UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2021

OR

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

Commission File Number 1-38300

CANNAE HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**82-1273460**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
1701 Village Center Circle, Las Vegas, Nevada	**89134**
(Address of principal executive offices)	(Zip Code)

(702) 323-7330

(Registrant's telephone number, including area code)

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

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

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

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

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

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

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

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

As of October 29, 2021 there were 88,912,864 shares of the Registrant's common stock outstanding.

FORM 10-Q
QUARTERLY REPORT
Quarter Ended September 30, 2021
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Part I: FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

CANNAE HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)
(Unaudited)

	September 30, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 234.2	$ 724.7
Fixed maturity securities available for sale, at fair value	—	35.2
Other current assets	91.8	84.3
Total current assets	326.0	844.2
Equity securities, at fair value	1,241.7	1,799.1
Investments in unconsolidated affiliates	2,268.2	1,453.0
Lease assets	177.2	202.3
Property and equipment, net	99.7	145.8
Other intangible assets, net	27.8	51.8
Goodwill	53.4	53.4
Other long term investments and non-current assets	119.5	63.8
Total assets	$ 4,313.5	$ 4,613.4
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and other accrued liabilities, current	$ 92.8	$ 93.2
Lease liabilities, current	23.8	26.2
Income taxes payable	38.0	47.4
Deferred revenue	14.6	23.9
Notes payable, current	7.4	11.3
Total current liabilities	176.6	202.0
Lease liabilities, long term	169.3	195.6
Deferred tax liability	190.1	325.3
Notes payable, long term	220.4	52.2
Accounts payable and other accrued liabilities, long term	49.3	53.1
Total liabilities	805.7	828.2
Commitments and contingencies - see Note G		
Equity:		
Cannae common stock, 0.0001 par value; authorized 115,000,000 shares as of September 30, 2021 and December 31, 2020; outstanding of 88,912,864 and 91,651,257 shares as of September 30, 2021 and December 31, 2020, respectively, and issued of 92,381,740 and 92,391,965 shares as of September 30, 2021 and December 31, 2020, respectively	—	—
Preferred stock, 0.0001 par value; authorized 10,000,000 shares; issued and outstanding, none as of September 30, 2021 and December 31, 2020	—	—
Retained earnings	1,752.1	1,929.8
Additional paid-in capital	1,883.7	1,875.8
Less: Treasury stock, 3,468,876 and 740,708 shares as of September 30, 2021 and December 31, 2020, respectively, at cost	(117.6)	(21.1)
Accumulated other comprehensive loss	(18.8)	(4.9)
Total Cannae shareholders' equity	3,499.4	3,779.6
Noncontrolling interests	8.4	5.6
Total equity	3,507.8	3,785.2
Total liabilities and equity	$ 4,313.5	$ 4,613.4

See Notes to Condensed Consolidated Financial Statements

CANNAE HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share data)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Revenues:				
Restaurant revenue	$ 175.1	$ 129.4	$ 532.3	$ 398.7
Other operating revenue	10.9	10.3	28.0	16.6
Total operating revenues	186.0	139.7	560.3	415.3
Operating expenses:				
Cost of restaurant revenue	154.8	121.7	462.8	375.6
Personnel costs	21.9	16.7	58.3	69.2
Depreciation and amortization	6.3	6.5	20.6	22.2
Other operating expenses	27.8	23.2	115.6	68.0
Goodwill impairment	—	—	—	7.7
Total operating expenses	210.8	168.1	657.3	542.7
Operating loss	(24.8)	(28.4)	(97.0)	(127.4)
Other income (expense):				
Interest, investment and other income	18.7	4.7	20.1	15.2
Interest expense	(2.3)	(1.6)	(6.9)	(6.4)
Recognized (losses) gains, net	(186.2)	189.6	(224.7)	1,682.8
Total other (expense) income	(169.8)	192.7	(211.5)	1,691.6
(Loss) earnings before income taxes and equity in earnings (losses) of unconsolidated affiliates	(194.6)	164.3	(308.5)	1,564.2
Income tax (benefit) expense	(34.7)	35.1	(47.4)	335.6
(Loss) earnings before equity in earnings (losses) of unconsolidated affiliates	(159.9)	129.2	(261.1)	1,228.6
Equity in earnings (losses) of unconsolidated affiliates	41.4	(1.2)	86.5	3.6
Net (loss) earnings	(118.5)	128.0	(174.6)	1,232.2
Less: Net earnings (loss) attributable to non-controlling interests	2.5	(3.9)	3.1	(22.7)
Net (loss) earnings attributable to Cannae Holdings, Inc. common shareholders	$ (121.0)	$ 131.9	$ (177.7)	$ 1,254.9
Earnings per share				
Basic				
Net (loss) earnings per share	$ (1.36)	$ 1.44	$ (1.97)	$ 14.97
Diluted				
Net (loss) earnings per share	$ (1.36)	$ 1.44	$ (1.97)	$ 14.94
Weighted Average Shares Outstanding				
Weighted average shares outstanding Cannae Holdings common stock, basic basis	88.8	91.3	90.3	83.8
Weighted average shares outstanding Cannae Holdings common stock, diluted basis	88.9	91.6	90.4	84.0

See Notes to Condensed Consolidated Financial Statements

CANNAE HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)
(In millions)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2021	**2020**	**2021**	**2020**
Net (loss) earnings	$ (118.5)	$ 128.0	$ (174.6)	$ 1,232.2
Other comprehensive earnings (loss), net of tax:				
Unrealized gain on investments and other financial instruments, net (excluding investments in unconsolidated affiliates) (1)	—	0.3	0.5	11.5
Unrealized (losses) gains of investments in unconsolidated affiliates (2)	(3.0)	4.8	(5.7)	(1.7)
Reclassification adjustments for unrealized gains and losses on investments and other financial instruments, net of tax, (excluding investments in unconsolidated affiliates) included in net earnings (3)	—	—	(10.9)	—
Reclassification adjustments for unrealized gains and losses of unconsolidated affiliates, net of tax, included in net earnings (4)	—	1.8	2.2	46.2
Other comprehensive (loss) earnings	(3.0)	6.9	(13.9)	56.0
Comprehensive (loss) earnings	(121.5)	134.9	(188.5)	1,288.2
Less: Comprehensive earnings (loss) attributable to noncontrolling interests	2.5	(3.9)	3.1	(22.7)
Comprehensive (loss) earnings attributable to Cannae Holdings, Inc. common shareholders	$ (124.0)	$ 138.8	$ (191.6)	$ 1,310.9

Net of income tax expense of $0.1 million for the three months ended September 30, 2020, and $0.1 million and $3.1 million for the nine months ended September 30, 2021 and 2020, respectively.

Net of income tax (benefit) expense of $(0.8) million and $1.3 million for the three months ended September 30, 2021 and 2020, respectively, and $(1.5) million and $(0.4) million for the nine months ended September 30, 2021 and 2020, respectively.

Net of income tax benefit of $2.9 million for the three and nine months ended September 30, 2021.

Net of income tax expense of $0.5 million for the three months ended September 30, 2020, and $0.6 million and $12.3 million for the nine months ended September 30, 2021 and 2020, respectively.

See Notes to Condensed Consolidated Financial Statements

CANNAE HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(In millions)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comp (Loss) Earnings	Treasury Stock		Non-controlling Interests	Total Equity
	Shares	$				Shares	$		
Balance, June 30, 2020	92.4	$ —	$ 1,868.4	$ 1,266.6	$ 3.2	0.7	$ (20.3)	$ 15.9	$ 3,133.8
Other comprehensive earnings — unrealized gain on investments and other financial instruments, net of tax	—	—	—	—	0.3	—	—	—	0.3
Other comprehensive earnings — unrealized losses of investments in unconsolidated affiliates, net of tax	—	—	—	—	4.8	—	—	—	4.8
Reclassification adjustments for unrealized gains and losses on unconsolidated affiliates, net of tax, included in net earnings	—	—	—	—	1.8	—	—	—	1.8
Stock-based compensation, consolidated subsidiaries	—	—	1.2	—	—	—	—	—	1.2
Contribution of CSA services from FNF	—	—	0.3	—	—	—	—	—	0.3
Stock-based compensation, unconsolidated affiliates	—	—	1.8	—	—	—	—	—	1.8
Net earnings (loss)	—	—	—	131.9	—	—	—	(3.9)	128.0
Balance, September 30, 2020	92.4	$ —	$ 1,871.7	$ 1,398.5	$ 10.1	0.7	$ (20.3)	$ 12.0	$ 3,272.0
Balance, June 30, 2021	92.4	$ —	$ 1,880.8	$ 1,873.1	$ (15.8)	3.2	$ (110.8)	$ 6.2	$ 3,633.5
Other comprehensive earnings — unrealized losses of investments in unconsolidated affiliates, net of tax	—	—	—	—	(3.0)	—	—	—	(3.0)
Treasury stock repurchases	—	—	—	—	—	0.2	(6.8)	—	(6.8)
Stock-based compensation, consolidated subsidiaries	—	—	0.6	—	—	—	—	—	0.6
Stock-based compensation, unconsolidated affiliates	—	—	2.3	—	—	—	—	—	2.3
Subsidiary dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(0.3)	(0.3)
Net (loss) earnings	—	—	—	(121.0)	—	—	—	2.5	(118.5)
Balance, September 30, 2021	92.4	$ —	$ 1,883.7	$ 1,752.1	$ (18.8)	3.4	$ (117.6)	$ 8.4	$ 3,507.8

See Notes to Condensed Consolidated Financial Statements

CANNAE HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY- CONTINUED
(In millions)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comp (Loss) Earnings	Treasury Stock		Non-controlling Interests	Total Equity
	Shares	$				Shares	$		
Balance, December 31, 2019	79.7	$ —	$ 1,396.7	$ 143.6	$ (45.9)	0.2	$ (5.9)	$ 41.3	$ 1,529.8
Equity offering, net of offering costs	12.7	—	455.0	—	—	—	—	—	455.0
Other comprehensive earnings — unrealized gain on investments and other financial instruments, net of tax	—	—	—	—	11.5	—	—	—	11.5
Other comprehensive earnings — unrealized losses of investments in unconsolidated affiliates, net of tax	—	—	—	—	(1.7)	—	—	—	(1.7)
Reclassification adjustments for unrealized gains and losses on unconsolidated affiliates, net of tax, included in net earnings	—	—	—	—	46.2	—	—	—	46.2
Restaurant Group reorganization and deconsolidation of Legendary Baking and VIBSQ	—	—	5.2	—	—	—	—	(10.3)	(5.1)
Sale of noncontrolling interest in consolidated subsidiary	—	—	—	—	—	—	—	3.7	3.7
Treasury stock repurchases	—	—	—	—	—	0.5	(14.4)	—	(14.4)
Stock-based compensation, consolidated subsidiaries	—	—	3.3	—	—	—	—	—	3.3
Contribution of CSA services from FNF	—	—	1.1	—	—	—	—	—	1.1
Stock-based compensation, unconsolidated affiliates	—	—	10.4	—	—	—	—	—	10.4
Net earnings (loss)	—	—	—	1,254.9	—	—	—	(22.7)	1,232.2
Balance, September 30, 2020	92.4	$ —	$ 1,871.7	$ 1,398.5	$ 10.1	0.7	$ (20.3)	$ 12.0	$ 3,272.0
Balance, December 31, 2020	92.4	$ —	$ 1,875.8	$ 1,929.8	$ (4.9)	0.7	$ (21.1)	$ 5.6	$ 3,785.2
Other comprehensive earnings — unrealized gain on investments and other financial instruments, net of tax	—	—	—	—	0.5	—	—	—	0.5
Other comprehensive earnings — unrealized losses of investments in unconsolidated affiliates, net of tax	—	—	—	—	(5.7)	—	—	—	(5.7)
Reclassification adjustments for unrealized gains and losses on investments and other financial instruments, net of tax, (excluding investments in unconsolidated affiliates) included in net earnings	—	—	—	—	(10.9)	—	—	—	(10.9)
Reclassification adjustments for unrealized gains and losses on unconsolidated affiliates, net of tax, included in net loss	—	—	—	—	2.2	—	—	—	2.2
Treasury stock repurchases	—	—	—	—	—	2.7	(96.5)	—	(96.5)
Stock-based compensation, consolidated subsidiaries	—	—	2.0	—	—	—	—	—	2.0
Stock-based compensation, unconsolidated affiliates	—	—	5.9	—	—	—	—	—	5.9
Subsidiary dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(0.3)	(0.3)
Net (loss) earnings	—	—	—	(177.7)	—	—	—	3.1	(174.6)
Balance, September 30, 2021	92.4	$ —	$ 1,883.7	$ 1,752.1	$ (18.8)	3.4	$ (117.6)	$ 8.4	$ 3,507.8

See Notes to Condensed Consolidated Financial Statements

CANNAE HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Nine months ended September 30, 2021	2020
Cash flows from operating activities:		
Net (loss) earnings	$ (174.6)	$ 1,232.2
Adjustments to reconcile net (loss) earnings to net cash used in operating activities:		
Depreciation and amortization	20.6	22.2
Equity in earnings of unconsolidated affiliates	(86.5)	(3.6)
Distributions from investments in unconsolidated affiliates	5.4	0.5
Recognized losses (gains) and asset impairments, net	225.0	(1,669.7)
Lease asset amortization	15.8	17.4
Stock-based compensation cost	2.0	3.3
Changes in assets and liabilities, net of effects from acquisitions:		
Net decrease (increase) in other assets	22.6	(29.9)
Net decrease in lease liabilities	(18.9)	(22.3)
Net (decrease) increase in accounts payable, accrued liabilities, deferred revenue and other liabilities	(11.6)	17.4
Net change in income taxes	(141.4)	241.6
Net cash used in operating activities	(141.6)	(190.9)
Cash flows from investing activities:		
Proceeds from partial sale of Ceridian shares	275.0	522.0
Proceeds from partial sale of D&B shares	186.0	—
Additions to property and equipment and other intangible assets	(7.7)	(18.3)
Collections of notes receivable	2.8	—
Additions to notes receivable	(18.6)	(28.9)
Proceeds from sales of property and equipment	10.3	—
Proceeds from sale of other investments in unconsolidated affiliates and other long term investments	18.5	—
Investment in Dun & Bradstreet	—	(200.0)
Investment in Optimal Blue	—	(289.0)
Investments in Paysafe, net of subscription fees earned	(494.4)	—
Investments in Alight, net of subscription fees earned	(446.3)	—
Investments in Sightline	(272.0)	—
Purchase of warrants of Austerlitz II	(29.6)	—
Additional investments in unconsolidated affiliates	(8.5)	(311.5)
Cash proceeds from settlement of fixed maturity securities and equity in Colt	38.7	—
Cash proceeds from sales of VIBSQ, Legendary Baking, and RCI	28.2	—
Purchases of other long term investments	(4.0)	—
Cash deconsolidated through the Blue Ribbon Reorganization	—	(1.1)
Distributions from investments in unconsolidated affiliates	281.3	1.6
Net purchases of short-term investment securities	—	0.5
Net other investing activities	2.6	0.8
Net cash used in investing activities	(437.7)	(323.9)
Cash flows from financing activities:		
Borrowings	206.5	37.0
Debt service payments	(21.2)	(94.3)
Sale of noncontrolling interest in consolidated subsidiary	—	3.7
Proceeds from equity offering, net of offering costs	—	455.0
Treasury stock repurchases	(96.5)	(14.4)
Net cash provided by financing activities	88.8	387.0
Net decrease in cash and cash equivalents	(490.5)	(127.8)
Cash and cash equivalents at beginning of period	724.7	533.7
Cash and cash equivalents at end of period	$ 234.2	$ 405.9

See Notes to Condensed Consolidated Financial Statements

CANNAE HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note A — Basis of Financial Statements

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

Description of the Business

We are engaged in actively managing and operating a group of companies and investments, as well as making additional majority and minority equity portfolio investments in businesses, in order to achieve superior financial performance and maximize the value of these assets. Our primary investments as of September 30, 2021 include our minority ownership interests in Dun & Bradstreet Holdings, Inc. ("Dun & Bradstreet" or "D&B"), Ceridian HCM Holding, Inc. ("Ceridian"), Paysafe Limited ("Paysafe"), Alight, Inc. ("Alight"), Optimal Blue Holdco, LLC ("Optimal Blue"), Sightline Payments Holdings, LLC ("Sightline") and AmeriLife Group, LLC ("AmeriLife"); majority equity ownership stakes in O'Charley's Holdings, LLC ("O'Charley's") and 99 Restaurants Holdings, LLC ("99 Restaurants"); and various other controlled portfolio companies and minority equity investments.

See Note H for further discussion of the businesses comprising our reportable segments.

We conduct our business through our wholly-owned subsidiary Cannae Holdings, LLC ("Cannae LLC"), a Delaware limited liability company. Our board of directors ("Board") oversees the management of the Company, Cannae LLC and its businesses, and the performance of our external manager, Trasimene Capital Management, LLC (“Trasimene” or our “Manager”).

Principles of Consolidation and Basis of Presentation

The accompanying Condensed Consolidated Financial Statements are prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and the instructions to Form 10-Q and Article 10 of Regulation S-X and include the historical accounts as well as wholly-owned and majority-owned subsidiaries of the Company. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All adjustments made were of a normal, recurring nature. This report should be read in conjunction with our Annual Report on Form 10-K (our "Annual Report") for the year ended December 31, 2020.

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

Management Estimates

The preparation of these Condensed Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Condensed Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by management include the fair value measurements (Note C). Actual results may differ from estimates.

Recent Developments

Ceridian

On May 20, 2021, we completed the sale of 2.0 million shares of common stock of Ceridian pursuant to Rule 144 promulgated under the Securities Act of 1933, as amended ("Rule 144"). In connection with the sale, we received proceeds of $175.0 million.

In September 2021, we completed the sale of 1.0 million shares of common stock of Ceridian for proceeds of $100.0 million pursuant to the terms of a covered call agreement (together with the sale on May 20, 2021, the "Ceridian Share Sales").

As a result of the Ceridian Share Sales, we owned 11.0 million shares of Ceridian common stock as of September 30, 2021, which represented approximately 7.4% of its outstanding stock as of September 30, 2021.

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

On October 21, 2021, we completed the sale of an additional 1.0 million shares of common stock of Ceridian pursuant to Rule 144. In connection with the sale, we received proceeds of $125.8 million in October 2021.

Dun & Bradstreet

On January 8, 2021, D&B completed its acquisition of Bisnode Business Information Group AB (the "Bisnode Acquisition"). In connection with the Bisnode Acquisition, D&B issued an additional 6.2 million shares of its common stock, which resulted in a decrease in our ownership interest in D&B from approximately 18.1% to approximately 17.7% and we recorded a gain of $18.6 million in the nine months ended September 30, 2021.

On June 28, 2021, we completed the sale of an aggregate of 8.5 million shares of common stock of D&B (the "D&B Share Sale") pursuant to Rule 144. In connection with the D&B Share Sale, we received aggregate proceeds of $186.0 million and recorded a gain of $111.1 million. As a result of the D&B Share Sale, we now own 68.1 million shares of D&B, which represents approximately 15.8% of its outstanding common stock as of September 30, 2021. Refer to Notes C and D for further discussion of our accounting for our investment in D&B.

Alight

On January 25, 2021, Foley Trasimene Acquisition Corp. ("FTAC") entered into a business combination agreement with predecessor of Alight, a leading cloud-based provider of integrated digital human capital and business solutions, as amended and restated April 29, 2021, by and among FTAC, Alight and other parties thereto (the "FTAC Alight Business Combination"). Also on January 25, 2021, Cannae entered into an agreement to purchase 25 million shares of Alight for $250.0 million as part of a private investment in public equity ("PIPE") raised in conjunction with the FTAC Alight Business Combination (the "Alight Subscription Agreement").

During the quarter ended June 30, 2021, Cannae funded the following investments in Alight: (a) $250.0 million pursuant to the Alight Subscription Agreement, (b) $150.0 million pursuant to a previously announced forward purchase agreement with FTAC (the "FTAC FPA") entered into on May 8, 2020 and (c) $52.4 million for the purchase of 5.2 million shares of FTAC on the open market (the "Purchased Shares").

In July 2021, we sold 1.0 million of the Purchased Shares for aggregate proceeds of $10.3 million.

On July 2, 2021, FTAC completed the FTAC Alight Business Combination in accordance with the relevant business combination agreement. The newly combined company operates as Alight and is traded on the New York Stock Exchange ("NYSE") under the symbol ALIT. The FTAC Alight Business Combination was funded with the cash held in trust at FTAC, forward purchase commitments, PIPE commitments and equity of Alight.

For Cannae’s total investment in Alight of $446.6 million, inclusive of our previous $4.5 million investment in the sponsor of FTAC (the "FTAC Sponsor") and net of the Purchased Shares sold, Cannae received 50,390,129 common shares and 5,000,000 warrants of Alight (the "Alight Warrants") and 3,026,666 LLC units of Alight's operating subsidiary with substantially the same terms as Alight's public warrants and indirectly held by the Company through its interest in the FTAC Sponsor. As of September 30, 2021, Cannae, directly and indirectly through our ownership interest in the FTAC Sponsor, holds approximately 9.6% of the outstanding common equity of Alight. In connection with the investment in the PIPE and deal syndication, Cannae earned $6.1 million of fees which were deducted from the basis of our investment in Alight.

We account for our investment in common equity of Alight as an equity method investment and the Alight Warrants as a derivative. See Note C and D for further discussion of our accounting for our investment in common equity and warrants of Alight.

Paysafe

On March 30, 2021, Foley Trasimene Acquisition Corp. II ("FTAC II") completed its previously announced merger with Paysafe Limited ("Paysafe"), a leading integrated payments platform (the "FTAC II Paysafe Merger"), in accordance with the agreement and plan of merger dated December 7, 2020. The newly combined company operates as Paysafe and is traded on the NYSE under the symbol PSFE. The FTAC II Paysafe Merger was funded with the cash held in trust at FTAC II, forward purchase commitments, PIPE commitments and equity of Paysafe.

In conjunction with the FTAC II Paysafe Merger, Cannae funded its previously announced investments in Paysafe of (a) $350 million as part of our subscription to the PIPE (the "Paysafe Subscription Agreement" and collectively with the Alight Subscription Agreement the "Subscription Agreements") and (b) $150 million as part of our forward purchase agreement with FTAC II entered into on July 31, 2020 (the "FTAC II FPA"). For Cannae's total investment in Paysafe of $504.7 million, inclusive of our previous investment in the sponsor of FTAC II ("FTAC II Sponsor"), Cannae received 54,294,395 common shares and 5,000,000 Paysafe warrants and 3,134,067 LLC units of Paysafe's operating subsidiary with substantially the same terms as Paysafe's public warrants (collectively, the "Paysafe Warrants"). In connection with the investment in the PIPE, Paysafe paid Cannae a fee of $5.6 million as described in the agreement and plan of merger dated December 7, 2020, which was deducted from the basis of our investment.

In September 2021, the sponsor of FTAC II distributed all of its interest in Paysafe to its limited partners. As a result, Cannae now directly holds all of its interest in common equity of Paysafe and Paysafe Warrants.

As of September 30, 2021, Cannae directly holds approximately 7.5% of the outstanding common equity of Paysafe.

We account for our investment in common equity of Paysafe as an equity method investment and the Paysafe Warrants as a derivative. See Note C and D for further discussion of our accounting for our investment in common equity and warrants of Paysafe.

Forward Purchases of Equity of Special Purpose Acquisition Companies

On February 25, 2021, we entered into a forward purchase agreement (the "Austerlitz I FPA") with Austerlitz Acquisition Corp. I ("Austerlitz I"), a special purpose acquisition company ("SPAC") whose business purpose is to effect a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses or entities (the "Austerlitz I Initial Business Combination"). Austerlitz I is co-sponsored by entities affiliated with the chairman of our Board of Directors ("Board"), William P. Foley II. Additionally, Cannae invested $1.6 million in the sponsor of Austerlitz I for a 10% indirect economic interest in the founder shares and warrants held by the sponsor. The Austerlitz I FPA was contingent upon the closing of the Austerlitz I Initial Business Combination.

On May 10, 2021, Austerlitz I entered into a Business Combination Agreement (the "WIL Business Combination Agreement") by and among Austerlitz I, Wave Merger Sub Limited, an exempted company incorporated in Bermuda and a direct, wholly owned subsidiary of Austerlitz I ("Merger Sub"), and Wynn Interactive Ltd., an exempted company incorporated in Bermuda ("WIL"). The WIL Business Combination Agreement provides for, among other things, the consummation of certain transactions whereby WIL will become a wholly owned subsidiary of Austerlitz I (the "Austerlitz I-WIL Business Combination").

In connection with the signing of the WIL Business Combination Agreement, we and Austerlitz I agreed to terminate the Austerlitz I FPA, and we entered into a backstop facility agreement (the "WIL Backstop Agreement") whereby we agreed, subject to the other terms and conditions included therein, to subscribe for Austerlitz I Class A Ordinary Shares in order to fund redemptions by shareholders of Austerlitz I in connection with the Austerlitz I-WIL Business Combination, in an amount of up to $690.0 million (the "WIL Backstop Subscription"), in consideration for a placement fee of $3.5 million.

On February 25, 2021, we entered into a forward purchase agreement (the "Austerlitz II FPA" and collectively with the FTAC FPA and the FTAC II FPA, the "Forward Purchase Agreements") with Austerlitz Acquisition Corp. II ("Austerlitz II"), a SPAC whose business purpose is to effect a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses or entities (the "Austerlitz II Initial Business Combination"). Austerlitz II is co-sponsored by entities affiliated with William P. Foley II. Under the Austerlitz II FPA, we agreed to purchase an aggregate of 12,500,000 shares of Austerlitz II's Class A common stock, plus an aggregate of 3,125,000 redeemable warrants to purchase one share of Austerlitz II's Class A common stock at $11.50 per share for an aggregate purchase price of $125.0 million in a private placement to occur concurrently with the closing of the Austerlitz II Initial Business Combination. Additionally, Cannae directly invested $29.6 million for a 20% indirect economic interest in the founder shares held by the sponsor and a direct interest in 19,733,333 private placement warrants of Austerlitz II (the "Austerlitz II Warrants") at the initial public offering. The Austerlitz II FPA is contingent upon the closing of the Austerlitz II Initial Business Combination.

On June 5, 2020, we entered into a forward purchase agreement (the "Trebia FPA") with Trebia Acquisition Corp. ("Trebia"), a SPAC incorporated as a Cayman Islands exempted company for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses or entities (the "Trebia Initial Business Combination"). Trebia is co-sponsored by entities affiliated with the chairman and a member of our Board, William P. Foley II and Frank R. Martire, respectively.

On June 28, 2021, Trebia entered into a Business Combination Agreement by and among Trebia, S1 Holdco LLC, a Delaware limited liability company ("S1 Holdco"), System1 SS Protect Holdings, Inc., a Delaware corporation ("Protected"), and the other parties named therein (the "Trebia S1 Business Combination Agreement"). The Trebia S1 Business Combination Agreement provides for, among other things, the consummation of certain transactions whereby each of (i) System1, LLC, a Delaware limited liability company and the current operating subsidiary of S1 Holdco, and (ii) Protected.net Group Limited, a private limited company organized under the laws of the United Kingdom and the current operating subsidiary of Protected, will become subsidiaries of Trebia (the “Trebia S1 Business Combination”). Upon closing, the combined company will be named System1, Inc. ("System1") and is expected to be listed on the NYSE and trade under the new ticker symbol “SST.”

In connection with the signing of the Trebia S1 Business Combination Agreement, we and Trebia agreed to terminate the Trebia FPA, and we entered into a backstop facility agreement (the “S1 Backstop Agreement” and together with the WIL Backstop Agreement, the "Backstop Agreements") whereby we agreed, subject to the other terms and conditions included therein, to subscribe for Trebia Class A Common Stock in order to fund redemptions by shareholders of Trebia in connection with the Business Combination, in an amount of up to $200.0 million (the “S1 Backstop Subscription”). In connection with Cannae’s entry into the S1 Backstop Agreement, the sponsors of Trebia have agreed to forfeit up to 1,275,510 Trebia Class B Ordinary Shares (and Trebia has agreed to issue to Cannae a number of shares of Trebia Class A Common Stock equal to such forfeiture) as consideration in the event that the S1 Backstop Subscription is drawn due to redemptions.

On September 16, 2021, Trebia filed its preliminary proxy statement in connection with the Trebia S1 Business Combination. Completion of the Trebia S1 Business Combination is subject to approval by Trebia shareholders, the effectiveness of its preliminary prospectus filed with the SEC in connection with the transaction, and other customary closing conditions, including the receipt of certain regulatory approvals. The Trebia S1 Business Combination is expected to close in the first quarter of 2022.

Refer to Note C and E for further discussion of our accounting for the Austerlitz II FPA, the Austerlitz II Warrants and the Backstop Agreements.

QOMPLX

On March 1, 2021, Tailwind Acquisition Corp. ("Tailwind") entered into a business combination agreement to merge with QOMPLX, Inc. ("QOMPLX") (the "Tailwind QOMPLX Merger"). In conjunction with the Tailwind QOMPLX Merger, Cannae entered into an agreement to purchase 4.6 million shares of common stock of the combined company for $37.5 million as part of a subscription to the PIPE. Additionally, in March 2021, Cannae funded a convertible note to QOMPLX for $12.5 million that matures on March 3, 2022 (the "QOMPLX Note"). During the quarter ended September 30, 2021, Cannae funded an additional $6.0 million, which was added to the existing QOMPLX Note.

On August 17, 2021, QOMPLX and Tailwind mutually agreed to terminate the Tailwind QOMPLX Merger citing market conditions, which prevented certain closing conditions from being satisfied. The termination of the Tailwind QOMPLX Merger also terminated the Tailwind Subscription Agreement. The termination had no effect on the QOMPLX Note.

Restaurant Group

In the nine months ended September 30, 2021, we commenced a plan to sell or dispose of the assets of Legendary Baking Holdings I, LLC ("Legendary Baking") and VIBSQ Holdco, LLC ("VIBSQ") and their subsidiaries.

On June 24, 2021, we entered into a membership purchase agreement for the sale of certain net assets of VIBSQ and its subsidiaries for $13.5 million. On July 30, 2021, we closed on the sale of such VIBSQ net assets and recorded a loss of $9.4 million, which is included in Recognized gains (losses), net on the Condensed Consolidated Statement of Operations for the nine months ended September 30, 2021.

On August 10, 2021, we entered into an asset purchase agreement for the sale of certain net assets of Legendary Baking and its subsidiaries for $6.1 million. We recorded a loss of $7.0 million as a result of classifying Legendary Baking as held for sale in the three months ended June 30, 2021. On September 3, 2021, we closed on the sale and recorded an additional loss of $3.9 million in the three months ended September 30, 2021. Both losses are included in Recognized gains (losses), net on the Condensed Consolidated Statement of Operations.

Subsequent to the transactions, other than the winding down of certain immaterial retained assets and liabilities of Legendary Baking and VIBSQ, we have no further material involvement in Legendary Baking or VIBSQ.

Other Developments

On March 1, 2021, we announced that our Board authorized a three-year stock repurchase program, effective February 26, 2021, under which the Company may repurchase up to 10 million shares of its common stock. Purchases may be made from time to time in the open market at prevailing prices or in privately negotiated transactions through February 26, 2024. The repurchase program does not obligate the Company to acquire any specific number of shares and may be suspended or terminated at any time. We repurchased 2,728,168 shares of CNNE common stock during the nine months ended September 30, 2021 for approximately $96.5 million in the aggregate, or an average of $35.36 per share.

On March 31, 2021, we closed on a $32.0 million investment in Sightline Payments LLC ("Sightline"), a fintech company that enables cashless, mobile and omnichannel payment solutions for the gaming, lottery, sports betting, entertainment and hospitality businesses. On August 16, 2021, we invested an additional $240.0 million in Sightline. Our total investment represents 32.6% of the outstanding membership interests in Sightline at the time of the transaction and is accounted for using the equity method. See Note C and D for further discussion of the Company's accounting for investments in unconsolidated affiliates.

During the nine months ended September 30, 2021, we received distributions of $280.6 million from our joint venture (the "Senator JV") with affiliates of Senator Investment Group, LP. We have no further material ownership interest in the Senator JV.

On May 21, 2021, Ceska zbrojovka Group SE (“CZG”) acquired 100% of the outstanding equity of Colt Holdings, LLC ("Colt"). In conjunction with the transaction, we received $37.3 million for our holdings of Colt corporate debt securities, including accrued interest thereon, $1.4 million for our equity in Colt and expect to receive $0.4 million of cash and $3.6 million of CZG equity securities for our holdings of Colt equity in October 2021. We recorded a gain of $20.3 million on the transaction, inclusive of $10.9 million (net of $2.9 million of deferred taxes) of gains reclassified from other comprehensive earnings. We have the opportunity to receive additional equity securities of CZG contingent on future operating results of Colt. Subsequent to the transaction, we have no further ownership interest in Colt debt or equity securities.

In the nine months ended September 30, 2021, we commenced a plan to sell Rock Creek Idaho Holdings, LLC ("RC"). On August 10, 2021, we entered into an asset purchase agreement for the sale of certain net assets of RC and its subsidiaries for $44.2 million, consisting of cash of $9.2 million, net of transaction costs, and a note receivable of $35.0 million. We recorded a gain of $18.9 million as a result of the sale, which is included in Recognized gains (losses), net on the Condensed Consolidated Statement of Operations for the nine months ended September 30, 2021. The chairman of our Board, William P. Foley II is a partner in the joint venture that purchased RC. Subsequent to the transaction, we have no further involvement in RC.

On October 14, 2021, Capital One Financial Corporation announced that it entered into a definitive agreement to purchase Triple Tree, LLC ("Triple Tree"), the investment banking subsidiary of Triple Tree Holdings, LLC ("TTH"). Cannae owns a 24.6% fully diluted interest in TTH. As a result of the sale, the two businesses comprising TTH will become two separate organizations. TripleTree is joining the Capital Markets group of Capital One Commercial Bank as a wholly owned subsidiary, operating under the current TripleTree brand. TTCP Management Services, LLC, will continue as an independent, Minneapolis-based principal investor focused on healthcare technology and services. The transaction is expected to close in the fourth quarter of 2021, subject to customary closing conditions.

Related Party Transactions

During the nine months ended September 30, 2021 and 2020, we incurred $24.6 million and $15.1 million, respectively, of management fee expenses payable to our Manager, and in the nine months ended September 30, 2021, we incurred $37.4 million of carried interest expense related to monetization of the Company's investments, which are recorded in Other operating expenses on our Condensed Consolidated Statement of Operations. In the nine months ended September 30, 2020, we earned $9.1 million of income related to transaction fees earned by the Manager and allocable to us, which is recorded in Interest, investment and other income in our Condensed Consolidated Statement of Operations.

Earnings Per Share

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

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

Instruments that provide the ability to purchase shares of our common stock that are antidilutive are excluded from the computation of diluted earnings per share. For the three and nine months ended September 30, 2021 and 2020, there were no antidilutive shares of restricted stock outstanding that were excluded from the calculation of diluted earnings per share.

Income Tax

Our effective tax rate was 17.8% and 21.4% in the three months ended September 30, 2021 and 2020, respectively, and 15.4% and 21.5% in the nine months ended September 30, 2021 and 2020, respectively. The change in the effective tax rate in both the three and nine-month periods ended September 30, 2021 compared to the corresponding prior year periods was primarily attributable to the varying impact of equity in earnings (losses) of unconsolidated affiliates on earnings (loss) before taxes.

We have a Deferred tax liability of $190.1 million as of September 30, 2021 and of $325.3 million as of December 31, 2020. The $135.2 million change in deferred taxes in the nine months ended September 30, 2021 is primarily attributable to the sales of various investments and the impairment recorded on our investment in Paysafe, partially offset by the tax impact of equity in earnings of unconsolidated affiliates and unrealized gains on the change in fair market value of the Company's investment in Ceridian.

Restricted Cash

Our Restaurant Group is required to hold cash collateralizing its outstanding letters of credit. Included in Cash and cash equivalents on our Condensed Consolidated Balance Sheets as of September 30, 2021 and December 31, 2020 is $12.5 million of such restricted cash.

Distributions from Unconsolidated Affiliates

We classify distributions received from unconsolidated affiliates in our Condensed Consolidated Statements of Cash Flows using the cumulative earnings approach. Under the cumulative earnings approach, distributions are considered returns on investment and classified as cash inflows from operating activities unless the Company's cumulative distributions from an investee received in prior periods exceed the cumulative equity in earnings of such investee. When cumulative distributions from an investee exceed cumulative equity in earnings of the investee, such excess is considered a return of investment and is classified as a cash inflow from investing activities.

Recent Accounting Pronouncements

We have completed our evaluation of the recently issued accounting pronouncements and we did not identify any that are expected to, if currently adopted, have a material impact on our Condensed Consolidated Financial Statements.

Note B — Revenue Recognition

Disaggregation of Revenue

Our revenue consists of:

		Three months ended September 30,		Nine months ended September 30,	
		2021	2020	2021	2020
Revenue Stream	**Segment**	**Total Revenue**			
Restaurant revenue:		(in millions)			
Restaurant sales	Restaurant Group	$ 169.0	$ 129.2	$ 507.6	$ 395.5
Bakery sales	Restaurant Group	5.5	—	22.1	2.2
Franchise and other	Restaurant Group	0.6	0.2	2.6	1.0
Total restaurant revenue		175.1	129.4	532.3	398.7
Other operating revenue:					
Real estate and resort	Corporate and other	9.7	9.9	25.4	15.7
Other	Corporate and other	1.2	0.4	2.6	0.9
Total other operating revenue		10.9	10.3	28.0	16.6
Total operating revenues		$ 186.0	$ 139.7	$ 560.3	$ 415.3

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

Revenue from bakery operations is recognized at a point in time in the period during which the products are shipped and control transfers to the customer. Subsequent to our sale of Legendary Baking's net assets, we no longer generate revenue from bakery operations.

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

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

Contract Balances

The following table provides information about trade receivables and deferred revenue:

	September 30, 2021	December 31, 2020
	(In millions)	
Trade receivables, net	$ 10.6	$ 17.
Deferred revenue (contract liabilities)	14.6	23.

Deferred revenue is recorded primarily for restaurant gift card sales. The unrecognized portion of such revenue is recorded as Deferred revenue in the Condensed Consolidated Balance Sheets. Revenue of $3.8 million and $13.3 million, respectively, was recognized in the three and nine months ended September 30, 2021 that was included in Deferred revenue at the beginning of the period. Revenue of $4.0 million and $17.3 million, respectively, was recognized in the three and nine months ended September 30, 2020 that was included in Deferred revenue at the beginning of the period.

There was no impairment related to contract balances.

Note C — Fair Value Measurements

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

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

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

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

Recurring Fair Value Measurements

The following table presents our fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of September 30, 2021 and December 31, 2020, respectively:

	September 30, 2021			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Assets:				
Equity securities:				
Ceridian	$ 1,238.8	$ —	$ —	$ 1,238.8
Other	2.9	—	—	2.9
Total equity securities	1,241.7	—	—	1,241.7
Other noncurrent assets:				
Backstop Agreements	—	12.2	—	12.2
Paysafe Warrants	15.0	—	—	15.0
Alight Warrants	15.3	—	—	15.3
Austerlitz II Warrants	—	20.7	—	20.7
Total other noncurrent assets	30.3	32.9	—	63.2
Total Assets	$ 1,272.0	$ 32.9	$ —	$ 1,304.9
Liabilities:				
Austerlitz II FPA	$ —	$ —	$ 1.5	$ 1.5
Total Liabilities	$ —	$ —	$ 1.5	$ 1.5

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	December 31, 2020			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Fixed-maturity securities available for sale:				
Corporate debt securities	$ —	$ —	$ 35.2	$ 35.2
Equity securities:				
Ceridian	1,491.8	—	—	1,491.8
Forward Purchase Agreements (as defined in Annual Report)	—	—	136.1	136.1
Paysafe Subscription Agreement	—	—	169.6	169.6
Other	1.6	—	—	1.6
Total equity securities	$ 1,493.4	$ —	$ 305.7	$ 1,799.1
Total assets	$ 1,493.4	$ —	$ 340.9	$ 1,834.3

Fixed Maturity Securities

Our Level 3 fair value measurement for our fixed maturity securities available for sale are provided by a single third-party pricing service. Depending on security specific characteristics, either an income or a contingent claims approach was utilized in determining fair value of our Level 3 fixed-maturity securities available for sale. Discount rates are the primary unobservable inputs utilized for the securities valued using an income approach. The discount rates used are based on company-specific risk premiums, public company comparable securities, and leveraged loan indices. As discussed in Note A, as a result of the disposition of our Colt securities, we no longer have any Level 3 fixed-maturity securities available for sale as of September 30, 2021.

Austerlitz II FPA

The Austerlitz II FPA is accounted for at fair value pursuant to Accounting Standards Codification ("ASC") Topic 321 *Investment - Equity Securities*. We utilized a Monte Carlo Simulation in determining the fair value of this agreement, which is considered to be a Level 3 fair value measurement. The Monte Carlo Simulation model simulates the current security price to a simulated date for the consummation of the underlying initial business combination based on probabilities of consummation. The value of the agreement is then calculated as the difference between the future simulated price and the fixed purchase price for the underlying security to be purchased. The primary unobservable input utilized in determining the fair value of the Austerlitz II FPA is the probability of consummation of the business combinations of each underlying transaction. The probability assigned to the consummation of the Austerlitz II Initial Business Combination was 90%. Determination of such probability is based on a hybrid approach of both observed success rates of business combinations for SPACs and the sponsor of Austerlitz II's track record for consummating similar transactions. Based on the total fair value of the Austerlitz II FPA as of September 30, 2021, changes in the probability utilized will not result in a change in fair value that is significant or material to the Company's financial position or results of operations.

Austerlitz II Warrants

The Austerlitz II Warrants are accounted for at fair value pursuant to ASC Topic 815 *Derivatives and Hedging*. These private placement warrants are valued using the trading price of Austerlitz II's publicly traded warrants (NYSE: ASZ-WT) and are considered a Level 2 fair value measurement.

Backstop Agreements

The Backstop Agreements are considered written options and accounted for at fair value. We utilized a Black-Scholes option pricing formula to determine the fair value of the Backstop Agreements, which is considered to be a Level 2 fair value measurement. The value is calculated based on the common stock price of Austerlitz I and Trebia, the amount of time the Backstop Agreements are expected to be outstanding, risk free rates and the volatility of the underlying common stock of Austerlitz I and Trebia.

The following table presents a summary of the changes in the fair values of Level 3 assets and liabilities, measured on a recurring basis, for the three and nine months ended September 30, 2021 and 2020 (in millions).

	Three months ended September 30, 2021			
	Forward Purchase Agreements	Subscription Agreements	Austerlitz II Warrants	Total
Fair value, beginning of period	$ 8.1	$ 7.9	$ 24.7	$ 40
Net valuation loss included in earnings (1)	1.2	(9.2)	(4.0)	(12
Reclassification to investments in unconsolidated affiliates and Warrants	(10.8)	1.3	—	(9
Transfers to Level 2	—	—	(20.7)	(20
Fair value, end of period	$ (1.5)	$ —	$ —	$ (1

	Three Months Ended September 30, 2020		
	Corporate debt securities	Forward Purchase Agreements	Total
Fair value, beginning of period	$ 33.9	$ 12.5	$ 46
Net valuation gain included in earnings (1)	—	13.5	13
Net valuation gain included in other comprehensive earnings (2)	0.6	—	0
Fair value, end of period	$ 34.5	$ 26.0	$ 60

	Nine Months Ended September 30, 2021				
	Corporate debt securities	Forward Purchase Agreements	Subscription Agreements	Austerlitz II Warrants	Total
ue, beginning of period	$ 35.2	$ 136.1	$ 169.6	—	340.9
nized gain on settlement (1)	1.5	—	—	—	1.5
luation (loss) gain included in earnings (1)	—	(26.2)	7.7	(8.9)	(27.4)
sification to investments in unconsolidated affiliates and Warrants	—	(111.4)	(177.3)	—	(288.7)
se of Austerlitz II Warrants	—	—	—	29.6	29.6
luation gain included in other comprehensive earnings (2)	0.6	—	—	—	0.6
ers to Level 2	—	—	—	(20.7)	(20.7)
ption of corporate debt securities	(37.3)	—	—	—	(37.3)
ue, end of period	$ —	$ (1.5)	$ —	$ —	$ (1.5)

	Nine Months Ended September 30, 2020		
	Corporate debt securities	Forward Purchase Agreements	Total
value, beginning of period	$ 19.2	$ —	$ 19.2
valuation gain included in earnings (1)	—	26.0	26.0
valuation gain included in other comprehensive earnings (2)	15.3	—	15.3
value, end of period	$ 34.5	$ 26.0	$ 60.5

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

Transfers into or out of the Level 3 fair value category occur when unobservable inputs become more or less significant to the fair value measurement or upon a change in valuation technique. We transferred the Austerlitz II Warrants from Level 3 to Level 2 in the three and nine months ended September 30, 2021 as the price of Austerlitz II's publicly traded warrants became available.

All of the unrealized gain on investments and other financial instruments, net (excluding investments in unconsolidated affiliates) on our Condensed Consolidated Statements of Comprehensive Earnings (Loss) for the three and nine months ended September 30, 2021 and 2020 relate to fixed maturity securities considered Level 3 fair value measures.

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

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

Note D — Investments

Equity Securities

Gains on equity securities included in Recognized gains and losses, net on the Condensed Consolidated Statements of Operations consisted of the following for the three and nine months ended September 30, 2021 and 2020 (in millions):

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Net gains recognized during the period on equity securities	$ 190.2	$ 69.5	$ 14.4	$ 1,333
Less: net gains (losses) recognized during the period on equity securities sold or transferred during the period	8.1	—	(52.1)	180
Unrealized gains recognized during the reporting period on equity securities still held at the reporting date	$ 182.1	$ 69.5	$ 66.5	$ 1,152

Investments in Unconsolidated Affiliates

Investments in unconsolidated affiliates recorded using the equity method of accounting as of September 30, 2021 and December 31, 2020 consisted of the following (in millions):

	Ownership at September 30, 2021	September 30, 2021	December 31, 2020
Dun & Bradstreet	15.8 %	$ 579.1	$ 653.2
Alight/FTAC Sponsor (1)	9.6 %	503.1	—
Paysafe	7.5 %	419.4	—
Optimal Blue	20.0 %	270.2	279.8
AmeriLife	19.8 %	109.9	121.1
Sightline	32.6 %	272.0	—
Other	various	114.5	398.9
Total		$ 2,268.2	$ 1,453.0

(1) Represents both the Company's direct interest in Alight and indirect interest in Alight held through our interest in the FTAC Sponsor.

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Equity in earnings of unconsolidated affiliates for the three and nine months ended September 30, 2021 and 2020 consisted of the following (in millions):

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Dun & Bradstreet	$ 2.6	$ (3.1)	$ (13.0)	$ (48.5)
Paysafe/FTAC II Sponsor	(7.1)	—	64.3	—
Alight/FTAC Sponsor	49.9	—	49.9	—
Ceridian (1)	—	—	—	1.5
Optimal Blue	(2.7)	(4.7)	(10.9)	(4.7)
Senator JV	—	1.6	—	80.9
AmeriLife	(4.5)	(0.8)	(11.5)	(4.3)
Sightline	(0.1)	—	(0.1)	—
Other	3.3	5.8	7.8	(21.3)
Total	$ 41.4	$ (1.2)	$ 86.5	$ 3.6

(1) The amount for the nine months ended September 30, 2020 represents the Company's equity in earnings of Ceridian in the three months ended March 31, 2020 prior to the change in accounting for the investment beginning March 31, 2020.

Dun & Bradstreet

Based on quoted market prices, the aggregate value of our ownership of Dun & Bradstreet common stock was $1.1 billion as of September 30, 2021.

As of September 30, 2021, we hold less than 20% of the outstanding common equity of Dun & Bradstreet but account for our investment under the equity method because we exert significant influence: (a) through our 15.8% ownership, (b) because certain of our senior management and directors serve on D&B's board of directors, and (c) because we are party to an agreement with other of its equity sponsors, which collectively own greater than 50% of the outstanding voting equity of Dun & Bradstreet, pursuant to which we have agreed to collectively vote together on all matters related to the election of directors to the Dun & Bradstreet board of directors for a period of three years.

Effective January 1, 2021, D&B made a change in accounting principle related to removal of lag accounting for its international operations that they believe to be preferable. The change in accounting policy was applied retrospectively by D&B. The impact of this change in accounting principle did not have a material impact to our results of operations or financial condition and was applied to our current period accounting for our investment in D&B.

Summarized financial information for Dun & Bradstreet and its predecessor for the relevant dates and time periods included in Investments in unconsolidated affiliates and Equity in earnings (losses) of unconsolidated affiliates in our Condensed Consolidated Balance Sheets and Statements of Operations, respectively, is presented below.

	September 30, 2021	December 31, 2020
	(In millions)	
Total current assets	$ 649.0	$ 874.4
Goodwill and other intangible assets, net	8,228.6	7,672.7
Other assets	869.7	673.2
Total assets	$ 9,747.3	$ 9,220.3
Current liabilities	$ 919.6	$ 828.1
Long-term debt	3,543.5	3,255.8
Other non-current liabilities	1,638.9	1,552.5
Total liabilities	6,102.0	5,636.4
Total equity	3,645.3	3,583.9
Total liabilities and equity	$ 9,747.3	$ 9,220.3

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	(In millions)			
Total revenues	$ 541.9	$ 444.4	$ 1,567.3	$ 1,258.8
Earnings (loss) before income taxes	14.7	(24.0)	(27.5)	(227.6)
Net income (loss)	18.2	(14.3)	(55.9)	(114.7)
Dividends attributable to preferred equity and (income) expense attributable to noncontrolling interest	(1.6)	(2.0)	(4.2)	(67.7)
Net income (loss) attributable to Dun & Bradstreet	16.6	(16.3)	(60.1)	(182.4)

Optimal Blue

On September 15, 2020, we closed on our $289.0 million investment in Optimal Blue. Summarized financial information for Optimal Blue for the relevant dates and time periods included in Investments in unconsolidated affiliates and Equity in earnings (losses) of unconsolidated affiliates in our Condensed Consolidated Balance Sheets and Statements of Operations, respectively, is presented below.

	September 30, 2021	December 31, 2020
	(In millions)	
Total current assets	$ 64.8	$ 38.0
Goodwill and other intangible assets, net	1,737.0	1,831.3
Other assets	103.8	100.1
Total assets	$ 1,905.6	$ 1,969.4
Current liabilities	$ 31.7	$ 28.9
Long-term debt	493.7	493.0
Other non-current liabilities	88.8	105.0
Total liabilities	614.2	626.9
Redeemable member's interest	947.1	578.0
Additional paid-in capital	450.6	813.0
Accumulated deficit	(106.3)	(48.5)
Total redeemable member's interest and equity	1,291.4	1,342.5
Total liabilities, redeemable member's interest and equity	$ 1,905.6	$ 1,969.4

	Three Months Ended September 30, 2021	Period from September 15, 2020 to September 30, 2020	Nine Months Ended September 30, 2021
		(In millions)	
Total revenues	$ 46.4	$ 6.7	$ 132.3
Operating loss	(11.9)	(20.3)	(43.0)
Net loss	(17.6)	(25.1)	(57.8)

Paysafe

On March 30, 2021, we closed on our investment in Paysafe. We account for our investment in Paysafe as an equity method investment on a three-month lag.

Based on quoted market prices, the aggregate value of our ownership of Paysafe common stock was $418.8 million as of September 30, 2021 and the book value of our investment in Paysafe was $810.6 million prior to any impairment. Due primarily to the quantum of the decrease in the fair market value of our investment, management determined the decrease in value of our investment in Paysafe was other-than-temporary. Accordingly, we recorded an impairment of $391.8 million in the three months ended September 30, 2021 which is included in Recognized (losses) gains, net, on our Condensed Consolidated Statement of Operations

As of September 30, 2021, we hold less than 20% of the outstanding common equity of Paysafe but we account for our investment under the equity method because we exert significant influence: (a) through our 7.5% direct ownership, (b) because certain of our senior management and directors serve on Paysafe's board of directors, including the chairman of our Board, William P. Foley II, who is also the chairman of Paysafe's board of directors, and (c) because we are party to an agreement with other of its equity investors pursuant to which we have the ability to appoint or be consulted on the election of the majority of the total directors of Paysafe.

As of the date of our initial investment in Paysafe, there was a $567.8 million difference between the amount of our recorded direct investment in Paysafe and the amount of the Company's ratable portion of the underlying equity in net assets of Paysafe. In the third quarter of 2021, the sponsor of FTAC II transferred its interest in Paysafe to its owners. As a result of the increase in our direct investment in Paysafe, our basis difference was increased to $618.4 million. As a result of the impairment of our investment in the three months ended September 30, 2021, the basis difference was reduced to $224.3 million. We have evaluated the accounting treatment of such basis difference and allocated the entire remaining basis difference to equity method goodwill, which represents the excess of our basis difference over our equity in Paysafe's net assets that are not attributable to their identifiable net assets.

We report our equity in earnings or loss of Paysafe on a three-month lag and we acquired our investment on March 30, 2021. Accordingly, our net earnings for the three and nine months ended September 30, 2021 includes our equity in Paysafe's earnings for the three months ended June 30, 2021. Summarized financial information for Paysafe for the relevant dates and time periods included in Investments in unconsolidated affiliates and Equity in earnings (losses) of unconsolidated affiliates in our Condensed Consolidated Balance Sheets and Statements of Operations, respectively, is presented below.

	June 30, 2021
	(In millions)
Total current assets	$ 1,880.1
Goodwill and other intangible assets, net	4,944.8
Other assets	69.4
Total assets	$ 6,894.3
Current liabilities	$ 1,665.7
Long-term debt	2,114.9
Other liabilities	363.1
Total liabilities	4,143.7
Total equity	2,750.6
Total liabilities and equity	$ 6,894.3

	Three Months Ended June 30, 2021
	(In millions)
Total revenues	$ 384.3
Earnings before income taxes	23.5
Net income	6.6

Alight

On July 2, 2021, we closed on our investment in Alight. We account for our investment in Alight as an equity method investment on a three-month lag.

Based on quoted market prices, the aggregate value of our direct and indirect ownership of Alight common stock was $578.5 million as of September 30, 2021.

As of September 30, 2021, we hold less than 20% of the outstanding common equity of Alight but we account for our investment under the equity method because we exert significant influence: (a) through our 9.6% direct and indirect ownership, (b) because certain of our senior management and directors serve on Alight's board of directors, including the chairman of our Board, William P. Foley II, who is also the chairman of Alight's board of directors, and (c) because we are party to an agreement with other of its equity investors pursuant to which we have the ability to appoint or be consulted on the election of the majority of the total directors of Alight.

Because we will record our equity in earnings or loss of Alight using lag reporting, there is no equity in earnings or loss of Alight included in our results of operations for the three or nine months ended September 30, 2021. We will begin including our equity in earnings or loss related to Alight in the fourth quarter of 2021, at which time we will begin providing summary financial information for Alight.

Sightline

On March 31, 2021, we closed on our initial $32.0 million investment in Sightline. On August 16, 2021, we invested an additional $240.0 million in Sightline. We account for our investment in Sightline as an equity method investment on a three-month lag.

Because we record our equity in earnings or loss of Sightline using lag reporting and made our significant investment in August 2021, there is no equity in earnings or loss of Sightline associated with our total investment included in our results of operations for the three or nine months ended September 30, 2021. We will begin providing summary financial information for Sightline in the fourth quarter of 2021.

AmeriLife

On March 18, 2020, we closed on our $125.0 million investment in AmeriLife. We account for our investment in AmeriLife as an equity method investment and report our equity in earnings or loss of AmeriLife on a three-month lag. Accordingly, our net earnings for the three and nine months ended September 30, 2021 includes our equity in AmeriLife’s losses for the three and nine months ended June 30, 2021, respectively, and our net earnings for the three and nine months ended September 30, 2020 include our equity in AmeriLife's losses for the three months ended June 30, 2020 and the period from March 18, 2020 through June 30, 2020, respectively.

Summarized financial information for AmeriLife for the relevant dates and time periods included in Investments in unconsolidated affiliates and Equity in earnings (losses) of unconsolidated affiliates in our Condensed Consolidated Balance Sheets and Statements of Operations, respectively, is presented below.

	June 30, 2021	September 30, 2020
	(In millions)	
Total current assets	$ 111.2	$ 108.5
Goodwill and other intangible assets, net	1,590.5	1,370.4
Other assets	23.0	16.4
Total assets	$ 1,724.7	$ 1,495.3
Current liabilities	$ 76.1	$ 53.1
Long-term debt	797.3	645.2
Other non-current liabilities	25.0	14.7
Total liabilities	898.4	713.0
Members' equity	555.5	607.4
Noncontrolling interest - nonredeemable	270.8	174.9
Total member's equity	826.3	782.3
Total liabilities and members' equity	$ 1,724.7	$ 1,495.3

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Nine Months Ended June 30, 2021	Period from March 18, 2020 to June 30, 2020
	(In millions)			
Total revenues	$ 126.5	$ 68.5	$ 406.8	$ 82.1
Operating income (loss)	5.4	13.7	29.6	4.9
Net loss	(7.0)	3.2	(6.5)	(6.4)
Income attributable to noncontrolling interests	15.6	6.1	46.5	6.4
Net loss attributable to AmeriLife	(22.6)	(2.9)	(53.0)	(12.8)

Fixed Maturity Securities

As discussed in Note A, we received the full payment for the Colt corporate debt securities and as of September 30, 2021, we held no fixed maturity securities. The carrying amounts and fair values of our available for sale fixed maturity securities at December 31, 2020 are as follows:

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

The cost basis of fixed maturity securities available for sale includes an adjustment for amortized premium or discount and other-than-temporary-impairment recognized in earnings since the date of purchase. During the nine months ended September 30, 2021 and 2020, we incurred no other-than-temporary impairment charges relating to corporate debt securities.

Equity Security Investments Without Readily Determinable Fair Values

We account for our investment in preferred equity of QOMPLX at cost less impairment, if any, plus or minus changes resulting from observable price changes in orderly market transactions. As of September 30, 2021, we have $34.0 million recorded for our investment in the equity of QOMPLX and certain other immaterial investments, which is included in Other long term investments and noncurrent assets on our Condensed Consolidated Balance Sheet. We have not recorded any upward or downward adjustments to our investment in QOMPLX.

Note E — Variable Interest Entities

The Company, in the normal course of business, engages in certain activities that involve variable interest entities ("VIEs"), which are legal entities in which a group of equity investors individually lack any of the characteristics of a controlling interest. The primary beneficiary of a VIE is generally the enterprise that has both the power to direct the activities most significant to the economic performance of the VIE and the obligation to absorb losses or receive benefits that could potentially be significant to the VIE. The Company evaluates its interest in certain entities to determine if these entities meet the definition of a VIE and whether the Company is the primary beneficiary and should consolidate the entity based on the variable interests it held both at inception and when there is a change in circumstances that requires a reconsideration. If the Company is determined to be the primary beneficiary of a VIE, it must account for the VIE as a consolidated subsidiary. If the Company is determined not to be the primary beneficiary of a VIE but holds a variable interest in the entity, such variable interests are accounted for under accounting standards as deemed appropriate. As of and for the periods ended September 30, 2021 and December 31, 2020, we are not the primary beneficiary of any VIEs.

Unconsolidated VIEs

The table below summarizes select information related to variable interests held by the Company as of September 30, 2021 and December 31, 2020, of which we are not the primary beneficiary:

	September 30, 2021			December 31, 2020	
	Total Assets	Total Liabilities	Maximum Exposure	Total Assets	Maximum Exposure
			(in millions)		
Investments in unconsolidated affiliates	$ 15.2	$ —	$ 15.2	$ 299.7	$ 299.7
Paysafe PIPE subscription	—	—	—	169.6	169.6
Forward Purchase Agreements	—	1.5	—	136.1	136.1
Backstop Agreements	12.2	—	12.2	—	—

Investments in Unconsolidated Affiliates

As of September 30, 2021, we held variable interests in certain unconsolidated affiliates, which are primarily comprised of our investments in the sponsors of FTAC, Trebia, Austerlitz I and Austerlitz II and funds that hold minority ownership interests primarily in healthcare-related entities. Cannae does not have the power to direct the activities that most significantly impact the economic performance of these unconsolidated affiliates; therefore, we are not the primary beneficiary.

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

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

Forward Purchase and Backstop Agreements

In addition to the Austerlitz II FPA and Backstop Agreements, the Company made investments in the sponsors of Trebia, Austerlitz I and Austerlitz II, which are considered VIEs for which we are not the primary beneficiary and are included in Investments in unconsolidated affiliates. The assets and liabilities represented by the Austerlitz II FPA and Backstop Agreements are accounted for as investments in equity securities pursuant to ASC 321 or as written options. See Notes C and D for further information on our accounting for equity securities and written options.

Note F — Notes Payable

Notes payable consists of the following:

	September 30, 2021	December 31, 2020
	(In millions)	
99 Term Loan	$ 13.2	$ 16.8
99 Revolver	—	5.0
2020 Margin Facility	197.8	—
FNF Revolver	—	—
Brasada Interstate Loans	12.7	13.1
Other	4.1	28.6
Notes payable, total	$ 227.8	$ 63.5
Less: Notes payable, current	7.4	11.3
Notes payable, long term	$ 220.4	$ 52.2

At September 30, 2021, the carrying value of our outstanding notes payable approximates fair value. The respective carrying values of the loans under the 99 Restaurants Credit Facility and the B Note, Development Loan and Line of Credit Loan pursuant to the Interstate Credit Agreement, each as defined below, approximate fair value as they are variable rate instruments with monthly reset periods that reflect current market rates. The revolving credit facilities are considered Level 2 financial liabilities. The fixed-rate A Note, as defined below, pursuant to the Interstate Credit Agreement approximates fair value as of September 30, 2021.

2020 Margin Facility

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

On August 16, 2021, the Borrowers entered into an Amendment Agreement to the 2020 Margin Facility, which increased the borrowing capacity of the 2020 Margin Facility by an additional $100.0 million and resulted in the transfer of 16,000,000 additional shares of DNB Common Stock to Borrower 2 as collateral.

As of September 30, 2021, there was $200.0 million of outstanding principal and no remaining capacity under the 2020 Margin Facility with an option to increase the capacity by $300.0 million upon amendment. The 2020 Margin Facility incurs interest at a rate of 3.50%.

In October 2021, we repaid the entire $200.0 million outstanding balance under the 2020 Margin Facility.

99 Restaurants Credit Facility

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

As of September 30, 2021, interest on the 99 Term Loan and 99 Revolver is payable monthly at a rate of 4.63% and 6.75%, respectively, and there is $6.5 million of aggregate borrowing capacity under the 99 Revolver.

Brasada Interstate Loans

On January 29, 2016, FNF NV Brasada, LLC, an Oregon limited liability company and majority-owned subsidiary of Cannae ("NV Brasada"), entered into a credit agreement with an aggregate borrowing capacity of $17.0 million (the "Interstate Credit Agreement") originally with Bank of the Cascades, as lender. The Interstate Credit Agreement provides for (i) a $12.5

million acquisition loan (the "Acquisition Loan"). On June 13, 2018, the Interstate Credit Agreement was modified to add an additional line of credit of $3.6 million ("C Note") and to assign the loan from the Bank of the Cascades to First Interstate Bank. Pursuant to the Acquisition Loan, NV Brasada executed a $6.3 million ("A Note"), which accrues interest at a rate of 4.51% per annum and matures on the tenth anniversary of the issuance thereof, and a $6.3 million ("B Note"), which accrues interest at the rate of LIBOR plus 225 basis points, adjusted monthly, and matures on the tenth anniversary of the issuance thereof. NV Brasada makes equal monthly payments of principal and interest under the Acquisition Loan. The Interstate Loans are secured by certain single-family residential lots that can be sold for construction, owned by NV Brasada, and certain other operating assets owned by NV Brasada. The Company does not provide any guaranty or stock pledge under the Interstate Credit Agreement.

As of September 30, 2021, the B Note, C Note and Line of Credit Loan incurred interest at 2.34%.

FNF Revolver

On November 17, 2017, Fidelity National Financial, Inc. ("FNF") issued to Cannae a revolver note in aggregate principal amount of up to $100.0 million (the "FNF Revolver"). Pursuant to the FNF Revolver, FNF may make one or more loans to us in increments of $1.0 million, with up to $100.0 million outstanding at any time. The FNF Revolver accrues interest at LIBOR plus 450 basis points and matures on the five-year anniversary of the date of the FNF Revolver. The maturity date is automatically extended for additional five-year terms unless notice of non-renewal is otherwise provided by either FNF or Cannae, in their sole discretion.

As of September 30, 2021, there was no outstanding balance under the FNF Revolver and there was $100.0 million remaining borrowing capacity.

Gross principal maturities of notes payable at September 30, 2021 are as follows (in millions):

2021 (remaining)	$	2.5
2022		7.0
2023		208.1
2024		0.8
2025		0.6
Thereafter		12.1
Total	$	231.1

Note G — Commitments and Contingencies

Legal Contingencies

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

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

We review lawsuits and other legal and regulatory matters (collectively “legal proceedings”) on an ongoing basis when making accrual and disclosure decisions. When assessing reasonably possible and probable outcomes, management bases its decision on its assessment of the ultimate outcome assuming all appeals have been exhausted. For legal proceedings in which it has been determined that a loss is both probable and reasonably estimable, a liability based on known facts that represents our best estimate is recorded. As of September 30, 2021 and December 31, 2020, our accrual for settlements of legal proceedings was not considered material. Actual losses may materially differ from the amounts recorded and the ultimate outcome of our pending legal proceedings is generally not yet determinable. While some of these matters could be material to our operating results or cash flows for any particular period in the event of an unfavorable outcome, at present, we do not believe that the ultimate resolution of currently pending legal proceedings, either individually or in the aggregate, will have a material adverse effect on our financial condition, results of operations or cash flows.

On September 23, 2020, a stockholder derivative lawsuit styled Oklahoma Firefighters Pension & Retirement System, derivatively on behalf of Cannae Holdings, Inc. v. William P. Foley, II, et al., was filed in the Court of Chancery of the State of Delaware against the Company, certain Board members and officers of the Company, and the Manager, alleging breach of fiduciary duties relating to the Company's Management Services Agreement. The plaintiff further alleges the Board breached their fiduciary duties by approving bonuses in connection with the initial public offering of Ceridian and the approval of an Investment Success Incentive Plan in August 2018. Along with the Complaint, the plaintiff filed a motion for partial summary judgment as to the count seeking to void the Management Services Agreement. On January 27, 2021, the Company entered into an amendment to the Management Services Agreement and plaintiff withdrew its motion for partial summary judgment as moot. On February 1, 2021, the court ordered the plaintiff's summary judgment motion withdrawn and dismissed the related count of the plaintiff's complaint. On February 18, 2021, our Board formed a Special Litigation Committee (the "SLC") consisting of two of the Board's Directors, and has authorized the SLC, among other things, to investigate and evaluate the claims and allegations asserted in the lawsuit. The Board has also given the SLC the sole authority and power to consider and determine whether or not prosecution of the claims asserted in the lawsuit is in the best interest of the Company and its shareholders, and what action the Company should take with respect to the lawsuit. On March 9, 2021, the Court entered a stipulated Order staying the action for six months to allow the SLC to investigate, review, and evaluate the facts, circumstances, and claims asserted in or relating to the action and to determine the Company's response thereto. On September 10, 2021, the Court entered an order extending the stay for an additional four months.The defendants will contest the remaining claims in the action vigorously.

Unconditional Purchase Obligations

We have certain unconditional purchase obligations, primarily in our Restaurant Group segment. These purchase obligations are with various vendors and are primarily related to food and beverage obligations with fixed commitments in regards to the time period of the contract and the quantities purchased with annual price adjustments that can fluctuate. We used both historical and projected volume and pricing as of September 30, 2021 to determine the amount of the obligations. Purchase obligations as of September 30, 2021 are as follows (in millions):

2021 (remaining)	$ 18.8
2022	31.7
2023	7.3
2024	5.9
2025	5.9
Thereafter	6.8
Total purchase commitments	$ 76.4

Note H — Segment Information

Summarized financial information concerning our reportable segments is shown in the following tables.

On March 30, 2021, we closed on our investment in Paysafe. We account for our investment in Paysafe as an equity method investment and report our equity in earnings or loss of Paysafe on a three-month lag. Our chief operating decision maker reviews the full financial results of Paysafe for purposes of assessing performance and allocating resources. Accordingly, we consider Paysafe a reportable segment and have included the full results of Paysafe subsequent to the FTAC II Paysafe Merger, on a three-month lag, in the tables below.

We made our initial investment in AmeriLife in March 18, 2020. We account for our investment in AmeriLife as an equity method investment and report our equity in earnings or loss of AmeriLife on a three-month lag. Our chief operating decision maker reviews the full financial results of AmeriLife for purposes of assessing performance and allocating resources. Beginning in the three months ended March 31, 2021, AmeriLife exceeded certain of the quantitative thresholds prescribed by ASC 280 *Segment Reporting* and we began considering AmeriLife a reportable segment and have included the full results of AmeriLife subsequent to our investment, on a three-month lag, in the tables below.

On July 2, 2021, we closed on our investment in Alight. We account for our investment in Alight as an equity method investment and report our equity in earnings or loss of Alight on a three-month lag. Because we closed on our investment in Alight at the beginning of the third quarter of 2021 and record our share of its earnings or loss on a three-month lag, there is no equity in earnings or loss of Alight included in our results of operations for the three or nine months ended September 30, 2021. We expect our chief operating decision maker will review the full financial results of Alight for purposes of assessing performance and allocating resources of the Company. Thus, we expect to include the full financial results of Alight in the tables below in the fourth quarter of 2021 in conjunction with our recording of our proportionate share of Alight's third quarter of 2021 earnings or loss on a lag basis.

As of and for the three months ended September 30, 2021:

	Restaurant Group	Dun & Bradstreet	Paysafe	Optimal Blue	AmeriLife	Corporate and Other	Affiliate Elimination	Total
	(in millions)							
Restaurant revenues	$ 175.1	$ —	$ —	$ —	$ —	$ —	$ —	$ 175.1
Other operating revenues	—	541.9	384.3	46.4	126.5	10.9	(1,099.1)	10.9
Revenues from external customers	175.1	541.9	384.3	46.4	126.5	10.9	(1,099.1)	186.0
Interest, investment and other income, including recognized gains and losses, net	1.2	13.5	46.6	—	—	(168.7)	(60.1)	(167.5)
Total revenues and other income	176.3	555.4	430.9	46.4	126.5	(157.8)	(1,159.2)	18.5
Depreciation and amortization	5.7	156.7	70.1	34.3	14.7	0.6	(275.8)	6.3
Interest expense	(1.7)	(48.3)	(62.7)	(8.0)	(12.4)	(0.6)	131.4	(2.3)
(Loss) earnings before income taxes and equity in earnings (losses) of unconsolidated affiliates	(4.2)	14.7	23.5	(19.9)	(7.0)	(190.4)	(11.3)	(194.6)
Income tax (benefit) expense	—	(2.8)	16.7	(2.3)	—	(34.7)	(11.6)	(34.7)
(Loss) earnings, before equity in (losses) earnings of unconsolidated affiliates	(4.2)	17.5	6.8	(17.6)	(7.0)	(155.7)	0.3	(159.9)
Equity in earnings (losses) of unconsolidated affiliates	—	0.7	—	—	—	53.1	(12.4)	41.4
Net (loss) earnings from continuing operations	$ (4.2)	$ 18.2	$ 6.8	$ (17.6)	$ (7.0)	$ (102.6)	$ (12.1)	$ (118.5)
Assets	$ 427.7	$ 9,747.3	$ 6,894.3	$ 1,905.6	$ 1,724.7	$ 3,885.8	$ (20,271.9)	$ 4,313.5
Goodwill	53.4	3,318.7	3,483.5	1,228.7	883.3	—	(8,914.2)	53.4

As of and for the three months ended September 30, 2020:

	Restaurant Group	Dun & Bradstreet	Optimal Blue	AmeriLife	Corporate and Other	Affiliate Elimination	Total
	(in millions)						
Restaurant revenues	$ 129.4	$ —	$ —	$ —	$ —	$ —	$ 129.4
Other operating revenues	—	444.4	6.7	68.5	10.3	(519.6)	10.3
Revenues from external customers	129.4	444.4	6.7	68.5	10.3	(519.6)	139.7
Interest investment and other income (expense), including recognized gains and losses, net	1.5	(8.7)	—	—	192.8	8.7	194.3
Total revenues and other income	130.9	435.7	6.7	68.5	203.1	(510.9)	334.0
Depreciation and amortization	5.7	134.3	5.6	7.1	0.8	(147.0)	6.5
Interest expense	(1.7)	(60.8)	(1.4)	10.5	0.1	51.7	(1.6)
(Loss) earnings before income taxes and equity in earnings (losses) of unconsolidated affiliates	(14.2)	(24.0)	(21.7)	3.2	178.5	42.5	164.3
Income tax (benefit) expense	—	(9.1)	3.4	—	35.1	5.7	35.1
(Loss) earnings before equity in earnings of unconsolidated affiliates	(14.2)	(14.9)	(25.1)	3.2	143.4	36.8	129.2
Equity in (losses) earnings of unconsolidated affiliates	(0.1)	0.6	—	—	7.5	(9.2)	(1.2)
Net (loss) earnings from continuing operations	$ (14.3)	$ (14.3)	$ (25.1)	$ 3.2	$ 150.9	$ 27.6	$ 128.0
Assets	$ 394.1	$ 9,144.7	$ 2,000.0	1,209.6	$ 3,474.5	$ (12,354.3)	$ 3,868.6
Goodwill	53.5	2,853.0	1,241.0	1,106.9	—	(5,200.9)	53.5

CANNAE HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — continued

As of and for the nine months ended September 30, 2021:

	Restaurant Group	Dun & Bradstreet	Paysafe	Optimal Blue	AmeriLife	Corporate and Other	Affiliate Elimination	Total
	(in millions)							
Restaurant revenues	$ 532.3	$ —	$ —	$ —	$ —	$ —	$ —	$ 532.3
Other operating revenues	—	1,567.3	384.3	132.3	406.8	28.0	(2,490.7)	28.0
Revenues from external customers	532.3	1,567.3	384.3	132.3	406.8	28.0	(2,490.7)	560.3
Interest, investment and other income, including recognized gains and losses, net	2.4	33.0	46.6	—	—	(207.0)	(79.6)	(204.6)
Total revenues and other income	534.7	1,600.3	430.9	132.3	406.8	(179.0)	(2,570.3)	355.7
Depreciation and amortization	18.5	458.7	70.1	102.9	51.0	2.1	(682.7)	20.6
Interest expense	(6.6)	(145.2)	(62.7)	(23.6)	(36.1)	(0.3)	267.6	(6.9)
(Loss) earnings before income taxes and equity in earnings (losses) of unconsolidated affiliates	(7.9)	(27.5)	23.5	(66.6)	(6.5)	(300.6)	77.1	(308.5)
Income tax benefit	—	30.4	16.7	(8.8)	—	(47.4)	(38.3)	(47.4)
(Loss) earnings, before equity in (losses) earnings of unconsolidated affiliates	(7.9)	(57.9)	6.8	(57.8)	(6.5)	(253.2)	115.4	(261.1)
Equity in earnings of unconsolidated affiliates	—	2.0	—	—	—	57.6	26.9	86.5
Net (loss) earnings from continuing operations	$ (7.9)	$ (55.9)	$ 6.8	$ (57.8)	$ (6.5)	$ (195.6)	$ 142.3	$ (174.6)
Assets	$ 427.7	$ 9,747.3	$ 6,894.3	$ 1,905.6	$ 1,724.7	$ 3,885.8	$ (20,271.9)	$ 4,313.5
Goodwill	53.4	3,318.7	3,483.5	1,228.7	883.3	—	(8,914.2)	53.4

As of and for the nine months ended September 30, 2020:

	Restaurant Group	Dun & Bradstreet	Optimal Blue	AmeriLife	Corporate and Other	Affiliate Elimination	Total
	(in millions)						
Restaurant revenues	$ 398.7	$ —	$ —	$ —	$ —	$ —	$ 398.7
Other operating revenues	—	1,258.8	6.7	82.1	16.6	(1,347.6)	16.6
Revenues from external customers	398.7	1,258.8	6.7	82.1	16.6	(1,347.6)	415.3
Interest investment and other income, including recognized gains and losses, net	9.2	(41.8)	—	—	1,688.8	41.8	1,698.0
Total revenues and other income	407.9	1,217.0	6.7	82.1	1,705.4	(1,305.8)	2,113.3
Depreciation and amortization	20.0	401.4	5.6	8.0	2.2	(415.0)	22.2
Interest expense	(5.9)	(221.8)	(1.4)	11.3	(0.5)	211.9	(6.4)
(Loss) earnings before income taxes and equity in earnings (losses) of unconsolidated affiliates	(59.1)	(227.6)	(21.7)	(6.4)	1,623.3	255.7	1,564.2
Income tax (benefit) expense	—	(111.0)	3.4	—	335.6	107.6	335.6
(Loss) earnings before equity in earnings of unconsolidated affiliates	(59.1)	(116.6)	(25.1)	(6.4)	1,287.7	148.1	1,228.6
Equity in (losses) earnings of unconsolidated affiliates	(15.0)	1.9	—	—	76.1	(59.4)	3.6
Net (loss) earnings from continuing operations	$ (74.1)	$ (114.7)	$ (25.1)	$ (6.4)	$ 1,363.8	$ 88.7	$ 1,232.2
Assets	$ 394.1	$ 9,144.7	$ 2,000.0	1,209.6	$ 3,474.5	$ (12,354.3)	$ 3,868.6
Goodwill	53.5	2,853.0	1,241.0	1,106.9	—	(5,200.9)	53.5

The activities in our segments include the following:

- *Restaurant Group.* This segment consists of the operations of O'Charley's and 99 Restaurants in which we had 65.4% and 88.5% ownership interests, respectively. O'Charley's and 99 Restaurants and their affiliates are the owners and operators of the O'Charley's restaurant concept and Ninety Nine Restaurants restaurant concept, respectively. As discussed in Note A, subsequent to the sale of substantially all of the assets of Legendary Baking and VIBSQ during the three months ended September 30, 2021, other than the winding down of certain immaterial retained assets and liabilities of Legendary Baking and VIBSQ, we have no further material interest in Legendary Baking and VIBSQ.

- *Dun & Bradstreet.* This segment consists of our 15.8% ownership interest in Dun & Bradstreet. Dun & Bradstreet is a leading global provider of business decisioning data and analytics. Its mission is to deliver a global network of trust, enabling clients to transform uncertainty into confidence, risk into opportunity and potential into prosperity. Clients embed D&B's trusted, end-to-end solutions into their daily workflows to enhance sales force productivity, gain visibility into key markets, inform commercial credit decisions and confirm that suppliers are financially viable and compliant with laws and regulations. Dun & Bradstreet's solutions support its clients' mission critical business operations by providing proprietary and curated data and analytics to help drive informed decisions and improved outcomes. Dun & Bradstreet's global commercial database as of December 31, 2020 contained more than 420 million business records. Our chief operating decision maker reviews the full financial results of Dun & Bradstreet for purposes of assessing performance and allocating resources. Thus, we consider Dun & Bradstreet a reportable segment and have included the full results of Dun & Bradstreet in the tables above. We account for Dun & Bradstreet using the equity method of accounting, and therefore, its results do not consolidate into ours. Accordingly, we have presented the elimination of Dun & Bradstreet's results in the *Affiliate Elimination* section of the segment presentation above. See Note D for further discussion of our investment in Dun & Bradstreet and related accounting.

- *Paysafe*. This segment consists of our 7.5% ownership interest in Paysafe. Paysafe provides payment solutions through three primary lines of business: Integrated Processing, Digital Wallet and eCash Solutions. Paysafe's Integrated Processing business is focused on card not present and card present solutions for small to medium size business merchants. Paysafe's Digital Wallet business provides wallet based online payment solutions through its Skrill and NETELLER brands. Paysafe's eCash Solutions business enables consumers to use cash to facilitate online purchases through its paysafecard prepaid vouchers. Our chief operating decision maker reviews the full financial results of Paysafe for purposes of assessing performance and allocating resources. Thus, we consider Paysafe a reportable segment and have included the full results of Paysafe subsequent to our initial investment in the tables above. We account for Paysafe using the equity method of accounting, and therefore, its results do not consolidate into ours. Accordingly, we have presented the elimination of Paysafe's results in the *Affiliate Elimination* section of the segment presentation above. We report our equity in earnings or loss of Paysafe on a three-month lag and we acquired our investment on March 30, 2021. Accordingly, our net earnings and the segment tables above, respectively, for the three and nine months ended September 30, 2021, include our equity in Paysafe's earnings and complete results of Paysafe, respectively, for the three months ended June 30, 2021. See Note D for further discussion of our investment in Paysafe and related accounting.

- *Optimal Blue*. This segment consists of our 20.0% ownership interest in Optimal Blue, which we acquired on September 15, 2020. Optimal Blue is a leading provider of secondary market solutions and actionable data services. They operate a software-as-a-service, subscription-based mortgage marketplace, which supports a network of originators and investors in the residential mortgage market. The marketplace provides a broad set of critical functions utilized by banks, credit unions and mortgage brokerage companies throughout the mortgage processing life cycle. Optimal Blue exceeds certain of the quantitative thresholds prescribed by ASC 280 *Segment Reporting* and our chief operating decision maker reviews the financial results of Optimal Blue for purposes of assessing performance and allocating resources. Thus, we consider Optimal Blue a reportable segment and have included the results of operations of Optimal Blue in the tables above. We account for Optimal Blue using the equity method of accounting, and therefore, its results do not consolidate into ours. Accordingly, we have presented the elimination of Optimal Blue's results in the *Affiliate Elimination* section of the segment presentation above. Our net earnings and the segment table above, respectively, for the three and nine months ended September 30, 2020, includes our equity in Optimal Blue's losses and complete results of Optimal Blue, respectively, for the period from September 15, 2020, the date we made our initial investment in Optimal Blue, to September 30, 2020. See Note D for further discussion of our investment in Optimal Blue and related accounting.

- *AmeriLife.* This segment consists of our 19.8% ownership interest in AmeriLife, which we acquired on March 18, 2020. AmeriLife is a leader in marketing and distributing life, health, and retirement solutions. AmeriLife has partnered with the nation's leading insurance carriers to provide value and quality to customers served through a national distribution network of insurance agents and advisors, marketing organizations, and insurance agency locations. AmeriLife exceeds certain of the quantitative thresholds prescribed by ASC 280 *Segment Reporting* and our chief operating decision maker reviews the financial results of AmeriLife for purposes of assessing performance and allocating resources. Thus, we consider AmeriLife a reportable segment and have included the results of operations of AmeriLife in the tables above. We account for our investment in AmeriLife as an equity method investment, and therefore, its results do not consolidate into ours. Accordingly, we have presented the elimination of AmeriLife's results in the *Affiliate Elimination* section of the segment presentation above. See Note D for further discussion of our investment in AmeriLife and related accounting. We report our equity in earnings or loss of AmeriLife on a three-month lag. Our net earnings and the segment tables above, respectively, for the three and nine months ended September 30, 2021 includes our equity in AmeriLife's losses and the complete results of AmeriLife, respectively, for the three and nine months ended June 30, 2021, respectively, and for the three and nine months ended September 30, 2020 includes our equity in AmeriLife's losses and complete results of AmeriLife for the three months ended June 30, 2020 and the period from March 18, 2020 through June 30, 2020, respectively.

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

Note I — Supplemental Cash Flow Information

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

	Nine months ended September 30,	
	2021	2020
	(In millions)	
Cash paid during the period:		
Interest	$ 3.9	$ 3.4
Income taxes	93.4	95.6
Operating leases	28.7	31.2
Non-cash investing and financing activities:		
Note receivable received through sale of RC	35.0	—

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The statements contained in this Quarterly Report on Form 10-Q (this "Quarterly Report") that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including statements regarding our expectations, hopes, intentions or strategies regarding the future. All forward-looking statements included in this document are based on information available to us on the date hereof, and we assume no obligation to update any such forward-looking statements. It is important to note that our actual results could vary materially from those forward-looking statements contained herein due to many factors, including, but not limited to: changes in general economic, business and political conditions, including changes in the financial markets and changes in conditions resulting from the outbreak of a pandemic such as the novel coronavirus COVID-19 ("COVID-19"); the overall impact of COVID-19 and measures to curb its spread, including the effect of governmental or voluntary mitigation measures such as business shutdowns, social distancing, and stay-at-home orders; risks associated with the Investment Company Act of 194; our potential inability to find suitable acquisition candidates, acquisitions in lines of business that will not necessarily be limited to our traditional areas of focus, or difficulties in integrating acquisitions; significant competition that our operating subsidiaries face; risks associated with our Split-Off from Fidelity National Financial, Inc.; risks related to the externalization of certain of our management functions to our Manager; and other risks detailed in the “Statement Regarding Forward-Looking Information,” “Risk Factors” and other sections of our Annual Report on Form 10-K for the year ended December 31, 2020 (our "Annual Report") and other filings with the SEC.

The following discussion should be read in conjunction with our Annual Report.

Overview

For a description of our business, including descriptions of segments and recent business developments, see the discussion under *Basis of Financial Statements* in Note A to the Condensed Consolidated Financial Statements included in Item 1 of Part I of this Quarterly Report, which is incorporated by reference into this Part I, Item 2.

Business Trends and Conditions

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

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

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

Paysafe. Paysafe provides payment solutions through three primary lines of business: Integrated Processing, Digital Wallet and eCash Solutions. Paysafe's Integrated Processing business is focused on card not present and card present solutions for small to medium size business merchants. Paysafe's Digital Wallet business provides wallet based online payment solutions through its Skrill and NETELLER brands. Paysafe's eCash Solutions business enables consumers to use cash to facilitate online purchases through its paysafecard prepaid vouchers. With over 20 years of online payment experience, Paysafe connects businesses and consumers across 70 payment types in over 40 currencies around the world. It provides these payment solutions in the following principal verticals; e-commerce, online gambling, and online gaming; the principal markets being in North America and Europe.

Paysafe's solutions are highly differentiated in the market and help solve the complexities of digital commerce, remove significant friction and pain points from the customer experience and enable its business and consumer clients to transact in a faster, safer and more convenient manner. For example, Paysafe leverages the advantages of its Paysafe Network to extend its digital capabilities beyond basic card-based payments and unlock the monetization potential of local digital wallets, close to 70 major alternative payment methods, crypto-currencies and cash transactions. Paysafe also leverages its technology, risk management expertise and compliance infrastructure to empower buyers and sellers to connect and transact in more complex verticals where traditional services do not work well, such as iGaming and gaming. Paysafe also offer more traditional services, such as eCommerce payments and small and medium sized business merchant acquiring and differentiate these by integrating new technologies to make them more powerful and convenient, such as its global gateway and smart devices to create a differentiated value proposition.

Within digital commerce, Paysafe serves a number of specific industry verticals and has established a strong position in iGaming and Gaming, which Paysafe has identified as its key verticals because it believes there is significant market potential for growth and expansion in these areas, and Paysafe is committed to focusing on opportunities for organic and inorganic growth in iGaming and Gaming. The iGaming industry is highly regulated, and participation requires specific expertise, significant technology development and compliance infrastructure to facilitate cross-border commerce successfully. Laws governing the vertical are complex, vary considerably by geography and are continually evolving, which creates a significant opportunity to provide value-added services to iGaming providers due to a strong focus on risk management. The ability to develop and offer products and services that comply with applicable regulations provides valuable advantages to address this large and attractive market opportunity.

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

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

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

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

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

Timing of reopening stores and resulting guest traffic has varied by jurisdiction. In the second half of 2020, our Restaurant Group experienced a gradual increase in guest traffic and revenues compared to the first half of 2020; however, the volume of customers visiting our stores remained below our historical levels through December 31, 2020. We experienced an increase in revenues from to-go and delivery sales from historical experience; however, comparable store sales across all of our restaurant brands remained depressed compared to previous years through the first quarter of 2021.

Coinciding with the first available vaccines for COVID-19 in December 2020, capacity restrictions on dining rooms began to ease in most jurisdictions in which our Restaurant Group operates. Furthermore, the U.S. government provided significant stimulus to consumers through direct payments to U.S. citizens. Through the three months ended March 31, 2021, we were still operating a limited number of restaurants with restricted capacity. In light of recent spread of new variants of COVID-19, uncertainty remains regarding the continued rate of immunization in the public, timing of an economic recovery, and changed guest decision-making with regard to dining in restaurants. Beginning in the three months ended June 30, 2021, we began to experience increases in same store sales compared to the corresponding period in 2020. This trend has continued through the three months ended September 30, 2021. However, same store sales remain lower compared to the corresponding periods in 2019.

The COVID-19 outbreak and these responses have affected and may continue to adversely affect our Restaurant Group brands' guest traffic, sales and operating costs. See further discussion of the impact of COVID-19 on our Restaurant Group in the *Results of Operations* subsection below.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with U.S. GAAP. The Critical Accounting Policies and Estimates disclosed in Item 7 of our Annual Report are hereby incorporated by reference. Other than as described below, there have been no changes to our critical accounting policies and estimates.

Investments in unconsolidated affiliates. On an ongoing basis, management monitors the Company's investments in unconsolidated affiliates to determine whether there are indications that the fair value of an investment may be other-than-temporarily below our recorded book value of the investment. Factors considered when determining whether a decline in the fair value of an investment is other-than-temporary include, but are not limited to: the length of time and the extent to which the market value has been less than book value, the financial condition and near-term prospects of the investee, and the intent and ability of the Company to retain its investment in the investee for a period of time sufficient to allow for any anticipated recovery in market value.

As of September 30, 2021, the fair value of our investment in Paysafe based on quoted market prices was $418.8 million and the book value of our investment in Paysafe was $810.6 million prior to any impairment. Due primarily to the quantum of the decrease in the fair market value of our investment, management determined the decrease in value of our investment in Paysafe was other-than-temporary. Accordingly, we recorded an impairment of $391.8 million in the three months ended September 30, 2021 which is included in Recognized (losses) gains, net, on our Condensed Consolidated Statement of Operations.

Results of Operations

Consolidated Results of Operations

Net Earnings. The following table presents certain financial data for the periods indicated:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	(Dollars in millions)			
Revenues:				
Restaurant revenue	$ 175.1	$ 129.4	$ 532.3	$ 398.7
Other operating revenue	10.9	10.3	28.0	16.6
Total operating revenues	186.0	139.7	560.3	415.3
Operating expenses:				
Cost of restaurant revenue	154.8	121.7	462.8	375.6
Personnel costs	21.9	16.7	58.3	69.2
Depreciation and amortization	6.3	6.5	20.6	22.2
Other operating expenses	27.8	23.2	115.6	68.0
Goodwill impairment	—	—	—	7.7
Total operating expenses	210.8	168.1	657.3	542.7
Operating loss	(24.8)	(28.4)	(97.0)	(127.4)
Other income (expense):				
Interest, investment and other income	18.7	4.7	20.1	15.2
Interest expense	(2.3)	(1.6)	(6.9)	(6.4)
Recognized (losses) gains, net	(186.2)	189.6	(224.7)	1,682.8
Total other (expense) income	(169.8)	192.7	(211.5)	1,691.6
(Loss) earnings before income taxes and equity in losses of unconsolidated affiliates	(194.6)	164.3	(308.5)	1,564.2
Income tax (benefit) expense	(34.7)	35.1	(47.4)	335.6
(Loss) earnings before equity in earnings (losses) of unconsolidated affiliates	(159.9)	129.2	(261.1)	1,228.6
Equity in earnings (losses) of unconsolidated affiliates	41.4	(1.2)	86.5	3.6
Net (loss) earnings	(118.5)	128.0	(174.6)	1,232.2
Less: Net earnings (loss) attributable to non-controlling interests	2.5	(3.9)	3.1	(22.7)
Net (loss) earnings attributable to Cannae Holdings, Inc. common shareholders	$ (121.0)	$ 131.9	$ (177.7)	$ 1,254.9

Revenues.

Total revenues increased $46.3 million, or 33.1%, in the three months ended September 30, 2021 and increased $145.0 million, or 34.9%, in the nine months ended September 30, 2021 compared to the corresponding periods in 2020.

Net earnings attributable to Cannae Holdings, Inc. common shareholders decreased $252.9 million, or 191.7%, in the three months ended September 30, 2021 and decreased $1,432.6 million, or 114.2%, in the nine months ended September 30, 2021 compared to the corresponding periods in 2020.

The change in revenues and net earnings is discussed in further detail at the segment level below.

Expenses.

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

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

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

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

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

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

Income tax (benefit) expense was $(34.7) million and $35.1 million in the three-month periods ended September 30, 2021 and 2020, respectively, and $(47.4) million and $335.6 million in the nine-month periods ended September 30, 2021 and 2020, respectively. Our effective tax rate was 17.8% and 21.4% in the three months ended September 30, 2021 and 2020, respectively, and 15.4% and 21.5% in the nine months ended September 30, 2021 and 2020, respectively. Our effective tax rate fluctuates depending on our estimate of ultimate income tax liability and changes in the characteristics of net earnings, such as the weighting of operating income versus investment income or earnings and losses of unconsolidated affiliates. The change in our effective tax rate in all periods presented is primarily attributable to the varying impact of equity in earnings (losses) of unconsolidated affiliates on earnings (loss) before taxes.

Other.

Equity in (losses) earnings of unconsolidated affiliates for the three and nine months ended September 30, 2021 and 2020 consisted of the following (in millions):

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Dun & Bradstreet	$ 2.6	$ (3.1)	$ (13.0)	$ (48.5)
Paysafe/FTAC II Sponsor	(7.1)	—	64.3	—
Alight/FTAC Sponsor	49.9	—	49.9	—
Ceridian (1)	—	—	—	1.5
Optimal Blue	(2.7)	(4.7)	(10.9)	(4.7)
Senator JV	—	1.6	—	80.9
AmeriLife	(4.5)	(0.8)	(11.5)	(4.3)
Sightline	(0.1)	—	(0.1)	—
Other	3.3	5.8	7.8	(21.3)
Total	$ 41.4	$ (1.2)	$ 86.5	$ 3.6

(1) The amount for the nine months ended September 30, 2020 represents the Company's equity in earnings of Ceridian in the three months ended March 31, 2020 prior to the change in accounting for the investment beginning March 31, 2020.

Restaurant Group

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

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	(In millions)			
Revenues:				
Restaurant revenue	$ 175.1	$ 129.4	$ 532.3	$ 398.7
Total operating revenues	175.1	129.4	532.3	398.7
Operating expenses:				
Cost of restaurant revenue	154.8	121.7	462.8	375.6
Personnel costs	8.6	7.9	25.7	23.6
Depreciation and amortization	5.7	5.7	18.5	20.0
Other operating expenses	9.7	8.1	29.0	34.2
Goodwill impairment	—	—	—	7.7
Total operating expenses	178.8	143.4	536.0	461.1
Operating loss	(3.7)	(14.0)	(3.7)	(62.4)
Other income (expense):				
Interest expense	(1.7)	(1.7)	(6.6)	(5.9)
Recognized gains, net	1.2	1.5	2.4	9.2
Total other (expense) income	(0.5)	(0.2)	(4.2)	3.3
Loss before income taxes and equity in losses of unconsolidated affiliates	$ (4.2)	$ (14.2)	$ (7.9)	$ (59.1)

Total revenues for the Restaurant group segment increased $45.7 million, or 35.3%, in the three months ended September 30, 2021 and increased $133.6 million, or 33.5%, in the nine months ended September 30, 2021 compared to the corresponding periods in 2020. The increase was primarily driven by: (1) an overall increase in comparable store sales (discussed in further detail below) driven by continued recovery from the COVID-19 pandemic and the related social restrictions imposed by state and local governments, which resulted in the closing of dining rooms for substantially all of our restaurants beginning in late March 2020 and adversely impacted the comparable 2020 periods and (2) increased revenue related to the reconsolidation of Legendary Baking and VIBSQ beginning October 2, 2020 as part of their emergence from bankruptcy. VIBSQ is the owner of the Village Inn and Bakers Square restaurant concepts. The increase was partially offset by the closing or sale of company-owned restaurants primarily associated with our O'Charley's, Village Inn, and Baker's Square concepts subsequent to the prior year periods, including the sale of VIBSQ's net assets during the three months ended September 30, 2021.

Revenue associated primarily with O'Charley's, Village Inn and Baker's Square of $12.5 million and $36.8 million was recorded in the three and nine months ended September 30, 2020, respectively, associated with stores closed subsequent to September 30, 2020. Revenue of $17.8 million is recorded in the nine months ended September 30, 2020 for the predecessors of Legendary and VIBSQ, which represents revenue for the period from January 1, 2020 through January 27, 2020, the date of their respective predecessors' filing for bankruptcy. Revenue for Legendary Baking and VIBSQ was $10.7 million and $54.8 million in the three and nine months ended September 30, 2021, respectively.

Comparable Store Sales. One method we use in evaluating the performance of our restaurants is to compare sales results for restaurants period over period. A new restaurant is included in our comparable store sales figures starting in the first period following the restaurant's first seventy-eight weeks of operations. Changes in comparable store sales reflect changes in sales for the comparable store group of restaurants over a specified period of time. This measure highlights the performance of existing restaurants, as the impact of new restaurant openings is excluded. Comparable store sales for our O'Charley's and 99 Restaurants brands increased by 21.3% and 43.1%, respectively, in the three months ended September 30, 2021 and increased 25.4% and 36.8%, respectively, in the nine months ended September 30, 2021, compared to the comparable periods in 2020. The increase for our O'Charley's and 99 Restaurants brands is attributable to the 2020 impact of the social restrictions imposed in response to COVID-19, which depressed sales in the comparable 2020 periods. The increase at O'Charley's is also attributable to the closure of underperforming stores in prior periods.

Cost of restaurant revenue increased directionally consistent with Restaurant revenues. Cost of restaurant revenue as a percentage of restaurant revenue was 88.4% and 94.0% in the three months ended September 30, 2021 and 2020, respectively, and 86.9% and 94.2% in the nine months ended September 30, 2021 and 2020, respectively. The decrease in cost of restaurant revenue as a percentage of restaurant revenue in the three and nine months ended September 30, 2021 compared to the comparable periods in 2020 is primarily attributable to the decreased impact of unavoidable fixed costs on decreased revenue in the comparable 2020 periods, partially offset by increased costs of labor, food and supplies.

Other operating expense increased $1.6 million, or 19.8%, in the three months ended September 30, 2021, and decreased $5.2 million, or 15.2%, in the nine months ended September 30, 2021 from the corresponding period in 2020. The decrease in the nine month period is primarily attributable to the impairment of assets of $6.8 million in the nine months ended September 30, 2020, partially offset by increased spending on marketing in the nine months ended September 30, 2021.

Recognized (losses) gains, net for the nine months ended September 30, 2020 includes a gain of $26.5 million as a result of the deconsolidation of Blue Ribbon on January 27, 2020 and an other-than-temporary impairment loss on our recorded investment in Blue Ribbon of $18.6 million.

Loss before income taxes decreased by $10.0 million, or 70.4%, in the three months ended September 30, 2021 and increased $51.2 million, or 86.6%, in the nine months ended September 30, 2021 from the corresponding periods in 2020. The change in income was primarily attributable to the factors discussed above.

Dun & Bradstreet

As of September 30, 2021, we own approximately 15.8% of the outstanding common stock of Dun & Bradstreet. We account for our investment in Dun & Bradstreet under the equity method of accounting; therefore, its results of operations do not consolidate into ours.

Summarized financial information for Dun & Bradstreet and its predecessor for the relevant dates and time periods included in Investments in unconsolidated affiliates and Equity in earnings (losses) of unconsolidated affiliates in our Condensed Consolidated Balance Sheets and Statements of Operations, respectively, is presented below.

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	(In millions)		(In millions)	
Total revenues	$ 541.9	$ 444.4	$ 1,567.3	$ 1,258
Income (loss) before income taxes	14.7	(24.0)	(27.5)	(227
Net income (loss)	18.2	(14.3)	(55.9)	(114
Dividends attributable to preferred equity and noncontrolling interest expense	(1.6)	(2.0)	(4.2)	(67
Net income (loss) attributable to Dun & Bradstreet	16.6	(16.3)	(60.1)	(182

Details relating to the results of operations of Dun & Bradstreet (NYSE: "DNB") can be found in its periodic reports filed with the SEC.

Paysafe

On March 30, 2021, we closed on our investment in Paysafe. We account for our investment in Paysafe under the equity method of accounting and report our equity in earnings or loss of Paysafe on a three-month lag; therefore, its results do not consolidate into ours.

Summarized financial information for Paysafe for the relevant dates and time periods included in Equity in earnings (losses) of unconsolidated affiliates in our Statements of Operations is presented below.

	Three Months Ended Ju 30, 2021
	(In millions)
Total revenues	$ 384
Earnings before income taxes	23
Net income	6

Details relating to the results of operations of Paysafe (NYSE: "PSFE") can be found in its periodic reports filed with the SEC.

Optimal Blue

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

Summarized financial information for Optimal Blue for the relevant dates and time periods included in Equity in earnings (losses) of unconsolidated affiliates in our Statements of Operations is presented below.

	Three months ended September 30, 2021	Period from September 15, 2020 to September 30, 2020	Nine months ended September 30, 2021
	(In millions)		(In millions)
Total revenues	$ 46.4	$ 6.7	$ 132
Operating loss	(11.9)	(20.3)	(43
Net loss	(17.6)	(25.1)	(57

AmeriLife

On March 18, 2020, we closed on our $125.0 million investment in AmeriLife. We account for our investment in AmeriLife under the equity method of accounting and report our equity in earnings or loss of AmeriLife on a three-month lag; therefore, its results of operations do not consolidate into ours. Accordingly, our net earnings for the three and nine months ended September 30, 2021 includes our equity in AmeriLife’s losses for the three and nine months ended June 30, 2021, respectively, and our net earnings for the three and nine months ended September 30, 2020 include our equity in AmeriLife's losses for the three months ended June 30, 2020 and the period from March 18, 2020 through June 30, 2020, respectively.

Summarized financial information for AmeriLife for the relevant dates and time periods included in Investments in unconsolidated affiliates and Equity in earnings (losses) of unconsolidated affiliates in our Condensed Consolidated Balance Sheets and Statements of Operations, respectively, is presented below.

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Nine Months Ended June 30, 2021	Period from March to June 30, 2020
		(In millions)		
Total revenues	$ 126.5	$ 68.5	$ 406.8	$ 82
Operating income (loss)	5.4	13.7	29.6	4
Net loss	(7.0)	3.2	(6.5)	(6
Income attributable to noncontrolling interests	15.6	6.1	46.5	6
Net loss attributable to AmeriLife	(22.6)	(2.9)	(53.0)	(12

Corporate and Other

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

The following table presents the results from operations of our non-reportable Corporate and other segment:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	(In millions)		(In millions)	
Revenues:				
Other operating revenue	$ 10.9	$ 10.3	$ 28.0	$ 16
Operating expenses:				
Personnel costs	13.3	8.8	32.6	45
Depreciation and amortization	0.6	0.8	2.1	2
Other operating expenses	18.1	15.1	86.6	33
Total operating expenses	32.0	24.7	121.3	81
Operating loss	(21.1)	(14.4)	(93.3)	(65
Other income (expense):				
Interest, investment and other income	18.7	4.7	20.1	15
Interest elimination (expense)	(0.6)	0.1	(0.3)	(0
Recognized (losses) gains, net	(187.4)	188.1	(227.1)	1,673
Total other (expense) income	(169.3)	192.9	(207.3)	1,688
(Loss) earnings before income taxes and equity in earnings of unconsolidated affiliates	$ (190.4)	$ 178.5	$ (300.6)	$ 1,623

Other operating revenue increased $0.6 million in the three months ended September 30, 2021 and $11.4 million in the nine months ended September 30, 2021 compared to the corresponding periods in 2020. The increase in both periods is attributable the impact of COVID-19 on our real estate and resort revenues in the three and nine months ended September 30, 2020.

Personnel costs increased $4.5 million in the three months ended September 30, 2021 and decreased $13.0 million in the nine months ended September 30, 2021 compared to the corresponding periods in 2020. The decrease in the nine month period was primarily driven by $29.7 million in investment success bonuses paid in the 2020 period related to our sales of shares of Ceridian compared to $17.8 million of such expense in the 2021 period.

Other operating expenses increased by $3.0 million in the three months ended September 30, 2021 and increased $52.8 million in the nine months ended September 30, 2021 compared to the corresponding periods in 2020. The increase in the three months ended September 30, 2021 was primarily driven by management fees incurred with our Manager of $8.9 million and $6.3 million for the three months ended September 30, 2021 and 2020, respectively. The increase in the nine months ended September 30, 2021 was primarily driven by $24.7 million of management fees and $37.4 million of carried interest expense incurred with our Manager in the nine months ended September 30, 2021, compared to $15.3 million of management fees in the nine months ended September 30, 2020. Carried interest payments in the 2021 periods were attributable to our distributions from Senator JV and partial sale of D&B shares.

Recognized (losses) gains, net, decreased $375.5 million in the three months ended September 30, 2021 and decreased $1,900.7 million in the nine months ended September 30, 2021 compared to the corresponding period in 2020. The decrease in the three months ended September 30, 2021 is primarily attributable to the $391.8 million impairment recorded on our investment in Paysafe in the three months ended September 30, 2021, partially offset by greater unrealized gains on equity securities and sales on our holdings of Ceridian and the net gain on the sale of investments in Rock Creek Idaho, VIBSQ and Legendary Baking compared to the recognized gain on the D&B IPO of $117.0 million and unrealized gains on equity securities in the corresponding period for 2020. The decrease in the nine months ended September 30, 2021 compared to the same period in 2020 is also attributable to greater gains on sales and fair value marks on our holdings of Ceridian in the prior year. See Note D for further information on recognized gains on equity securities.

(Loss) earnings before income taxes decreased $368.9 million in the three months ended September 30, 2021 and decreased $1,923.9 million in the nine months ended September 30, 2021 compared to the corresponding periods in 2020. The decreased earnings was primarily attributable to the factors noted above.

Liquidity and Capital Resources

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

As of September 30, 2021, we had cash and cash equivalents of $234.2 million, of which $173.3 million was cash held by the corporate holding company, and $100.0 million of capacity under our existing holding company credit facilities with the ability to add an additional $300.0 million of borrowing capacity by amending our 2020 Margin Facility. On August 16, 2021, the 2020 Margin Facility was amended, resulting in an increased borrowing capacity of the 2020 Margin Facility by an additional $100.0 million.

In October 2021, we repaid the entire $200.0 million outstanding balance under the 2020 Margin Facility. As of November 8, 2021, we had $81.1 million of cash at the corporate holding company and $300.0 million of borrowing capacity under our existing holding company credit facilities with the ability to add an additional $300.0 million of borrowing capacity by amending our 2020 Margin Facility.

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

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

Operating Cash Flow. Our cash flows used in operations for the nine months ended September 30, 2021 and 2020 totaled $141.6 million and $190.9 million, respectively. The decrease in cash used in operations of $49.3 million is primarily attributable to the timing of payment and receipt of working capital assets and liabilities.

Investing Cash Flows. Our cash flows used in investing activities for the nine months ended September 30, 2021 and 2020 were $437.7 million and $323.9 million, respectively. The increase in cash used in investing activities of $113.8 million in the 2021 period from the 2020 period is primarily attributable to a net increase in investments in new and additional investments in unconsolidated affiliates, net of proceeds from sales of investments in the 2021 period compared to the 2020 period.

Capital Expenditures. Total capital expenditures for property and equipment and other intangible assets were $7.7 million and $18.3 million for the nine-month periods ended September 30, 2021 and 2020, respectively. The capital expenditures in 2021 and 2020 primarily consisted of purchases of equipment in our Restaurant Group segment.

Financing Cash Flows. Our cash flows provided by financing activities for the nine months ended September 30, 2021 and 2020 were $88.8 million and $387.0 million, respectively. The decrease in cash provided by financing activities of $298.2 million is primarily attributable to net proceeds of $455.0 million from an equity offering shares of our common stock in the nine months ended September 30, 2020 and increased treasury repurchases of $82.1 million in the nine months ended September 30, 2021, partially offset by an increase in net debt (net of paydowns) of $242.6 million in the nine months ended September 30, 2021.

Financing Arrangements. For a description of our financing arrangements, see Note F included in Item 1 of Part 1 of this Quarterly Report, which is incorporated by reference into this Item 2 of Part I.

Seasonality. There have been no material changes to the seasonality experienced in our businesses from those described for the period as of and for the year ended December 31, 2020 included in our Annual Report on Form 10-K.

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

Operating lease payments include the expected future rent payments of the Company and its operating subsidiaries, primarily for the Restaurant Group. The operating leases are accounted for pursuant to ASC 842 *Leases*.

Purchase obligations include agreements to purchase goods or services that are enforceable, are legally binding and specify all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. The Restaurant Group has unconditional purchase obligations with various vendors, primarily related to food and beverage obligations with fixed commitments in regards to the time period of the contract and the quantities purchased with annual price adjustments that can fluctuate. Future purchase obligations are estimated by assuming historical purchase activity over the remaining, non-cancellable terms of the various agreements. For agreements with minimum purchase obligations, at least the minimum amounts we are legally required to purchase are included. These agreements do not include fixed delivery terms. We used both historical and projected volume and pricing as of September 30, 2021 to determine the amount of these obligations.

Pursuant to the terms of the Management Services Agreement between Cannae LLC and our Manager, Cannae LLC is obligated to pay our Manager a quarterly management fee equal to 0.375% (1.5% annualized) of the Company's cost of invested capital (as defined in the Management Services Agreement) as of the last day of each fiscal quarter, payable in arrears in cash, as may be adjusted pursuant to the terms of the Management Services Agreement. Management fees payable to our Manager are included for the initial 5-year term of the Management Services Agreement that began in September 2019 and are based on our cost of invested capital of $2,565.5 million as of September 30, 2021.

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

As of September 30, 2021, our required annual payments relating to these contractual obligations were as follows:

	2021	2022	2023	2024	2025	Thereafter	Total
				(In millions)			
Operating lease payments	$ 9.1	$ 36.2	$ 32.9	$ 24.8	$ 21.8	$ 150.7	$ 275
Unconditional purchase obligations	18.8	31.7	7.3	5.9	5.9	6.8	76
Notes payable	2.5	7.0	208.1	0.8	0.6	12.1	231
Management fees payable to Manager	8.9	35.8	35.8	29.8	—	—	110
Restaurant Group financing obligations	1.0	4.2	4.2	3.7	3.5	24.2	40
Total	$ 40.3	$ 114.9	$ 288.3	$ 65.0	$ 31.8	$ 193.8	$ 734

See Note A and Note C to our Condensed Consolidated Financial Statements included in Item 1 of Part I of this Quarterly Report for further discussion of our commitments to fund the Backstop Agreements and Austerlitz II FPA.

Capital Stock Transactions. On September 19, 2019, our Board of Directors approved a three-year stock repurchase program effective September 19, 2019 (the "2019 Repurchase Program") under which we may purchase up to 5 million shares of our CNNE common stock through September 30, 2022. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors.

On March 1, 2021, we announced that our Board has authorized an additional three-year stock repurchase program, effective February 26, 2021 (the "2021 Repurchase Program"), under which the Company may repurchase up to 10 million shares of its common stock. Purchases may be made from time to time in the open market at prevailing prices or in privately negotiated transactions through February 26, 2024. The repurchase program does not obligate the Company to acquire any specific number of shares and may be suspended or terminated at any time.

We repurchased 2,728,168 shares of CNNE common stock during the nine months ended September 30, 2021 for approximately $96.5 million in the aggregate, or an average of $35.36 per share. Since the original commencement of the 2019 Repurchase Program through market close on September 30, 2021, we repurchased a total of 3,416,584 common shares for approximately $115.8 million in the aggregate, or an average of $33.89 per share.

Off-Balance Sheet Arrangements. There have been no significant changes to our off-balance sheet arrangements since our Annual Report.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

There have been no material changes in the market risks described in our Annual Report on Form 10-K for the year ended December 31, 2020.

Item 4. Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is: (a) recorded, processed, summarized and reported, within the time periods specified in the Commission’s rules and forms; and (b) accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II: OTHER INFORMATION

Item 1. Legal Proceedings

See discussion of legal proceedings in Note G. *Commitments and Contingencies* to the Condensed Consolidated Financial Statements included in Item 1 of Part I of this Quarterly Report, which is incorporated by reference into this Item 1 of Part II.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table summarizes repurchases of equity securities by the Company during the three months ended September 30, 2021:

riod	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1) (2)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (3)
./2021 - 7/31/2021	200,000	33.74	200,000	11,583,416
./2021 - 8/31/2021	—	—	—	11,583,416
./2021 - 9/30/2021	—	—	—	11,583,416
tal	200,000	$33.74	200,000	

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

(2) On March 1, 2021, our Board of Directors approved the 2021 Repurchase Program, under which we may purchase up to 10 million shares of our CNNE common stock through February 26, 2024.

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

Item 6. Exhibits

(a) Exhibits:

EXHIBIT INDEX

10.1	Amendment Agreement dated as of August 16, 2021, to the Margin Loan Agreement, dated as of November 30, 2020, among Cannae Funding C, LLC, as Borrower 1, Cannae Funding D, LLC, as Borrower 2, the lenders from time to time party thereto and Royal Bank of Canada, as administrative agent.
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification by Principal Executive Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.
32.2	Certification by Chief Financial Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.
101.INS	Inline XBRL Instance Document *
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
104	Cover Page Interactive Data File formatted in Inline XBRL and contained in Exhibit 101.

* The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 9, 2021	CANNAE HOLDINGS, INC. (registrant)
	By: */s/ Bryan D. Coy*
	Bryan D. Coy Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 10.1

AMENDMENT AGREEMENT NO. 1

THIS AMENDMENT AGREEMENT (this "**First Incremental Facility Amendment**") is made and entered into as of August 16, 2021, by and among Cannae Funding C, LLC, a limited liability company under the laws of Delaware, as a borrower ("**Borrower 1**"), Cannae Funding D, LLC, a limited liability company organized under the laws of Delaware, as a borrower ("**Borrower 2**" and, together with Borrower 1, the "**Borrowers**"), Royal Bank of Canada, as Administrative Agent (in such capacity, the "**Administrative Agent**") and Calculation Agent (in such capacity, the "**Calculation Agent**") and the Lender party hereto.

WITNESSETH:

WHEREAS, Borrowers, Administrative Agent, Calculation Agent and Royal Bank of Canada, as Lender party thereto (the "**Existing Lender**") have entered into that certain Margin Loan Agreement dated as of November 30, 2020 (as hereby amended and as may be further amended, restated, extended, supplemented or otherwise modified from time to time, the "**Margin Loan Agreement**");

WHEREAS, Borrowers, Administrative Agent, Calculation Agent and the Existing Lender have entered into that certain Fee and Ratio Letter dated as of November 30, 2020 (as hereby amended and as may be further amended, restated, extended, supplemented or otherwise modified from time to time, the "**Fee and Ratio Letter**");

WHEREAS, Cannae Holdings, Inc. (the "**Guarantor**") has entered into that certain Guarantee Agreement, dated as of November 30, 2020 (as hereby amended and as may be further amended, restated, extended, supplemented or otherwise modified from time to time, the "**Guarantee Agreement**");

WHEREAS, pursuant to Section 2.17 of the Margin Loan Agreement, Borrowers have requested an increase of the Commitments by $100,000,000.00 ("**First Incremental Commitment**");

WHEREAS the Existing Lender has agreed to provide such First Incremental Commitment;

WHEREAS, the parties hereto have agreed to permit such increase in Commitments and also make certain other amendments to the Margin Loan Agreement, the Fee and Ratio Letter, and the Guarantee Agreement as set forth herein and subject to the conditions hereunder;

WHEREAS, all capitalized terms not otherwise defined herein shall have the meaning given thereto in the Margin Loan Agreement, the Fee and Ratio Letter or other applicable Margin Loan Documentation, as amended by this First Incremental Facility Amendment;

NOW, THEREFORE, in consideration of the premises and further valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1: Amendments to the Margin Loan Agreement. Subject to the terms and conditions set forth herein, the Margin Loan Agreement is hereby amended as follows:

i. Amendments related to First Incremental Commitment.

(a) By executing this First Incremental Facility Amendment, the parties hereby acknowledge and agree that the requirements under Section 2.17 of the Margin Loan Agreement have been satisfied with respect to the Incremental Commitment.

(b) Existing Lender has agreed to provide additional Commitments of $100,000,000.00.

(c) The table set forth in Schedule I of the Margin Loan Agreement is hereby amended by replacing it in its entirety with the following table:

Lender	**Commitment**	**Applicable Percentage**	**Funding Percentage**	**Incremental Commitment Percentage**	**Delivery Address**
Royal Bank of Canada	$200,000,000.00	100%	100%	100%	Royal Bank of Canada Global Loan Administration Three World Financial Center 200 Vesey Street New York, NY 10281-8098 Attn: Olusola Balogun Telephone No.: 437-226-0065 Facsimile No.: 212-428-2372 Email: rbcnewyorkgla3@rbc.com

(d) Section 1.01 shall be amended by replacing the definition "Maximum Share Number" in its entirety with the following:

"***Maximum Share Number***" means (x) in respect of CDAY Shares, 10,000,000 CDAY Shares and (y) in respect of DNB Shares, 35,000,000 DNB Shares.

(e) (i) Section 2.06(a) shall be amended by replacing it in its entirety with the following:

"(a) Upfront Fee. On the Closing Date, Borrowers paid an upfront fee to each Original Lender in an amount equal to the Upfront Fee Percentage multiplied by such Original Lender's Commitment as of the Closing Date (the "**Upfront Fee**"). On First Increase Effective Date, Borrowers shall pay an upfront fee to each Lender in an amount equal to the Upfront Fee Percentage multiplied by the First Incremental Commitment (the "**First Incremental Facility Upfront Fee**"). The Upfront Fee and the First Incremental Facility Upfront Fee shall be fully earned when paid and shall be non-refundable for any reason whatsoever, and regardless of when or whether the Commitment is actually drawn upon."

(ii) Section 2.06(b) shall be amended by (i) replacing the word "outstanding" in the second line thereof with the word "unfunded".

(ii) the definition of "Total Accrued Loan Amount" in Section 1.01 shall be amended by adding the words ", First Incremental Facility Upfront Fee" immediately after "Upfront Fee" thereof.

(iv) Section 7.01(b) shall be amended by adding the words ", First Incremental Facility Upfront Fee" immediately after the "Upfront Fee" thereof.

(v) Section 1.01 shall be amended by inserting the following definitions in the appropriate alphabetical order:

"***First Increase Effective Date***" means August 16, 2021.

"***First Incremental Facility Amendment***" means Amendment Agreement No. 1, dated as of the First Increase Effective Date, among Borrowers, the Lender party thereto, Administrative Agent and Calculation Agent.

"***First Incremental Commitment***" means the Incremental Commitment of the applicable Lender pursuant to the First Incremental Facility Amendment.

"***First Incremental Facility Upfront Fee***" has the meaning assigned to it in Section 2.06(a).

"***Rebalancing Percentage***" means, with respect to any Lender at any time, (a) the sum of (i) the aggregate principal amount of such Lender's Advances and (ii) any accrued and unpaid interest on such Lender's Advances divided by (b) the sum of (i) the aggregate principal amount of the Advances owed to all Lenders and (ii) the aggregate amount of accrued and unpaid interest on all Advances; provided that if there are no outstanding Advances, "Rebalancing Percentage" shall be the Funding Percentage.

(vi) Section 1.01 shall be amended by replacing the definition **"Pro Rata Basis**" in its entirety with the following:

"***Pro Rata Basis***" means (i) for purposes of determining the allocation of Collateral of any type among the Collateral Accounts controlled by the Applicable Lenders, in proportion to each Applicable Lender's Rebalancing Percentage (in each case, taken together with the Rebalancing Percentage of all Agented Lenders with respect to such Applicable Lender), (ii) for purposes of determining the allocation of interest payments among Lenders, in proportion to the interest that has accrued and remains unpaid on each Lender's Advances and (iii) for all other purposes, in proportion to each Lender's Applicable Percentage, subject, in each case, to rounding to the nearest Share, $ 0.01 or item or unit of other securities or property, as applicable.

(f) For the avoidance of doubt, (i) the First Incremental Commitment shall constitute "Commitments" and (ii) the first date when each of the conditions set forth in Section 4.03 of the Margin Loan Agreement shall have been satisfied or waived by New Lender shall constitute an effective date of this First Incremental Facility Amendment (the "**First Increase Effective Date**").

(g) For the avoidance of doubt, the First Incremental Commitment is subject to the same terms and conditions as the existing Commitments for purposes of the Margin Loan Agreement.

(h) Notwithstanding anything to the contrary in the Margin Loan Agreement, to the extent Borrowers intend to request an Advance in connection with the Incremental Commitment contemplated hereunder, a Borrowing Notice shall be delivered no later than 10:00 a.m. on the first Business Day prior to the date of such proposed Advance.

(i) For the avoidance of doubt, to the extent an Advance is made on the First Increase Effective Date, any fees and expenses payable by Borrowers may be netted against the funding of such Advance by the Lender.

ii. Amendments related to "Erroneous Payments".

(a) The Margin Loan Agreement shall be amended by adding the following as new Section 2.19:

"Section 2.19. *Erroneous Payments*.

(a) If the Administrative Agent notifies a Lender or any Person who has received funds on behalf of a Lender (any such Lender or other recipient, a "**Payment Recipient**") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "**Erroneous Payment**") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Lender shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting the immediately preceding clause (a), each Lender or any Person who has received funds on behalf of a Lender hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(i) (A) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 2.19(b).

(c) Each Lender hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender under any Margin Loan Documentation, or otherwise payable or distributable by the Administrative Agent to such Lender from any source, against any amount due to the Administrative Agent under immediately preceding clause (a) or under the indemnification provisions of this Agreement.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (a), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "**Erroneous Payment Return Deficiency**"), upon the Administrative Agent's notice to such Lender at any time, (i) such Lender shall be deemed to have assigned its Advances (but not its Commitments) of the relevant class with respect to which such Erroneous Payment was made (the "**Erroneous Payment Impacted Class**") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Advances (but not Commitments) of the Erroneous Payment Impacted Class, the "**Erroneous Payment Deficiency Assignment**") at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance), and is hereby (together with the Borrowers) deemed to execute and deliver an agreement necessary to effectuate such assignment (or, to the extent applicable, an agreement incorporating such assignment by reference pursuant to an electronic platform as to which the Administrative Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, (ii) the Administrative Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its Commitments which shall survive as to such assigning Lender and (iv) the Administrative Agent may reflect in the Register its ownership interest in the Advances subject to the Erroneous Payment Deficiency Assignment. The Administrative Agent may, in its discretion, sell any Advances acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Advance (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has sold an Advance (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender or Secured Party under any Margin Loan Documentation with respect to each Erroneous Payment Return Deficiency (the "**Erroneous Payment Subrogation Rights**").

(e) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrowers, except, in each case, to the extent that such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrowers for the purpose of making such Erroneous Payment ("**Loan Party Funds**") unless the Borrowers elect in their sole discretion (which election evidenced by a written notice delivered to the Administrative Agent) that such Loan Party Funds are deemed not to have been applied to discharge all or any portion of the Erroneous Payment.

(f) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

(g) Each Lender, other Payment Recipient, the Administrative Agent and each Borrower hereby agrees that, if an Erroneous Payment has been made with Loan Party Funds, then no Default, Event of Default or Mandatory Prepayment Event shall have occurred or be continuing as a result of any delay in any payment that is required under any Margin Loan Documentation solely to the extent arising as a result of the Erroneous Payment until the Erroneous Payment made with Loan Party Funds is remitted to all correct recipients thereof as intended by the Borrowers (in which case such corrected payment shall be deemed to cure any Default, Event of Default or Mandatory Prepayment Event arising as a result of such Erroneous Payment made with Loan Party Funds).

(h) Each party's obligations, agreements and waivers under this Section 2.19 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Margin Loan Documentation."

(b) Section 1.01 shall be amended by replacing the definition "Obligation" in its entirety with the following:

"***Obligations***" means (a) all Advances to, and all debts, liabilities, obligations, covenants, indemnifications, and duties of, any Borrower arising under any Margin Loan Documentation or otherwise with respect to the Advances, in each case, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Borrower of any proceeding under any Debtor Relief Laws naming such Borrower as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding and (b) all Erroneous Payment Subrogation Rights.

(c) Section 1.01 shall be amended by inserting the following definitions in the appropriate alphabetical order:

"***Erroneous Payment***" has the meaning assigned to it in Section 2.19(a).

“***Erroneous Payment Deficiency Assignment***” has the meaning assigned to it in Section 2.19(d).

“***Erroneous Payment Impacted Class***” has the meaning assigned to it in Section 2.19(d).

“***Erroneous Payment Return Deficiency***” has the meaning assigned to it in Section 2.19(d).

“***Erroneous Payment Subrogation Rights***” has the meaning assigned to it in Section 2.19(d).

“***Payment Recipient***” has the meaning assigned to it in Section 2.19(a).

SECTION 2: Amendments to the Fee and Ratio Letter. Subject to the terms and conditions set forth herein, the Fee and Ratio Letter is hereby amended as follows:

(a) The definition of “Spread” shall be amended by replacing it in its entirety with the following:

“***Spread***” means 3.375%.

SECTION 3: [Reserved].

SECTION 4: Condition Subsequent.

Notwithstanding anything to the contrary in the Margin Loan Agreement:

(a) following the First Increase Effective Date (but in no event later than August 18, 2021), Borrowers shall satisfy the condition set forth in 4.03(a)(iv) of the Margin Loan Agreement; and

(b) following the First Increase Effective Date (but in no event later than August 16, 2021), Borrower 2 shall transfer 16,000,000 DNB Shares (the “**Additional Pledged Shares**”) into the Collateral Accounts on a Pro Rata Basis, by book-entry transfer through DTC, such Additional Pledged Shares constituting Acceptable Collateral (it being understood, for purposes of other terms and conditions hereunder and under the Margin Loan Agreement (including, without limitation, calculation of the LTV Level and satisfaction of the relevant conditions set forth in Section 4.02 and Section 4.03 of the Margin Loan Agreement), that such Additional Pledged Shares shall be deemed to have been transferred on the First Increase Effective Date).

Borrowers hereby agree and acknowledge that any failure to comply with the clause (a) or (b) above in this Section 4 shall constitute an Event of Default under the Margin Loan Agreement unless otherwise expressly waived by the Original Lender.

SECTION 5: Borrowers Representations, Warranties and Covenants.

(a) Borrowers repeat each representation and warranty set forth in Article 3 of the Margin Loan Agreement.

(b) Borrowers confirm that, with effect from (and including) the date hereof, the security created by the Security Agreement to which each Borrower is a party shall (i) remain in full force and effect notwithstanding the amendments referred to in this First Incremental Facility Amendment, and (ii) continue to secure its Secured Obligations as amended by this First Incremental Facility Amendment.

(c) Borrowers represent and warrant as of the date hereof that no Collateral (including, for the avoidance of doubt, the Additional Pledged Shares) is subject to any Lien other than Permitted Liens.

SECTION 6: Miscellaneous.

(a) Except as provided hereby, all of the representations, warranties, terms, covenants and conditions of the Margin Loan Agreement and other Margin Loan Documentation shall remain unamended and shall continue to be, and shall remain, in full force and effect in accordance with their respective terms. The provisions set forth herein shall be limited as provided for herein, and shall not be deemed to be a waiver of, amendment to, consent to or modification of any other term or provision of the any Margin Loan Documentation or of any event, condition, or transaction on the part of the Borrowers or any other person that would require the consent of the Administrative Agent or any of the Lenders. The execution, delivery and effectiveness of this First Incremental Facility Amendment shall not, by implication or otherwise, limit, impair, waive or otherwise affect any right, power or remedy of any Lender under the Margin Loan Agreement or any other Margin Loan Documentation.

(b) Each party acknowledges and agrees that the execution and delivery by the Lenders and the Administrative Agent of this First Incremental Facility Amendment shall not be deemed (i) to create a course of dealing or otherwise obligate any Lender to forbear, waive, consent or execute similar amendments or waivers in the future, or (ii) to amend, relinquish or impair any right of the matter arising from or relating to this First Incremental Facility Amendment.

(c) Notwithstanding the foregoing, the parties hereto agree that the Margin Loan Agreement and all other Margin Loan Documentation shall be deemed to be amended to reflect and give effect to the Amendment and achieve the intended economic and commercial effect thereof. Accordingly, should there be any conflict or inconsistency between the terms of the Amendment and any of the other terms of the Margin Loan Documentation, the terms of the Amendment shall prevail.

(d) Governing Law; Submission to Jurisdiction. This First Incremental Facility Amendment constitutes a “Margin Loan Documentation” entered into in connection with the Margin Loan Agreement. The provisions of Section 9.06 of the Margin Loan Agreement shall apply *mutatis mutandis* to this First Incremental Facility Amendment as if such provisions were fully set forth herein.

(f) Counterparts; Electronic Execution. This First Incremental Facility Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this First Incremental Facility Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this First Incremental Facility Amendment. The words “execution,” “execute”, “signed,” “signature,” and words of like import in or related to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Term Loan A Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

[*Signature page follows*]

By signing this First Incremental Facility Amendment, the parties hereto each irrevocably agree to and consent to the matters set out herein.

CANNAE FUNDING C, LLC,
as Borrower 1

By: /s/ Michael L. Gravelle
Name: Michael L. Gravelle
Title: Executive Vice President, General Counsel and Corporate Secretary

CANNAE FUNDING D, LLC,
as Borrower 2

By: /s/ Michael L. Gravelle
Name: Michael L. Gravelle
Title: Executive Vice President, General Counsel and Corporate Secretary

ROYAL BANK OF CANADA,
as Administrative Agent

By: /s/ Ann Hurley
Name: Ann Hurley
Title: Manager, Agency

ROYAL BANK OF CANADA,
as Calculation Agent

By: /s/ Brian Ward
Name: Brian Ward
Title: Managing Director

ROYAL BANK OF CANADA,
as Lender

By: /s/ Glenn Van Allen
Name: Glenn Van Allen
Title: Authorized Signatory

Exhibit 31.1

CERTIFICATIONS

I, David W. Ducommun, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cannae Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2021

By: */s/ David W. Ducommun*

David W. Ducommun
President and Principal Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Bryan D. Coy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cannae Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2021

By: /s/ Bryan D. Coy
Bryan D. Coy
Chief Financial Officer and Principal Financial Officer

Exhibit 32.1

CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO 18 U.S.C. §1350

The undersigned hereby certifies that he is the duly appointed and acting Principal Executive Officer of Cannae Holdings, Inc., a Delaware corporation (the "Company"), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: November 9, 2021

By: */s/David W. Ducommun*
David W. Ducommun
President and Principal Executive Officer

Exhibit 32.2

CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO 18 U.S.C. §1350

The undersigned hereby certifies that he is the duly appointed and acting Chief Financial Officer of Cannae Holdings, Inc., a Delaware corporation (the "Company"), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: November 9, 2021

By: */s/ Bryan D. Coy*
Bryan D. Coy
Chief Financial Officer and Principal Financial Officer