date of redemption.

The Company has 72,040,000,000 authorized and 5,171,517,818 issued and outstanding 10% Preferred shares, $0.00001 par value per share, in classes of A-1, A-1X, A-2, A-2X, A-3 and B. Rights of the holders of each class of these Preferred Shares are largely identical to each other. These Preferred Shares rank junior to the 14.5% Preferred shares and senior to the Common shares. These shares are not transferable by the investors, except as permitted under the articles of association of the Company (including with respect to the restrictions set forth in the securityholders' agreements to which the Company is a party). They have a 10% per annum rate and accrete daily with semi-annual compounding. The Company has 730,000,000 authorized and 52,237,554 issued and outstanding common shares in classes of A-1, A-1X, A-2, A-2X, A-3 and B and 20,000,000 authorized and 4,774,088 issued and outstanding common shares in classes C and D. All shares are $0.00001 par value per share. Class A and B common shares are stapled with a corresponding class of Preferred Shares in accordance with the provisions of the articles of association of the Company. Class A common shares possess one vote per share. The other classes have no voting rights. Distributions in respect of outstanding shares of the Company are to be made in accordance with the provisions of the articles of association of the Company, including those governing the priority of such distributions. Common shares are not transferable, except as permitted under the articles of association of the Company (including with respect to the restrictions set forth in the securityholders' agreements to which the Company is a party).

Holdco, Blackstone and Thomson Reuters entered into an agreement on October 1, 2018 for the potential reallocation of outstanding shares between Blackstone and Thomson Reuters at the time of an initial public offering or change of control of Holdco based on rates of return achieved by the Company's investors. Such reallocation would not involve incremental investment in the Company at the time such reallocation is implemented. Therefore, the Company has not recognized an asset, liability or equity interest in relation to this agreement.

(22) Commitments and contingencies

Lawsuits and legal claims

The Company is engaged in various legal proceedings, claims, audits, and investigations that have arisen in the ordinary course of business. These matters include, but are not limited to, employment matters, commercial matters, defamation claims, and intellectual property infringement claims. The outcome of all of the matters against the Company is subject to future resolution, including the uncertainties of litigation. Based on information currently known to the Company and after consultation with outside legal counsel, management 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 consolidated and combined financial statements taken as a whole.

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. The liability associated with these restorations is recorded within "Other non-current liabilities" in the consolidated and combined balance sheets.

The gross future minimum lease payments under all non-cancelable operating leases as of December 31, 2018 are as follows:

December 31,	**Amount**
2019	$ 200
2020	150
2021	126
2022	63
2023	40
2024 and thereafter	173
Total	**$ 752**

Total rental expense under operating leases amounted to $51, $104 and $155 for the twelve months ended December 31, 2018, nine months ended September 30, 2018 and year ended December 31, 2017.

The future minimum sublease payments to be received under non-cancelable subleases amounted to $86 as of December 31, 2018. Sublease payments received for the twelve months ended December 31, 2018, nine months ended September 30, 2018 and year ended December 31, 2017 amounted to $5, $14 and $12, respectively.

Unconditional purchase obligations

The Company has various obligations for materials, supplies, outsourcing, and other services contracted in the ordinary course of business. The future unconditional purchase obligations as of December 31, 2018 are as follows:

Year ending December 31,	**Amount**
2019	$ 520
2020	471
2021	343
2022	331
2023 and thereafter	8,377
Total	**$ 10,042**

(23) Related party transactions

Predecessor periods

During the Predecessor periods, the Company has been managed and operated in the normal course of business in the same manner as other subsidiaries of Thomson Reuters. Accordingly, certain centralized costs have been allocated to the Company and are reflected as expenses in the combined statements of income. Management considers the allocation methodologies used to be reasonable, such that the allocations appropriately reflect Thomson Reuters' historical expenses attributable to the Company for purposes of the combined financial statements. However, the expenses reflected in the combined financial statements may not be indicative of the actual expenses that would have been incurred during the periods presented if the Company had historically operated as a stand-alone independent entity. In addition, the expenses reflected in the combined financial statements may not be indicative of expenses that the Company will incur in the future.

General corporate overhead allocation and editorial content

Thomson Reuters provided facilities, technology, and other corporate and administrative services to the Company. Costs of $1,239 and $1,692 for the nine months ended September 30, 2018 and for the year ended December 31, 2017, respectively, related to these services primarily include corporate overhead, audit fees, legal services, treasury, communications, human resources, tax and accounting, risk management, technology support, transaction processing, and rent, as well as costs associated with editorial content provided by Thomson Reuters which is included in the Company's products. These expenses have been allocated to the Company and are included in the "Allocation of costs from Thomson Reuters and affiliates" in the combined statements of income. Where direct assignment was not possible or practical, these costs were allocated on a pro-rata basis using revenues, salaries and wages, or head count.

Cash management and financing

Thomson Reuters periodically swept the Company's cash receipts and funded the Company's cash disbursements. As cash was disbursed and received by Thomson Reuters, it was accounted for by the Company through the Net Parent investment.

The Company received funding from Thomson Reuters for the Company's operating and investing cash needs. Thomson Reuters' debt and the related interest expense were not included in the combined financial statements, as the Company was not the legal obligor of the debt and Thomson Reuters' borrowings were not directly attributable to the Company's business.

Leasing transactions with Thomson Reuters

One of the Company's subsidiaries leases the 3 Times Square property and building in New York, New York that is jointly managed and operated by Thomson Reuters and a third party, 3XSQ Associates. The lease provides the Company with approximately 690,000 square feet of office space until 2021 and includes provisions to terminate portions early and various renewal options. For the nine months ended September 30, 2018 and year ended December 31, 2017, the Company's costs under this lease arrangement for rent, taxes, and other expenses were $30 and $40, respectively. As of December 31, 2017, the amounts payable to 3XSQ Associates were negligible.

Other intercompany transactions

Intercompany transactions between the Company and Thomson Reuters 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 "Net Parent investment" in the combined balance sheet and is reflected in the combined statements of cash flow as a financing activity.

The Company also sold products to subsidiaries of Thomson Reuters. The combined financial statements include revenues of $7 and $7, for the nine months ended September 30, 2018 and the year ended December 31, 2017, respectively, related to these transactions. Additionally, the Company provided products to subsidiaries of Thomson Reuters for no consideration. The fair value of such transactions was not material.

Net Parent investment

Net transfers to Thomson Reuters were included within "Net Parent investment" in the combined statements of changes in Net Parent investment, non-controlling interests, and accumulated other comprehensive loss. The components of the net transfers to Thomson Reuters for the nine months ended September 30, 2018 and the year ended December 31, 2017, were as follows:

	Nine months ended September 30, 2018	Year ended December 31, 2017
Cash pooling and other general finance activities	$ (2,142)	$ (2,827)
Share-based compensation	10	18
Other non-cash employee benefits	9	11
Allocation of costs from Thomson Reuters and affiliates	1,239	1,692
Non-cash transfer of net assets from Thomson Reuters and affiliates	(19)	43
Acquisitions, net of cash acquired	-	182
Income taxes settled through Net Parent investment	181	164
Net transfers to Thomson Reuters	**$ (722)**	**$ (717)**

Successor period

The Company executed a 30-year agreement with Reuters News, a business of Thomson Reuters, to receive news and editorial content for a minimum amount of $325 per year. The Company recorded expense of $81 in "Cost of revenues, excluding depreciation and amortization" in the consolidated statement of income for the twelve months ended December 31, 2018.

Additionally, the Company and Thomson Reuters sell products and services to each other in the normal course of business. These transactions are not significant to the Company's results of operations or financial condition either individually or in the aggregate.

To facilitate the separation of the Company from Thomson Reuters, both agreed to provide certain operational services to each other, including technology and administrative services, for a specified multi-year period. Also, the Company and Thomson Reuters extended property leases to each other. For the twelve months ended December 31, 2018, the Company recorded the following amounts as expense or contra-expense, as applicable, related to these transactions:

	Provided by Thomson Reuters to Refinitiv: (Expense)	Provided by Refinitiv to Thomson Reuters: Contra-expense
Transitional services	$ (12)	$ 21
Properties leased	(13)	14

The Company included $57 of minimum lease payments owed to Thomson Reuters under non-cancellable leases in its disclosure of minimum lease payments (see note 22). Thomson Reuters owed the Company minimum lease payments of $42 under non-cancellable lease agreements. Additionally, the Company included $63 of purchase obligations to Thomson Reuters related to certain operational services, including technology and administrative services, in its disclosure of future unconditional purchase obligations (see note 22). Thomson Reuters has $113 of purchase obligations to the Company for similar operational services.

The consolidated balance sheet as of December 31, 2018 included a receivable from Thomson Reuters of $210 and a payable to Thomson Reuters of $293 related to all transactions between the two companies.

(24) Regulatory Capital Requirements

Certain Refinitiv subsidiaries are registered with regulatory authorities that require the subsidiary to maintain adequate financial resources and liquid financial assets. As of December 31, 2018, these subsidiaries were in compliance with their minimum capital requirements.

(25) Subsequent events

On April 4, 2019, Tradeweb Markets Inc. ("Tradeweb Inc.") completed an initial public offering of shares of its Class A common stock. Tradeweb Inc. used the net proceeds of such offering to purchase outstanding common membership units in Tradeweb LLC from certain of the investment and commercial banks that own a non-controlling interest in Tradeweb LLC. In connection with the offering, Tradeweb Inc. issued an aggregate of 96,933,192 shares of Class B common stock to Parent, while another wholly-owned subsidiary of Refinitiv received 22,988,329 shares of Class D common stock of Tradeweb Inc. and a corresponding number of common membership units of Tradeweb LLC. After this offering, the Company will continue to account for Tradeweb as a consolidated subsidiary with a non-controlling interest.

Management has evaluated subsequent events through April 30, 2019, for disclosure or recognition in the consolidated and combined financial statements of the Company as appropriate.