



## DEVELOPMENT AUTHORITY MEETING MAY 6, 2025

ALPHARETTA CITY HALL  
COUNCIL CHAMBERS  
2 PARK PLAZA  
6:00 PM

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. STATEMENT OF PURPOSE**

*The Development Authority of Alpharetta is granted powers and jurisdiction through the State of Georgia General Assembly and a resolution adopted by the Alpharetta City Council on September 3, 1996. The function of this Authority is to promote the public good and general welfare, trade, commerce, industry, general tax base and the employment opportunities available in the City of Alpharetta.*

**4. CONSENT AGENDA**

**A. Minutes from the Meeting of April 1, 2025**

**5. NEW BUSINESS**

**A. Revenue Bond Inducement Resolution: Equifax Inc.**

**B. Notice of Internal Transfer of Taxable Revenue Bond for City Center Office Project 2017C**

**6. PARTNER UPDATE**

**A. City of Alpharetta Economic Development**

**7. DISCUSSION**

**8. ADJOURNMENT**



# STAFF REPORT

Department: Economic Development

Submitted By: Charlotte Christian

Meeting Date: May 6, 2025

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## AGENDA ITEM:

Minutes from the Meeting of April 1, 2025

## STAFF RECOMMENDATION:

Approve, as part of the Consent Agenda, the Development Authority meeting minutes from the meeting of April 1, 2025.

## ITEM DESCRIPTION:

Economic Development Manager Charlotte Christian prepared a synopsis of the pertinent information that occurred during the April 1, 2025 Development Authority Meeting.

## ATTACHMENTS:

1. unofficial Development Authority meeting minutes 4.1.2025





DEVELOPMENT AUTHORITY MEETING  
FEBRUARY 4, 2025  
UNOFFICIAL MEETING MINUTES  
ALPHARETTA CITY HALL  
COUNCIL CHAMBERS  
2 PARK PLAZA  
6:00 PM

*This summary is provided as a convenience and service to the public, media, and staff. It is not the intent to record proceedings verbatim. Any reproduction of this summary must include this notice. This document includes limited presentation by Development Authority and invited speakers in summary form. The public is advised that the tapes recorded at said meeting are a matter of public record and are available upon request.*

**I. CALL TO ORDER**

❖ Chairman Jack Nugent called the meeting to order at 6:01 p.m.

**II. ROLL CALL**

**Board Members Present: (5-2)**

Jack Nugent (Chair)  
Jill Bernard (Vice Chair)  
Dan Mitnick  
Morgan Smith  
David Chatham

**Board Members Absent:**

Shawn Allen (Secretary-Treasurer)  
John Goss

**Staff present:**

Charlie Jewell, Director of Economic Development  
Charlotte Christian, Economic Development Manger  
Suzanne Swain, Community Relations Manager  
Allison Dyer, Development Authority Bond Legal Counsel

**III. STATEMENT OF PURPOSE**

*The Development Authority of Alpharetta is granted powers and jurisdiction through the State of Georgia General Assembly and a resolution adopted by the Alpharetta City Council on September 3, 1996. The function of this Authority is to promote the public good and general welfare, trade, commerce, industry, general tax base and the employment opportunities available in the City of Alpharetta.*

❖ Chairman Jack Nugent read the statement of purpose.

**IV. CONSENT AGENDA**

**a. Approval of Minutes from the Meeting of February 4, 2025**

- ❖ Authority Member Dan Mitnick motioned to approve the Minutes from the Meeting of February 4, 2025.
  - Authority Member David Chatham seconded the motion.
    - Motion passed (5-0).



## DEVELOPMENT AUTHORITY MEETING FEBRUARY 4, 2025 UNOFFICIAL MEETING MINUTES

ALPHARETTA CITY HALL  
COUNCIL CHAMBERS  
2 PARK PLAZA  
6:00 PM

Chairman Jack Nugent noted that the presenter for the workshop item of the agenda, Woody Vaughn, had not yet arrived, and suggested the board reorder their agenda.

- ❖ Vice Chairwoman Jill Bernard motioned to reorder the agenda to move the workshop item after the partner update items.
  - Authority Member David Chatham seconded the motion.
    - Motion passed (5-0).

### V. PARTNER UPDATE

#### a. Tech Alpharetta Update

- Karen Cashion, President and CEO of Tech Alpharetta, provided an update on Tech Alpharetta's current status. The technology start-up incubator currently hosts 55 tech startup member companies and has facilitated over \$247 million in investor funding since 2015. The organization has been instrumental in creating 294 tech jobs in Alpharetta and 450 in the state of Georgia. Ms. Cashion highlighted a growing focus on AI-driven startups and presented a financial overview of Tech Alpharetta's revenues and expenses.
  - ❖ No action was taken on this item.

#### b. Alpha Loop Foundation Update

- Karen Richard, Vice President of the Alpha Loop Foundation, delivered a presentation on the Alpha Loop Foundation's recent activities. The organization successfully launched its website and Instagram account and has raised \$56,000 in donations. The foundation hosted a grand opening event for the North Wind trail section in June of 2024 and held a "Lights on the Loop" community event in December. The foundation identified key areas for improvement, including enhanced mapping, additional parking, and increased public art installations. Future plans include community events and continued fundraising efforts.
  - ❖ No action was taken on this item.

#### c. City of Alpharetta Economic Development

- Charlie Jewell, Director of Economic Development for the City of Alpharetta, provided an update on the recent departmental activities including his recent attendance at the Site Selectors Guild in March and the upcoming North Fulton Market report advertising insert in Atlanta Business Chronicle. Mr. Jewell explained that Alpharetta City Council recently adopted the North Point Development Framework Plan at a meeting in March to encourage walkability and green spaces in the future development. Mr. Jewell noted that Charlotte Christian had been promoted to Economic Development Manager in March and that they had recently conducted interviews for a new Economic Development Marketing Coordinator.
  - ❖ No action was taken on this item.

### VI. WORKSHOP

#### a. Review of Bond Structures and Procedures

- Woody Vaughn and Allison Dyer, legal counsel with Holland and Knight, gave a presentation on the Development Authority's economic development tools. The presentation explored property tax abatement structures, bond financing mechanisms, and potential creative financing options. Board members engaged in substantive discussions about the various economic development strategies.
  - ❖ No action was taken on this item.



DEVELOPMENT AUTHORITY MEETING  
FEBRUARY 4, 2025  
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ALPHARETTA CITY HALL  
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VII. **DISCUSSION**

- ❖ No action was taken on this item.

VIII. **ADJOURNMENT**

- ❖ With there being no further business to hear or discuss, Chairman Nugent adjourned the meeting at 7:33 p.m.

Respectfully submitted,  
Charlotte Christian, Economic Development Manager



# STAFF REPORT

Department: Economic Development  
Submitted By: Charlie Jewell  
Meeting Date: May 6, 2025

## AGENDA ITEM:

**Revenue Bond Inducement Resolution: Equifax Inc.**

## STAFF RECOMMENDATION:

Adopt the revenue bond inducement resolution for Equifax, Inc.

## ITEM DESCRIPTION:

Equifax is proposing an expansion of its campus in the City of Alpharetta, located at 1505 Windward Concourse, Alpharetta, GA 30005. The company would renovate the third floor of the JVW1 building to repurpose it from a data center into a workspace for its Corporate Technology Team. The project would create 244 new jobs with an average annual salary of \$150,000 and include a \$25 million capital investment in real property improvements and new future, fixtures, and equipment. If approved, the company anticipates construction beginning in 2025 with completion in Q1 2026.

Equifax will subdivide the existing 17.14-acre property into two parcels, with one subdivided parcel of approximately 9 acres including the to-be-renovated building (Tract 1), and the second parcel of approximately 8.14 acres including the JVW2 Building and adjoining parking deck (Tract 2). Only the real property in Tract 1 would be subject to the revenue bond inducement which has an estimated value, with improvements, of \$37 million.

Staff recommend approval of the revenue bond inducement resolution. The project augments the quality of life in the city by significantly increasing quality employment opportunities, increases net property tax revenues, and is consistent with the Comprehensive Plan.

## ATTACHMENTS:

1. Inducement Resolution - Alpharetta - Equifax Inc.
2. 2024.04.22 Equifax Inducement Application with Staff Zoning

## BOND INDUCEMENT RESOLUTION

WHEREAS, **EQUIFAX INC.**, or an affiliate thereof (the “Company”) wishes to finance or refinance the acquisition, construction, development, renovation, improvement, and equipping of an existing building to transition current space from a data center to a larger workforce for its corporate technology team, as part of its transition to cloud-based IT operations (collectively, the “Project”) located at 1505 Windward Concourse in Alpharetta, Georgia, and wishes to have the **DEVELOPMENT AUTHORITY OF ALPHARETTA, GEORGIA** (the “Authority”) issue its revenue bonds in one or more series to provide financing for such purposes; and

WHEREAS, the Company has informed the Authority that as part of the Project, the Company plans to subdivide the current 17.14 acre tract of its Alpharetta campus as follows: (a) one subdivided parcel consisting of approximately 9 acres, including the to-be-renovated building located at 1505 Windward Concourse (“Tract 1”), and (b) the second tract consisting of approximately 8.14 acres, including the second building and newly renovated adjoining parking deck (“Tract 2”). Tract 1 will include a parking easement to the parking deck included in Tract 2. Only Tract 1 will be financed or refinanced with the proceeds of the revenue bonds and

WHEREAS, the Company has informed the Authority that the Project will provide (a) approximately 244 new employees, resulting in an estimated total of approximately 1660 employees at the facility; and (b) result in a total capital investment of approximately \$25,000,000, consisting of approximately \$8,500,000 for parking garage improvements located on Tract 2 benefitting the Project, approximately \$10,500,000 (including \$9,200,000 in hard costs) for real property improvements to the 3<sup>rd</sup> floor of the Project building, and approximately \$6,000,000 in furniture, fixtures, equipment, and other personal property at the Project building; and

WHEREAS, an Inducement Letter attached hereto has been presented to the Authority under the terms of which the Authority agrees, subject to the provisions of such Inducement Letter, to issue its revenue bonds in one or more series for the aforementioned financing purpose.

NOW, THEREFORE, BE IT RESOLVED BY THE DEVELOPMENT AUTHORITY OF ALPHARETTA:

1. That the Chairman or Vice Chairwoman and the Secretary-Treasurer of the Authority are hereby authorized to execute an Inducement Letter with the Company relating to the Project, in substantially the form attached hereto as Exhibit A, or with such changes therein as shall be approved by the officers executing the same. The Authority expressly finds that the Project will further the Authority’s public purpose in furtherance of the development of trade, commerce, industry and employment opportunities as set forth in the Development Authorities Law of the State of Georgia (O.C.G.A. 36-62-1, et seq.).

2. That the officers, employees and agents of the Authority are hereby authorized to take such further action as is necessary to carry out the intent and purpose of the Inducement Letter as executed and to cause its revenue bonds to be issued in one or more series upon the

Resolution Number:

terms and conditions stated in the Inducement Letter, which is hereby made a part of this Resolution.

3. That the Authority finds, considers and declares that the issuance and sale of such revenue bonds for the purpose set forth in this Resolution will be appropriate and consistent with the objectives of the laws of the State of Georgia.

Resolution Number:

ADOPTED this 6<sup>th</sup> day of May, 2025.

**DEVELOPMENT AUTHORITY OF  
ALPHARETTA, GEORGIA**

[ S E A L ]

By: \_\_\_\_\_  
Vice Chairwoman

A T T E S T:

By: \_\_\_\_\_  
Secretary-Treasurer

## EXHIBIT A

May 6, 2025

Equifax Inc.  
1550 Peachtree St NW  
Atlanta, GA 30309

Equifax Inc.  
1505 Windward Concourse  
Alpharetta, GA 30005

Ladies and Gentlemen:

You have informed the Development Authority of Alpharetta, Georgia (the “Authority”) that **EQUIFAX INC.**, or an affiliate thereof (the “Company”) is considering the construction, development, renovation, improvement, and equipping of an existing building for expansion of its Alpharetta campus to develop a new workspace for its corporate technology team, as part of its transition to cloud-based IT operations (collectively, the “Project”) located at 1505 Windward Concourse in the City of Alpharetta, Georgia (the “City”). You have also informed the Authority that the proposed Project will provide approximately 244 new employees, resulting in an estimated total of approximately 1660 employees at the facility (the “Employment Goals”). You have also informed us that the Company anticipated that the Project will result in a total capital investment of approximately \$25,000,000, consisting of approximately \$8,500,000 for parking garage improvements on the adjacent tract benefitting the Project, approximately \$10,500,000 (including \$9,200,000 in hard costs) for real property improvements to the 3<sup>rd</sup> floor of the Project building, and approximately \$6,000,000 in furniture, fixtures, equipment, and other personal property (the “Capital Investment Goals”). It is our understanding that the availability of revenue bonds or similar financing in the City for the purpose of facilitating Project is a factor under consideration by the Company in connection with the feasibility of the Project and the achievement of the Employment Goals and the Capital Investment Goals.

As a result of our discussions with your officers and agents, the Authority has determined that its issuance of revenue bonds in one or more series to assist the Company in financing the proposed Project will develop and promote for the public good and general welfare, trade, commerce, industry and employment opportunities in the City and promote the general welfare of the State of Georgia, and, therefore, by assisting the financing of the proposed Project, the Authority will be acting in furtherance of the public purpose for which it was created.

Accordingly, the Authority agrees to issue its revenue bonds in one or more series, subject to the following terms and conditions:

1. Based upon the determination of the Authority that the Project will reasonably result in the achievement of the Employment Goals and the Capital Investment Goals, the Authority will issue its revenue bonds in one or more series in the aggregate principal amount of no greater than \$37,000,000 (the “Bonds”) for the purpose of paying or refinancing the costs of the planning and implementation of the proposed Project, including the acquisition thereof by the Authority.



2. The terms of each series of the Bonds (maturity schedule, interest rates, denominations, redemption provisions, etc.) will be determined by bond purchase contracts to be entered into between the Authority and the Company, as proposed purchaser of the Bonds.

3. Simultaneously with the delivery of each series of the Bonds, the proposed Project (or portion thereof financed with such series of Bonds) will be leased by the Authority to the Company and the terms and provisions of such lease agreement will be substantially in the form generally utilized in connection with such financial undertakings, as agreed upon by the Authority and the Company. Such lease agreement, (hereinafter referred to as the "Lease Agreement") will contain, in substance, the following provisions:

(a) The Lease Agreement will be dated contemporaneously with the applicable series of Bonds to be issued by the Authority and the term of the Lease Agreement will coincide with the terms of the applicable series of issued Bonds.

(b) The amounts payable under the applicable Lease Agreement may be paid directly to a corporate trustee designated by the Company and approved by the Authority (the "Corporate Trustee") or directly by the Company, as lessee, to the owners of the related Bonds, at such times and in such amounts as will be timely and sufficient to pay the principal of, redemption premium (if any) and the interest on the related Bonds as the same become due and payable. The obligation of the Company to make all payments required under the applicable Lease Agreement will be absolute and unconditional after the delivery of the related Bonds.

(c) The Company may be permitted to replace or substitute obsolete or worn out machinery, fixtures, equipment and related personal property which constitutes part of the proposed Project or add additional machinery, equipment, fixtures and related personal property as part of Project.

(d) The Company will pay any taxes, assessments or utility charges which may be lawfully levied, assessed or charged upon the Company, the Authority, the proposed Project, or the payments under each Lease Agreement, if such taxes, assessments or charges would result in a lien or charge upon the proposed Project or the revenues of the Authority therefrom.

(e) Subject to such other additional requirements as may be set forth in each Lease Agreement, the Company will keep the proposed Project insured against loss or damage or perils generally insured against in comparable circumstances by businesses similar to the Company, and will carry general commercial liability insurance covering personal injury, death, or property damage with respect to the proposed Project, but may, under certain limited circumstances be self-insured to the extent permitted in each Lease Agreement. Each Lease Agreement will provide that the Authority be a named insured.

(f) Each Lease Agreement will provide that in the performance of the covenants contained therein on the part of the Authority, any obligations it may incur for the payment of money will not be a general debt on its part or of the City, but will be payable solely from the

specific payments received under such Lease Agreement or from proceeds of the related series of Bonds, insurance proceeds and condemnation awards.

(g) Each Lease Agreement will contain covenants providing for the indemnification of the Authority and the individual members and officers thereof by the Company, and such other affiliated or related entity or person as may be reasonably requested by the Authority, as provided in item 9, below.

4. The Authority may enter into a trust indenture with the Corporate Trustee, and such trust indenture will pledge the applicable Lease Agreement, and the amounts derived or derivable by or on behalf of the Authority pursuant thereto, to the Corporate Trustee for the benefit of the bondholders, and the terms of such trust indenture shall be agreed upon by the Authority, the Company and the Corporate Trustee.

5. The Authority will assist in the prompt preparation of each Lease Agreement, the related trust indenture, and the customary bond documents and will proceed with the validation of the Bonds in one or more proceeding before the Superior Court of Fulton County, Georgia. Any agreement among the Company, the Authority and the Fulton County Board of Tax Assessors will be included among the documents validated at such hearing.

6. Upon the delivery of the final series of Bonds, the provisions of this proposal and the agreement resulting from its acceptance by the Company will have no further effect and, in the event of any inconsistency between the terms of this proposal and (as the case may be) the terms of the loan agreement, lease agreement, trust indenture, and any promissory note, the provisions of such loan agreement, lease agreement, trust indenture and any promissory note or any other security documents will control.

7. If for any reason the initial series of Bonds are not delivered by one year from the date of execution of this letter, the provisions of this proposal and the agreement resulting from its acceptance by the Company will, at the option of either party as evidenced by written instrument, be canceled and neither party shall have any rights against the other and no third parties shall have any rights against either party except the Company will pay the out-of-pocket reasonable expenses of members of the Authority, Counsel for the Authority and Bond Counsel incurred in connection with the proposed Project and the proposed issuance of the Bonds, and will pay Counsel for the Authority and the Authority's Bond Counsel reasonable fees for legal services related to the proposed Project and the proposed issuance of the Bonds. Jarrard & Davis, LLP shall serve as the Authority's Counsel. Holland & Knight LLP shall serve as Bond Counsel to the Authority. The Company shall be responsible for paying the legal fees and expenses of the Authority's Counsel and Bond Counsel in connection with the issuance of the Bonds. Upon the issuance of the initial series of the Bonds, the legal fees of Bond Counsel and the Authority's Counsel shall be an amount equal to \$100,000. Such legal fees assumes an uncontested validation proceeding in Fulton County Superior Court. In the event that the Company does not move forward with the issuance of the Bonds or the Bonds are ultimately not issued (for any reason), the Company agrees to pay the actual legal fees and expenses incurred by Authority's Counsel and Bond Counsel not to exceed \$100,000.

8. Notwithstanding the foregoing, the Authority reserves the right to charge on an interim basis, and the Company agrees to pay, such reasonable expenses, including reasonable attorneys' fees incurred by the Authority, incurred in connection with the proposed Project, to the extent that the issuance of the Bonds is significantly delayed.

9. The Company hereby agrees to indemnify, defend and hold the Authority and the individual members, directors, officers and agents thereof harmless against any loss or damage to property or any injury or death of any person or persons occurring in connection with the planning and implementation of the proposed Project, or against any liability whatsoever arising out of Project or the agreement resulting from the Company's acceptance of this proposal (this "Agreement"); other than losses, damages or liability caused by the gross negligence, willful misconduct or bad faith of the Authority or any employee, member, director, officer or agent of the Authority. The Company also agrees to reimburse or otherwise pay on behalf of the Authority any and all reasonable expenses not hereinbefore mentioned incurred by the Authority in connection with the proposed Project. This indemnity shall be superseded by a similar indemnity in each Lease Agreement, and, if the Bonds are not issued and delivered, this indemnity shall survive the termination of this Agreement.

10. The rights and obligations of the Company hereunder may be assigned to and exercised by such person, firm or corporation as may be selected by the Company, and approved in advance by the Authority.

11. The Company will pay the Authority upon the issuance of a series of Bonds, a fee of one eighth of one percent (0.125%) of the maximum authorized principal amount of such series of Bonds. Payment of such fee is contingent upon the initial issuance and sale of such series of Bonds. Based on a par amount of \$37,000,000, such issuance fee would be equal to \$46,250.

12. Other than as set forth in items 7 and 8 above, all fees, including the fees and expenses of the Authority's Counsel and Bond Counsel, will be paid at the closing of the initial issuance of Bonds.

13. The issuance of a series of Bonds is conditioned upon the Authority's approval of a final bond resolution incorporating such terms or conditions as the Authority, in its sole discretion, deems appropriate and the receipt of evidence satisfactory to the Authority that (i) the Project will result in the achievement of the Employment Goals and the Capital Investment Goals, and (ii) the related Bonds have been offered only to, and are being placed in their entirety with, (x) the Company or an affiliate of the Company, or (y) an institutional investor or investors, with such knowledge and experience in financial and business matters that it or they are capable of evaluating the merits and risks of purchasing the related Bonds, are able to bear the economic risk of purchasing such Bonds and are purchasing such Bonds for investment only.

14. Unless the Authority and the Company shall have entered into one or more memorandums of understanding with the Fulton County Board of Assessors (the "Assessors"), relating to the ad valorem taxation of the proposed Project or any portion thereof, the Company will pay all ad valorem taxes with respect to the Project or the site thereof, as though it were the

fee simple owner thereof regardless of the fact of any ownership interest of the Authority in the Project or the site thereof.

15. If applicable, the Authority will use its best efforts to assist the Company to enter into an agreement by and between the Assessors, the Authority and the Company establishing the valuation of the Company's leasehold interest in the Project or portions of the Project, as applicable.

[Remainder of Page Intentionally Left Blank]

If the foregoing proposal is satisfactory to you, you may so indicate by having the following acceptance executed by a duly authorized officer of the Company and returning a copy to the Authority. This proposal and your acceptance will then constitute an agreement in principle with respect to the matters herein contained as of the date hereof.

Yours very truly,

**DEVELOPMENT AUTHORITY OF  
ALPHARETTA, GEORGIA**

[ S E A L ]

By: \_\_\_\_\_  
Vice Chairwoman

**ACCEPTANCE OF INDUCEMENT LETTER AND RESOLUTION  
OF THE  
DEVELOPMENT AUTHORITY OF ALPHARETTA, GEORGIA**

The terms and conditions set forth in the Inducement Letter dated May 6, 2025 and Inducement Resolution adopted on May 6, 2025 are hereby accepted.

**EQUIFAX INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**CITY OF ALPHARETTA  
DEVELOPMENT AUTHORITY**

**APPLICATION FOR REVENUE BOND INDUCEMENT LETTER**

**GENERAL DESCRIPTION**

Application Fee of \$500.00 Paid ☒ Yes ☐ No

Date: 04 / 22 / 2025

Name of Applicant: Equifax Inc. Phone: 470-373-1620

Name of Property Owner if different: Wade William J. Tr. Equifax

Address: (1) Home Office: 1550 Peachtree ST. NW, Atlanta, GA 30309 (2) Local Office: 1505 Windward Concourse, Alpharetta, GA 30005

Business to be conducted in Alpharetta: Corporate Technology

General description of proposed project, including location: See Attached.

(STREET ADDRESS IF AVAILABLE)

Is land under option or contract? Yes ☐ No ☒ **Already owned**

**FINANCING**

Proposed size of bond issue: \$ 37,000,000 - See Attached.

Type of Issue: ☐ Serial Issue ☐ 501(C)(3) ☐ Refinancing  
Other Describe: Revenue Bond

PLEASE FURNISH THE FOLLOWING INFORMATION AS SOON AS KNOWN:

Underwriter name and address, Lender(s) name and address, Bond Counsel and/or Company Attorney name and address.

Company Attorney: Tom Harrold, Jr. of Miller & Martin, P.L.L.C. Bond Counsel: Woody Vaughn of Holland & Knight

I attest that I have read and understood the questions contained herein and that the responses I have provided are accurate, to the best of my knowledge.

Sworn to and subscribed before me this  
23 day of April, 2025

Philip Trey Brascoe  
Name of Applicant (please print)  
[Signature]  
Signature of Applicant





**CITY OF ALPHARETTA  
DEVELOPMENT AUTHORITY**

**APPLICATION FOR REVENUE BOND INDUCEMENT LETTER**

**PROJECT OVERVIEW**

1. Project Title: Equifax Corporate Technology Workspace Conversion Project
2. Size of property and legal description, if known: See Attached.
3. Size of facility: 203,650 SF
4. Number of employees: Approximately 244 new employees, resulting in an estimated total employment of 1660 at the facility.  
  
Percentage of employees that are anticipated to be North Fulton residents: 35%
5. What are the volumes and peak hours of traffic projected as a result of this proposal? We anticipate approximately 200 new vehicles with peak hours of 7:00 am-9:00 am and 4:00 pm-6:00 pm.
6. Number of parking spaces: Including the above-referenced parking easement, employees will have access to 1600 parking spaces.
7. Please estimate the project's expected impact on utilities: Utilities impact other than electricity should be negligible.
  - a. Schools: The project is expected to have a negligible incremental impact on schools.
  - b. Water: The project is expected to have a negligible incremental impact on water.
  - c. Police: The project is expected to have negligible incremental impact on police.
  - d. Sewer: The project is expected to have a negligible incremental impact on sewer.
  - e. Fire: The project is expected to have negligible incremental impact on fire services.





**CITY OF ALPHARETTA  
DEVELOPMENT AUTHORITY**

**APPLICATION FOR REVENUE BOND INDUCEMENT LETTER**

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8. The City of Alpharetta desires to create an ongoing relationship with the applicant. Does the applicant wish to partner in the City of Alpharetta through sponsoring of special events, arts initiatives, parks and recreation programs, or city sponsored sports leagues?

Yes ☒ No ☐

Which program(s) and initiatives will the applicant desire to support within the City of Alpharetta?

Contributes through Equifax's Employee Match Program

What ongoing yearly dollar figure may be associated with your investment?

\$86,170

Inclusive of their contact information and email address, who is the appropriate contact for the city to contact within your organization?

Michael Tallini/Senior Bond Analyst  
Name and Title

\_\_\_\_\_  
Cell Phone Number

michael.tallini@equifax.com  
Email Address

9. The City of Alpharetta desires to create and cultivate an ongoing relationship with the applicant and the Fulton County Schools that also serve the residents of Alpharetta. Does the applicant wish to partner with the Fulton County Schools supporting athletics, academics, arts, or education initiatives?

Yes ☒ No ☐

What program(s) within the Fulton County School System would the applicant desire to support?

Partners in Education - Alpharetta Elementary School

What yearly dollar figure may be associated with your investment?

Included in above

Inclusive of their contact information and email address, who is the appropriate contact for the city to contact within your organization.

Michael Tallini/Senior Bond Analyst  
Name and Title

\_\_\_\_\_  
Cell Phone Number

michael.tallini@equifax.com  
Email Address



**CITY OF ALPHARETTA  
DEVELOPMENT AUTHORITY**

**APPLICATION FOR REVENUE BOND INDUCEMENT LETTER**

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**PLEASE SUBMIT:**

1. **A ONE PAGE PROJECT SUMMARY** See Attached.
2. **A DETAILED DESCRIPTION OF THE PROJECT** See Attached.
3. **ATTACHED CERTIFIED FINANCIAL STATEMENTS FOR THE LAST THREE (3) YEARS, OR GIVE AN EXPLANATION AS TO WHY THE SAME ARE NOT AVAILABLE.**

<https://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0000033185&owner=exclude&count=40>



**CITY OF ALPHARETTA  
DEVELOPMENT AUTHORITY**

**APPLICATION FOR REVENUE BOND INDUCEMENT LETTER**

**FOR STAFF USE**

1. What is the current zoning for the site? Community Unit Plan Proposed Zoning? Community Unit Plan
2. What is the current Land Use indicated in the Comprehensive Plan for the site? Corporate Office
3. What is the proposed Land Use? Corporate Office



## **CITY OF ALPHARETTA DEVELOPMENT AUTHORITY**

### **APPLICATION FOR REVENUE BOND INDUCEMENT LETTER**

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#### **CRITERIA FOR PRIORITY RANKING OF DEVELOPMENT AUTHORITY REVENUE BOND FINANCING PROJECTS**

The criteria below will be used as a general guideline by the Alpharetta Development Authority in evaluating and setting priority ranking for proposed revenue bond financing projects.

1. The Project's benefits to the City outweigh the costs.
2. The Project is consistent with the Comprehensive Plan.
3. The Project contributes to augmenting the quality of life in Alpharetta through elements such as the following:
  - a) it contributes to recreation, cultural and/or educational opportunities;
  - b) it enhances community spirit and awareness;
  - c) it significantly increases employment;
  - d) it increases property and/or sales tax revenue;
  - e) it enhances Alpharetta's image as a signature city;
  - f) it furthers the City's objective of being a full-service community;
  - g) it remains consistent with the environmental standards set by the City of Alpharetta.
4. The Project does NOT materially adversely affect the quality of life in Alpharetta through elements such as significantly increase traffic in congested areas during peak periods.
5. The Project helps achieve balance by adding to an area or sector currently underserved by existing businesses in Alpharetta.

CITY OF ALPHARETTA DEVELOPMENT AUTHORITY  
APPLICATION FOR REVENUE BOND INDUCEMENT LETTER

EQUIFAX INC.

SUPPLEMENTAL RESPONSES

**GENERAL DESCRIPTION**

General description of proposed project, including location.

The project is located at Equifax's current JVW1 building at 1505 Windward Concourse (the "Building"). The project includes a workspace conversion of a significant portion of the Building to repurpose it as new workspace for Equifax's Corporate Technology Team. As part of the project, Equifax plans to subdivide the current 17.14 acre tract as reflected in the attached map, with one subdivided parcel of approximately 9 acres including the to-be-renovated Building (Tract 1), and the second tract of approximately 8.14 acres including the second building and adjoining parking deck) (Tract 2). Only Tract 1 will be subject to the revenue bond.

Proposed size of Bond Issue

The proposed size of the bond issue (\$37,000,000) is comprised of 3 components: (1) the current value of the Building, in its pre-conversion state, as reflected in the records of the Fulton County Tax Assessor is \$23,834,470; (2) a land value of \$3,937,526, based upon the percentage (9/17.14) of the current land value of the pre-subdivision parcel (\$7,498,000) as reflects in the records of the Fulton County Tax Assessor, and (3) the estimated cost (\$9,228,004) of the conversion.

**PROJECT OVERVIEW**

Size of property and legal description, if known

The current tract (21-5560-1039-011-7) will be subdivided as described above, with the final tract ultimately subject to the bond (Tract 1) being approximately 9 acres in size. Tract 1 will include a parking easement to the parking deck included in Tract 2.

## **Project Description**

### **Project Description for City of Alpharetta Application for Letter of Bond Inducement**

- Equifax proposes an expansion of its Alpharetta campus to develop a new workspace for its Corporate Technology Team, as part of its transition to cloud-based IT operations.
- The location for the project is the 3rd floor of the JVW1 building (1505 Windward Concourse) at the Alpharetta campus, with a total capital investment of approximately \$25,000,000, consisting of approximately \$8,500,00 for parking garage improvements on the adjacent tract benefitting the project, approximately \$10,500,000 (including \$9,200,000 of hard costs) for real property improvements to the 3<sup>rd</sup> floor of the project building, and approximately \$6,000,000 in furniture, fixtures, equipment, and other personal property at the project building.
- Construction is planned to be completed by Q1 of 2026, contingent on the support of the City of Alpharetta.

### **Long-term Investment in Alpharetta**

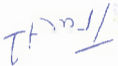
- Equifax has maintained a 20-year partnership with the City of Alpharetta, making multiple improvements to its campus over the last decade.
- Since 2020, Equifax has contributed \$497,567 in property taxes to the City, and it currently employs 1,416 people with an average annual payroll of \$150,000.
- Equifax pays an annual occupational tax of \$10,000
- Equifax matches employee charitable contributions up to \$5,000 per year, with \$86,170 donated to Alpharetta-based charities in 2024.

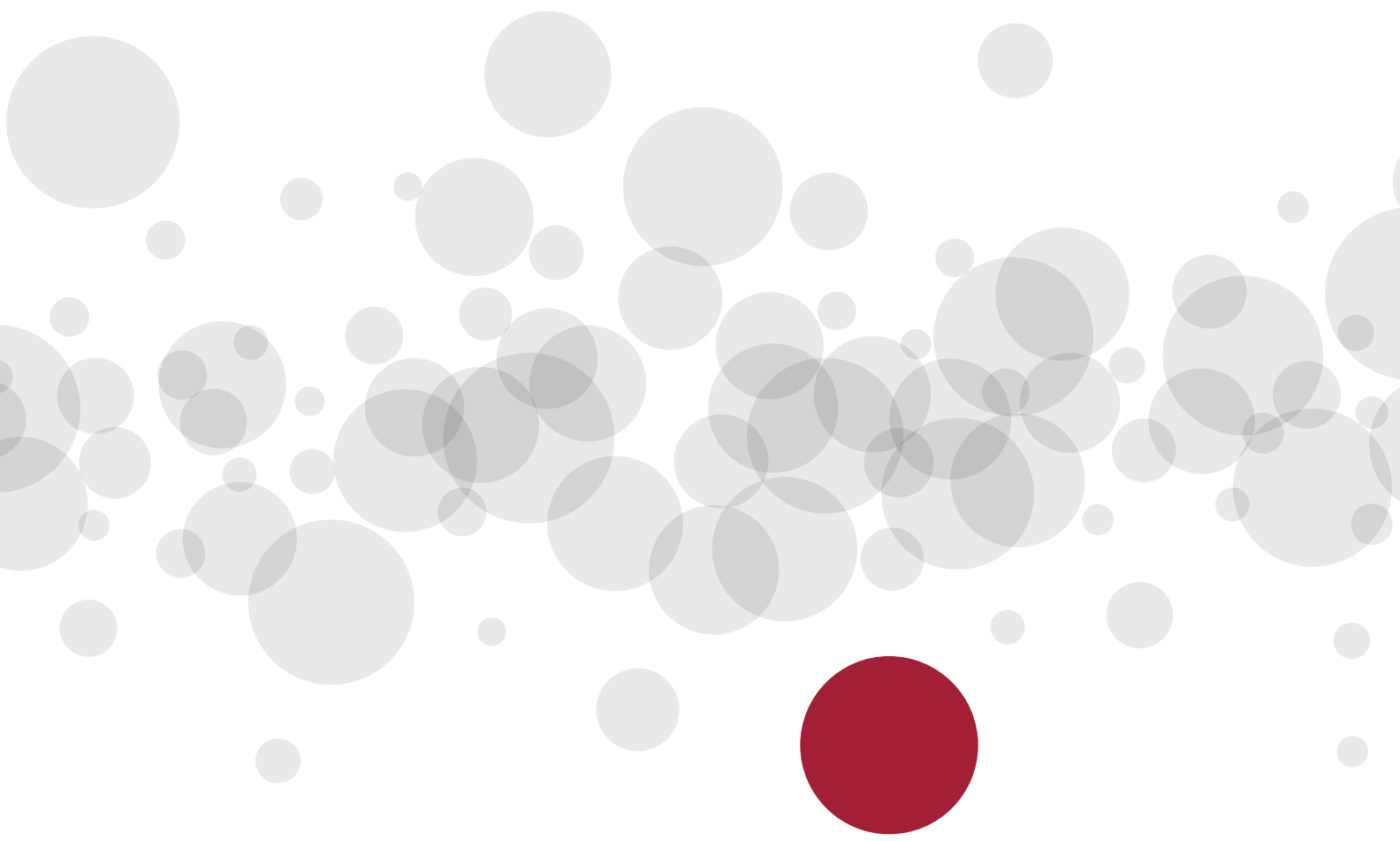
### **Additional Benefits from the Project**

- The workspace conversion will create approximately 200 new corporate technology positions, attracting talented employees to Alpharetta.
- Equifax's competitive wages will increase sales tax revenue for the City.
- The expansion will help maintain Alpharetta's signature reputation as the "Technology City of the South."

### **Closing**

- Equifax is committed to continuing its investment in Alpharetta, aiming to strengthen its 20+ year relationship with the City and support its leadership in the technology industry and Georgia's economy.





# EFX.next

Building on a strong foundation of the Equifax Cloud™ to accelerate innovation, new products, EFX.AI capabilities and growth

2024 Annual Report





A letter  
to our

# Shareholders

Mark L. Feidler, Independent Chairman of the Board of Directors

Mark W. Begor, Chief Executive Officer

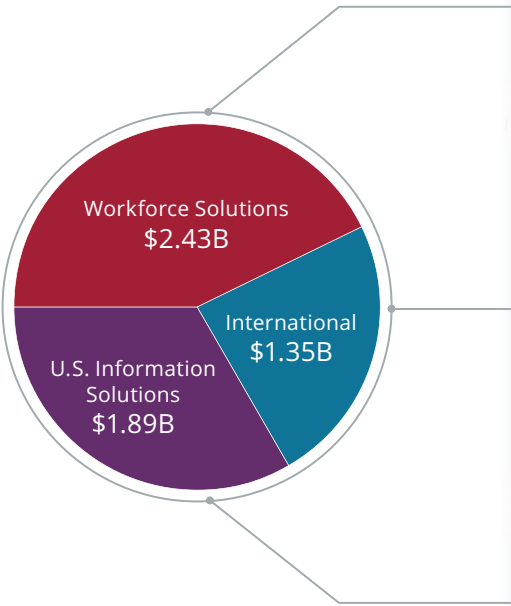
2024 marked an energizing chapter of transformation and growth for the New Equifax. We made significant progress towards the completion of our data and technology transformation, and as we look ahead to what's next, we are building on the strong foundation of the Equifax Cloud™. In 2025 and beyond, we expect to drive competitive advantage as we pivot to leveraging the Equifax Cloud and focus fully on growth, innovation, new products, and our EFX.AI capabilities.

Equifax 2024 revenue of \$5.68 billion was a record and up 8% on a reported and organic constant currency basis over 2023, delivering on the financial performance goals set at the beginning of the year against challenging U.S. mortgage and hiring macros. Our strong 2024 performance was aligned with our EFX2026 Strategic Priorities, and was an important inflection point in our ability to accelerate our free cash flow generation and to continue to drive growth through our investments in new products and targeted bolt-on acquisitions. Equifax is well-positioned to return capital to shareholders through both dividend growth and the launch of a multi-year share repurchase program in 2025 and beyond.

We entered 2025 with close to 85% of revenue in the Equifax Cloud, and with our United States Information Solutions (USIS) business unit, Canada, Chile and several other Latin American countries completing their consumer cloud customer migrations – a tremendous milestone after over 4 years of building the new Equifax Cloud. Our Cloud progress allowed us to decommission legacy systems and 10 additional data centers to deliver \$300 million in spending reductions. Leveraging the power of the Equifax Cloud, we also delivered our fifth consecutive year of more than 100 New Product Innovations (NPIs) with a Vitality Index (defined as percentage of revenue from new products introduced in the last three years) of 12%, well above our 10% long term Vitality target for new products, while accelerating the development of advanced models and scores leveraging our market-leading EFX.AI capabilities. In 2024, 95% of our new models and scores were built using Artificial Intelligence (AI) and Machine Learning (ML), up from 75% in 2023.

Annual Revenue at the Business Unit Level in 2024

Total Annual Revenue: \$5.68B



**Workforce Solutions** delivered annual revenue of \$2.43 billion, up over 5% from 2023, against challenging mortgage and hiring markets. Workforce Solutions continued to lead in NPI development, with a nearly 15% Vitality Index and had another outstanding year adding new records to The Work Number database, ending the year with 188 million active records, up 20 million records or 12%, with 734 million total records.

**International** achieved more than a billion dollars in revenue for the fourth consecutive year, with 2024 revenue of \$1.35 billion, up a very strong nearly 19% in constant currency year-over-year. Latin America continues to lead our International NPI with a 25% Vitality Index. In March 2025, we appointed Patricio Remon as our new President of Equifax International. Patricio joined Equifax in 2006, most recently serving as President of Equifax Europe, and brings deep global business knowledge, strong customer relationships, growth expertise, and a proven track record of outstanding leadership to the role.

**U.S. Information Solutions** delivered annual revenue of \$1.89 billion, an increase of 10% from 2023. With the Equifax Cloud transformation of our U.S. Consumer and telecommunications and utilities exchanges complete, USIS accelerated its NPI growth, doubling the number of new products.

2024

# Highlights



We made strong progress towards completing our Equifax Cloud Data and Technology Transformation in 2024, with USIS, Argentina, Canada, Chile, the Dominican Republic and Paraguay completing their Consumer Cloud customer migrations. We ended 2024 with the majority of our North America businesses and close to **85% of Equifax revenue in the Cloud** as we pivot from building to leveraging the Cloud for innovation, new products, and growth.



With our USIS and Workforce Solutions Cloud migrations substantially complete, we are rapidly developing and **bringing to market new OnlyEquifax™ solutions** that include unique income and employment data from The Work Number® database and our USIS credit and alternative data assets. These OnlyEquifax solutions allow our customers to enhance their mortgage, auto, and personal loan originations by using credit attributes alongside income and employment information.



As a part of our Equifax Cloud transformation we have **decommissioned 36 data centers to date**, including 10 in 2024, with three additional data centers expected to be decommissioned by the end of March 2025. Decommissioning legacy on-premise systems and software reduces spending, improves operating margins, and lowers the capital intensity of our business.



New Product Innovation leveraging the Equifax Cloud enabled us to **deliver a strong 12% Vitality Index** in 2024 from broad-based, double-digit performances across all of our businesses, with new product revenue of about \$650 million.



We were recognized in the inaugural **TIME Magazine list of America's Best Midsize Companies** for organizations based in the U.S. with annual revenue between \$100 million and \$10 billion. Our inclusion in this prestigious list was based on strong performance in employee satisfaction, revenue growth, and responsible business practices.



We continued our EFX.AI innovation, and in 2024, **95% of our new models and scores were built using AI and ML**, ahead of our 80% goal and up from 75% in 2023. We are seeing significant lifts in performance and predictiveness using EFX.AI and our differentiated data in models, scores, and new products.



The Work Number database reached **188 million active records**, a 12% increase from 2023, with employment records for nearly 233 million people. We now have 4.2 million employers contributing payroll records to The Work Number database, and signed 15 new partnership agreements – including an agreement with Workday – that will drive record growth in 2025.



We continued our commitment to leadership in Security, evolving to meet – and anticipate – emerging cybersecurity threats in 2024 with a **maturity level that has outperformed all major industry benchmarks for the last 5 years**, a National Institute of Standards Technology (NIST) Cybersecurity Framework (CSF) score of 4.3, and an industry-leading passwordless transformation. Our roll-out of passwordless credentialing technology across Equifax, including the use of biometrics, helps eliminate the number one threat facing security teams: stolen credentials.



# EFX2026: Delivering Against Our Strategic Priorities

In 2024, we leveraged the Equifax Cloud to accelerate New Product Innovation, marking our fifth consecutive year with over 100 new products developed. With a broad based 2024 Vitality Index of 12%, this was also our third consecutive year above our Long Term 10% Vitality Index goal. Revenue from new products was \$650 million, with USIS notably seeing a 90% year-over-year increase in new product revenue.

Workforce Solutions continues to lead Equifax in NPIs with a nearly 15% Vitality Index and solutions powered by unique, differentiated data that expand our TotalVerify® data hub, including Talent Report™ High School. This solution provides instant verification of available U.S. high school diploma data to employers and background screeners during the pre-hire process through an exclusive integration with the National Student Clearinghouse®. And we continued our commitment to providing an extensive set of verification solutions for the mortgage industry with offerings like All Employers Within 90 Days, enabling credentialed lenders to verify a borrower's income and employment information from the previous 90 days – useful in situations where a borrower has been employed at the same job for a long period of time and employment records beyond the last three months are not needed.

USIS introduced 28 new products in 2024 with a Vitality Index of 8.5%, including new offerings designed to give lenders and service providers the confidence they need to extend capital to small businesses in a rapidly changing economic environment. The new Equifax Cloud-based Merchant Data Network can improve traditional commercial scoring by more than 8% by providing valuable insights into the revenue small businesses generate from aggregated credit card transactions at the point of sale. The collaborative network combines the power of the Equifax Commercial Financial Network with aggregated credit card transaction data from Fiserv and other leading data providers to bring new visibility to more than 5.5 million businesses from more than 50 billion credit card transactions per year.

Our International business unit outperformed its 2023 results, delivering a Vitality Index of 10.4% and a total of 78 NPIs in 2024 – nearly half of which were multi-market offerings. The Equifax Cloud enables us to quickly extend the impact of our International Solutions by taking successful products from one market and easily introducing them into additional markets while maintaining compliance with local data and regulatory requirements. Multi-market solutions included a new suite of Equifax Scores that were first introduced in Argentina and then localized and launched in the Dominican Republic. These new, 100% Cloud-based scores leverage EFX.AI and our unique alternative data assets to bring new financial visibility to more consumers.

## Accelerate Innovation and New Products



Our innovative technologies help drive Equifax products and solutions forward so that our customers and consumers can make critical decisions with greater confidence. As of January 2025, Equifax has more than **625 issued or pending patents across the globe**. Our Cloud transformation is enabling us to deliver on patented innovation with a 52% year-over-year increase in original patent applications filed and 57% year-over-year increase in patents granted.

## Leverage Equifax Cloud Capabilities



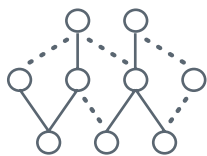
The Equifax Cloud is a top-tier global technology and security infrastructure that continues to set Equifax apart in the industry. We made strong progress against our Equifax Cloud data and technology transformation over the last year, including the migration of our USIS consumer and telecommunications and utilities exchanges to the Cloud. Along with The Work Number, which we migrated more than two years ago, we now have the majority of our North American businesses and three largest data exchanges in the new Equifax Cloud. We ended 2024 with close to 85% of Equifax revenue in the Cloud as we pivot from building to leveraging the Cloud for innovation, new products, and growth.

We also made substantial progress in our International technology transformation activities, completing our Canadian Cloud transformation, and moving Argentina, Chile, Costa Rica, the Dominican Republic, and Paraguay 100% to the Cloud in 2024. 2025 is also off to a strong start, with the migration of our consumer credit exchange in Spain completed in the first quarter. Our cloud-native infrastructure is already providing us with the competitive advantages of always-on stability, faster data transmission speeds, and industry leading security for our customers.

As a part of our Equifax Cloud transformation we have decommissioned 36 data centers to date, including 10 in 2024, with three additional data centers expected to be decommissioned by the end of March 2025. Decommissioning legacy on-premise systems and software reduces spending, improves operating margins, and lowers the capital intensity of our business. Our International Cloud migration efforts will continue in 2025 and 2026 resulting in additional cloud cost savings. In addition, our Cloud transformation significantly reduces the footprint of on-site technology and data centers and leverages the enhanced energy efficiency of cloud service providers.

As we near the finish line of our over \$1.5 billion security, data, and technology transformation, we are confident that the Equifax Cloud will be central to our differentiation and our competitive advantage for years to come.

## Expand Differentiated Data Assets



Unique, differentiated data and analytics continue to be at the heart of our business. With the Equifax Cloud, we are expanding the depth and accuracy of our data and helping our customers innovate faster to create more effective insights into the people and communities they serve. Central to the Equifax Cloud is our custom data fabric, an adaptable data platform that unifies the enterprise's data (from over 100 siloed data sources) in a single, virtual structure, enabling critical data governance measures, including data segregation, and maintaining compliance with regulatory requirements.

Data fabric offers the ability to ingest and analyze our non-public data at scale, and enhances the keying and linking of our data assets for delivery of multi-data solutions.

Powered by the Equifax Cloud, our data fabric enables **40 million inquiries daily** and ingests **15 billion records per month** on a global basis.

In 2024, our differentiated, non-public data included:

**The Work Number Database** – 188 million active employment records and 734 million total employment records for verifications of employment and income from 4.2 million different U.S. employers.

**Core Credit** – More than 3.5 billion U.S. tradelines with over 1.6 billion updates monthly to currently reported accounts.

**Relationship with the National Consumer Telecom and Utilities Exchange, Inc.® (NCTUE®)** – Operation and management of the U.S. NCTUE database that includes more than 430 million telecommunications, pay TV, internet, home security and utility account records and their associated payments.

**Insights** – 198 million incarceration records from over 2,300 facilities across the United States.

**IXI** – Wealth information with more than \$30 trillion in anonymized assets and investments.

**DataX and Teletrack** – Access to 120 million unbanked, underbanked and credit rebuilding consumers – enabling greater access to credit.

**Partnerships for cash flow data** – Information on balances, deposits and withdrawals from more than 7,700 participating U.S. financial institutions – allowing access to visibility of 96.5% of U.S. checking accounts.

**Partnership with National Student Clearinghouse** – Access to 130 million degrees from 2,700 colleges and universities.

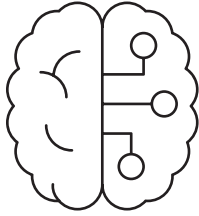
**Digital Solutions** – Combined trust and fraud signals from more than 60 billion consumer interactions.

**Commercial Financial Network** – 194.4 million U.S. commercial tradelines across 76.7 million businesses.

Strategic partnerships are core to our differentiated data strategy. Last year, USIS extended its nearly 30-year relationship with the NCTUE, continuing our exclusive operation and management of the unique NCTUE database that includes more than 430 million account records and enabling us to deliver products and services that layer telecommunications, pay TV, internet, home security and utility insights on top of traditional credit data to help maximize consumer approval rates, help identify potential risks, reduce manual intervention costs and improve customer experience.

We also signed 15 new strategic partnerships in 2024, including Workday, which we expect will fuel Workforce Solutions verification services revenue growth in 2025. By integrating Workday Payroll and The Work Number employment and income verification service, Workday customers will be able to offer their employees seamless, instant verifications in support of their most important life events such as applying for a home mortgage, an auto loan, or government benefits.

## Drive AI Innovation



The Equifax Cloud and our custom data fabric enable us to drive AI innovation and maximize our EFX.AI capabilities.

The successful use of AI requires deep, accurate and high-quality data. EFX.AI allows us to derive more value from our trusted, proprietary, non-public data – helping lenders and service providers make better decisions and open financial opportunities to otherwise underserved populations. In 2024, 95% of our new models and scores were built using AI and ML, ahead of our 80% goal and up from 75% in 2023.

We are well positioned to deliver continued strong, EFX.AI-powered new product growth leveraging the Equifax Cloud. New Cloud and AI-based scores in 2024 included the latest addition to the USIS OneScore suite of risk scores: the new OneScore for Alternative Finance. Designed to expand financial opportunities for consumers that may be credit invisible, unscorable, thin-file, or credit rebuilding, this new score leverages predictive insights from our DataX and Teletrack specialty finance data with the option to include traditional credit data. Our research indicates that OneScore for Alternative Finance could help boost approval rates by as much as 40% for consumers seeking new financial opportunities, with the potential to expand the scorable population to reach up to 97% of Americans seeking alternative finance loans.

Importantly, EFX.AI is aligned to both our EFX2026 Strategic Priorities and shared corporate values. Our approach is guided by our AI Governance Program, which sets strategic direction, provides global oversight of the use of AI systems, and defines the principles and practices that comprise Responsible AI at Equifax, with requirements that are aligned to the NIST AI Risk Management Framework. Whether it is for innovation, internal development, or operational improvements, Equifax uses AI Systems in a transparent, trustworthy, fair, explainable, and secure manner to provide benefits to consumers and customers.

2025 marks the 10-year anniversary of our patented Explainable AI (xAI) technology. Equifax led the way towards an industry standard for xAI in financial services, introducing the first machine learning credit scoring system with the ability to generate logical and actionable reason codes for consumers. Our AI innovation continues. As of January 2025, more than **300 of our pending and approved patents support our approach to AI.** We infuse our patented AI techniques into solutions designed to enable customers to get to insights faster – helping to create new consumer opportunities.

## Put Customers and Consumers First



Consumers and our customers depend on our data for important financial decisions and we take that responsibility very seriously. We began our Equifax Cloud, data and technology transformation to strengthen security and enhance our data quality and accuracy. With our North American Cloud transformation substantially completed in 2024, we have made significant improvements to our dispute process and consumer support, all with a goal of ensuring maximum possible accuracy. We believe that even one error affecting a consumer is one error too many, which is why we continue to invest in our data quality capabilities, technology, and processes to ensure that we can effectively detect and proactively remove inaccurate account information.

We transparently publish a monthly consumer credit report accuracy metric on our website, and in 2024 Equifax U.S. consumer **credit report accuracy averaged 99.83% each month**. This metric is determined by calculating the number of tradelines, collections, and bankruptcy disputes within the month that resulted in a change to a U.S. consumer credit report (regardless of whether that change had any impact on a consumer's credit score).

Our Purpose is to help people live their financial best, and we strive to support economically healthy individuals and financially inclusive communities in each of the 24 countries where we do business.

Providing consumers with the resources they need to increase their financial capability is an important part of this. We are proud to provide ongoing credit education designed to help people understand both their personal finances and the credit system as well as the role we play in helping to provide access to mainstream, sustainable financial products. Examples of this include:

- We continue to evolve the experience for our 26.7 million myEquifax™ users to include access to new offers and services and we are introducing a mobile app in the second quarter of 2025 that will give consumers additional credit visibility.
- Building on our commitment to consumer education, our robust online U.S. Knowledge Center was updated to include a new Spanish-language hub designed to meet the needs of the 13% of the U.S. population that speaks Spanish at home.
- More than 2 million viewers have tuned in to our consumer credit video education series, "Equifax Learn," on YouTube. And in 2024 we added a Spanish language version of the series to drive more awareness of our free translated U.S. credit report in Spanish, helping Spanish-speakers understand credit, know what information is in their credit report and get in the habit of monitoring their financial accounts.

Our New Product Innovation also plays a critical role in helping people live their financial best. In Canada, a new Global Consumer Credit File introduced in 2024 helps lenders make more confident credit lending decisions for newcomers to the country. The solution creates a calibrated credit score using newcomers' credit histories from their countries of origin – essential in obtaining services such as housing, credit cards, and mobile phone contracts. Solutions ranging from our USIS Merchant Data Network and OneScore for Alternative Finance solutions, to our UK Open Banking and Open Finance offerings are designed to help global lenders responsibly create new financial opportunities by bringing more visibility to consumers and small businesses.

In 2024, we marked the 30th anniversary of Victim Information and Notification Everyday (VINE). VINE, acquired in our purchase of Appriss Insights in 2021, is the leading victim notification network in the U.S. It allows survivors, victims of crimes, and other concerned citizens to access timely and reliable information about offenders or criminal cases in U.S. jails and prisons. Last year, we saw nearly 6 million consumer registrations, 298 million offender searches, and nearly 22 million notifications to help keep victims of crime safe.



The Work Number plays a critical role in securing important financial moments such as starting a new job, leasing a car, applying for a mortgage, or seeking government benefits. The Work Number provided social service **verifications for 25.5 million people seeking benefits** while streamlining government operations and helping to ensure the integrity of safety net programs. Some of these programs include Medicaid, SNAP, Temporary Assistance for Needy Families (TANF), Housing Choice Vouchers, Supplemental Security Income (SSI), and more.

## Execute Bolt-on M&A



Since 2018, we have invested more than \$4.5 billion in 25 strategic bolt-on acquisitions to strengthen our core capabilities, grow our differentiated data assets, and drive future non-mortgage growth. These acquisitions have grown our talented team and have expanded our international footprint into new markets. In 2024 we focused our efforts on integrating acquisitions completed over the last two years to drive synergies across our business.

Just one year after the acquisition of Boa Vista Serviços, we are creating powerful new opportunities for Brazilian customers and consumers with the addition of our cloud-native products, decisioning and analytics capabilities, including our InterConnect® decision management system for easy access to data sources, attributes, models and decision rules. With Equifax|Boa Vista we are helping to drive new financial opportunities for the 34 million unbanked and underbanked consumers in Brazil, and customers are responding. In the fourth quarter of 2024 Equifax|Boa Vista saw double digit growth. We are continuing this strong momentum with a clear focus on leveraging our robust global platforms, and the completion of the Equifax|Boa Vista migration to the Cloud.

In 2022, we expanded our International footprint into the Caribbean with the acquisition of Data-Crédito, the largest consumer credit reporting agency in the Dominican Republic. Equifax República Dominicana was fully migrated to the Cloud last year and the legacy data center was decommissioned. With this transformation, our Dominican Republic team put the power of the Equifax Cloud into action with their powerful new localized Equifax Scores. In a country where 49% of the population is unbanked, these cloud-based scores are bringing new financial visibility to more consumers by combining our EFX.AI capabilities and unique alternative data for better insights.

## Continue Leadership in Security



We continued to deliver on our commitment to being an industry leader in security. As our fifth consecutive publication of our Security Annual Report reflects, our maturity level has outperformed all major industry benchmarks for the last five years, exceeding Technology and Financial Services companies analyzed. Prioritizing security and building it into our systems – versus bolting it on – has become part of our culture and helps drive our performance with strong security underpinning our technology innovation.

We are constantly evolving to meet – and anticipate – emerging cybersecurity threats. In 2024 we completed an important milestone in transitioning nearly 22,000 full and part-time employees to passwordless authentication. Passwordless technology, including the use of biometrics, helps eliminate the number one threat facing security teams: stolen credentials. This change has also created a more seamless experience

for our global workforce. Removing the daily friction of passwords means that password resets, lockouts and Multi-Factor Authentication tools can be removed to save time and costs. Our passwordless environment also eliminates Knowledge-Based Authentication – the use of personal questions to verify a user’s identity – from internal helpdesk calls, ensuring that AI voice cloning and deep fakes cannot be used to trick agents into giving away access, online or on the phone.

We remain deeply committed to transparency, communication and collaboration – sharing our security resources for the benefit of the communities where we live and work. In 2024 we expanded our relationship with the Government of Costa Rica. Costa Rica is our third largest Equifax geography worldwide and our work with the country’s Ministry of Science, Innovation, Technology and Telecommunications is designed to boost the country’s cybersecurity, innovation and digital skills capacity at both the institutional and national levels. The new collaboration enables the sharing of Indicators of Compromise, the digital and informational “clues” used by incident responders to detect, diagnose, halt, and remediate malicious activity in their networks, fostering a better understanding of cyber threats. This collaboration will help strengthen cybersecurity at all levels.

We also continue to help the Costa Rican government build the cyber and technology talent pipeline in their universities. In 2024, the Costa Rican Commission for the Implementation of the National Framework of Qualifications approved the inclusion of a new cloud skills standard as part of the educational system. This has been the result of collaboration between the Costa Rican public sector organizations and expert private sector organizations, led by Equifax. Under this new standard, any technical schools in Costa Rica will be able to develop programs on cloud skills.

We are proud of the work that we do in helping organizations around the world become more secure and continue to actively engage with customers, policymakers, and other organizations regarding the challenges and opportunities in cybersecurity.

**We believe that our nearly 15,000 team members around the world are our greatest asset.** Working together as One Equifax to drive cross-functional collaboration and innovation is critical to our success.

- As a values-driven organization, we are committed to nurturing a culture where everyone feels welcomed, valued and respected. Diversity of experience and thought drives increased creativity and innovation – which fuels our bottom line.
- In 2024, Equifax was named to the inaugural TIME Magazine list of America’s Best Midsize Companies, for organizations based in the U.S. with annual revenue between \$100 million and \$10 billion. Our inclusion in this prestigious list was based on strong performance in employee satisfaction, revenue growth, and responsible business practices.

Support for the communities where our employees live and work is core to our responsible business practices. Last year, the Equifax Foundation put our Purpose into action by making \$1.3 million in direct charitable grants to community partners in Atlanta and St. Louis – including On The Rise Financial Center, Westside Future Fund, Prosperity Connection, and Credit Builders Alliance to help low-to-moderate income communities achieve the credit strength needed to live their financial best.

**Act as  
One Team,  
One Equifax**



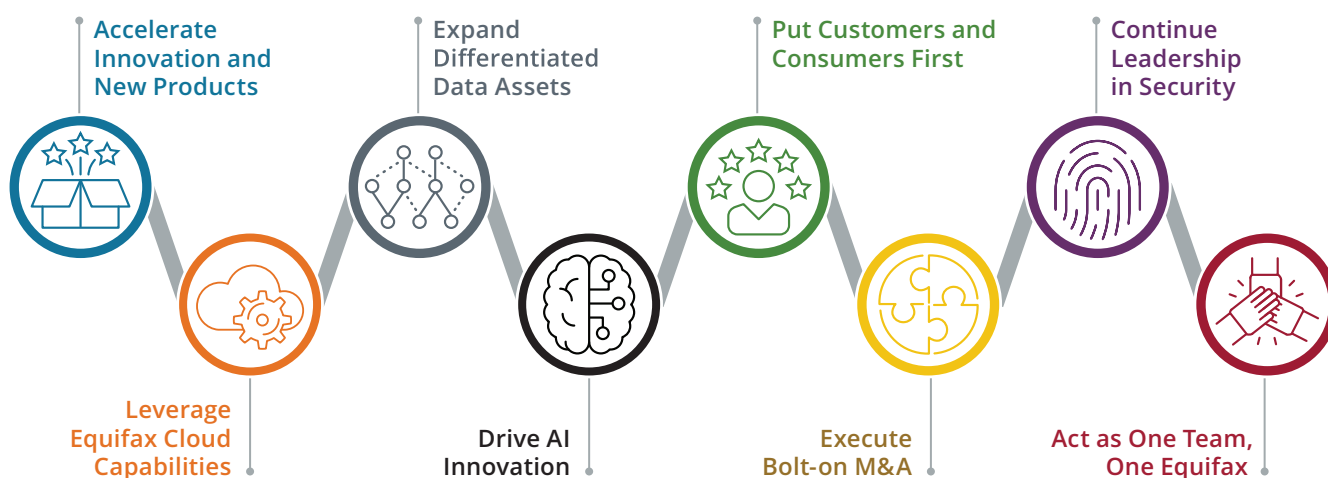
Through our Equifax Gives program, we matched more than \$1 million in employee charitable donations in 2024 for more than \$3.3 million in total community impact.

We also continued our direct community engagement, maintaining a strong commitment to employee volunteerism. Our BEST Credit Training, which trains U.S. based employees to deliver financial literacy content in their communities, provided more than 1,500 hours of training last year. We expanded our work with organizations like Junior Achievement, creating an Equifax storefront at the Atlanta-based Junior Achievement Finance Park where more than 30,000 students each year learn the basics of credit through real-life scenarios. And we doubled our UK community efforts, dedicating time and talent to organizations like Speakers for Schools. Over the last year we worked with more than 600 UK youth to help them learn more about credit, understand how to borrow responsibly, and avoid potential financial scams.

Internal career development remained a priority in 2024 and we continued to make a number of internal and external training opportunities available to our teams worldwide, with our global employees completing almost 170,000 hours of training and professional development. We also continued our work to enable employees to explore and map career options, identify and access targeted focus areas and development options matched to career desires, and easily access recommended internal job postings. We are proud to be a place where our employees can grow and develop their careers with nearly 50% of open roles filled internally in 2024.

## EFX2027 Strategic Priorities

As we reflect on our accomplishments in 2024, we are also looking ahead to what's next for the New Equifax with our EFX2027 Strategic Priorities aligned to our outlook for the next three years. With our Cloud transformation substantially complete, we are well positioned to deliver continued strong EFX.AI-powered New Product Innovation leveraging the Equifax Cloud that will drive our top line growth.



2025 is a pivotal year for Equifax in our ability to accelerate our Free Cash Flow generation as capital expenditures come down and our EBITDA expands. Our strong Free Cash Flow conversion – which will approach our 95% long term goal – and leverage from expanding EBITDA, positions us to return capital to shareholders through both growing our dividend and launching a multi-year share repurchase program in 2025.

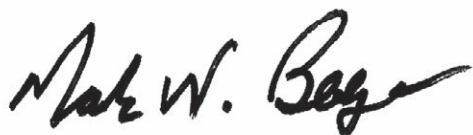
In 2025, we expect to deliver 6% constant dollar revenue growth, as well as adjusted EBITDA margin expansion of 25 basis points, with EBITDA increasing to over \$1.9 billion despite our expectation of continued challenging end markets in mortgage and hiring. Adjusted EPS at the midpoint of guidance is expected to be \$7.45 per share, up 2% versus 2024, with Free Cash Flow approaching \$900 million.

We anticipate U.S. mortgage credit inquiries to decline 12% in 2025 compared to last year, and further expect U.S. hiring to be down about 8% relative to 2024, and on the order of over 10% below average hires over the last 10 years. Absent these assumed mortgage and hiring market declines, 2025 organic constant dollar revenue growth would be at the midpoint of our Long Term framework of 7 to 10% with EBITDA margins expanding over 100 basis points. As end markets normalize, we are confident in our ability to deliver organic revenue growth in our 7 to 10% Long Term framework, continue expanding adjusted EBITDA margins at 50 basis points per year, growing cash conversion to above 95%, and executing bolt-on M&A.

We are entering the next chapter of the New EFX with our Cloud transformation substantially complete with **about 85% of EFX revenue in the Cloud**. We are energized by our commercial momentum, New Product Innovation, EFX.AI capabilities, and the benefits of the new EFX Cloud, but even more energized about the future of the New Equifax!

On behalf of the Equifax Board, leadership team, and nearly 15,000 global employees, we thank you for your ongoing support and confidence in our business.

Thanks for your support,



Mark W. Begor  
Chief Executive Officer  
and Director



Mark L. Feidler  
Independent Chairman  
of the Board of Directors

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

**FORM 10-K**

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

For the fiscal year ended December 31, 2024

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number 001-06605

**EQUIFAX INC.**

(Exact name of registrant as specified in its charter)

Georgia

58-0401110

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

1550 Peachtree Street N.W. Atlanta Georgia 30309

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 404-885-8000

Securities registered pursuant to Section 12(b) of the

|      | Title of each class                      | Trading Symbol | Name of each exchange on which registered |
|------|------------------------------------------|----------------|-------------------------------------------|
| Act: | Common Stock, \$1.25 par value per share | EFX            | New York Stock Exchange                   |

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

Indicate by check mark if Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Exchange Act ("Act").

☒ Yes ☐ No

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

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

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issues financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

As of June 30, 2024, the aggregate market value of Registrant's common stock held by non-affiliates of Registrant was approximately \$30,001,128,029 based on the closing sale price as reported on the New York Stock Exchange. At January 31, 2025, there were 124,023,838 shares of Registrant's common stock outstanding.

## **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of Registrant's definitive proxy statement for its 2025 annual meeting of shareholders are incorporated by reference in Part III of this Form 10-K.

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## PART I

### ITEM 1. BUSINESS

#### Overview

Equifax Inc. is a global data, analytics and technology company. We provide information solutions for businesses, governments and consumers, and we provide human resources business process automation and outsourcing services for employers. We have a large and diversified group of clients, including financial institutions, corporations, government agencies and individuals. Our services are based on comprehensive databases of consumer and business information derived from numerous sources including credit, financial assets, telecommunications and utility payments, employment, income, educational history, criminal justice data, healthcare professional licensure and sanctions, demographic and marketing data. We use advanced statistical techniques, machine learning and proprietary software tools to analyze available data to create customized insights, decision-making and process automation solutions and processing services for our clients. We are a leading provider of information and solutions used in payroll-related and human resource management business process services in the United States of America (“U.S.”), as well as e-commerce fraud and charge back protection services in North America. For consumers, we provide products and services to help people understand, manage and protect their personal information and make more informed financial decisions. Additionally, we also provide information, technology and services to support debt collections and recovery management.

We currently operate in four global regions: North America (U.S. and Canada), Asia Pacific (Australia, New Zealand and India), Europe (the United Kingdom (“U.K.”), Spain and Portugal) and Latin America (Argentina, Brazil, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Paraguay, Peru and Uruguay). We maintain support operations in Chile, Costa Rica, India and Ireland. We also have investments in consumer and/or commercial credit information companies through joint ventures in Brazil, Cambodia, Malaysia and Singapore.

Equifax was originally incorporated under the laws of the State of Georgia in 1913, and its predecessor company dates back to 1899. As used herein, the terms Equifax, the Company, we, our and us refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

We are organized and report our business results in three operating segments, as follows:

- **Workforce Solutions** — provides services enabling customers to verify income, employment, educational history, criminal justice data, healthcare professional licensure and sanctions of people in the U.S. (Verification Services), as well as providing our employer customers with services which include unemployment claims management, I-9 and onboarding services, Affordable Care Act compliance management, tax credits and incentives and other complementary employment-based transaction services (Employer Services). Workforce Solutions revenue is predominantly in the U.S., and they have also established operations in Canada, Australia and the U.K.
- **U.S. Information Solutions (“USIS”)** — provides consumer and commercial information solutions to businesses in the U.S. including online information, decisioning technology solutions, identity management services, analytical services, e-commerce fraud and charge back protection services, portfolio management services, mortgage information and marketing services. We provide products to consumers in the U.S. to enable them to understand and monitor their credit and help protect their identity. We also sell consumer credit information to resellers who may combine our information with other information to provide direct-to-consumer monitoring, reports and scores.
- **International** — provides products and services similar to those available in the USIS operating segment but with variations by geographic region. We also provide information, technology and services to support debt collections and recovery management. In addition, we provide products to consumers in Canada, the U.K., Australia and Chile to enable them to understand and monitor their credit and help protect their identity. This operating segment is comprised of our Asia Pacific, Europe, Latin America and Canada business units. It also includes our joint ventures in Brazil, Cambodia, Malaysia and Singapore.



## Our Business Strategy

Our vision is to be a trusted global leader in data, analytics and technology that creates innovative solutions and insights for our customers. Our business strategy is driven by the following imperatives:

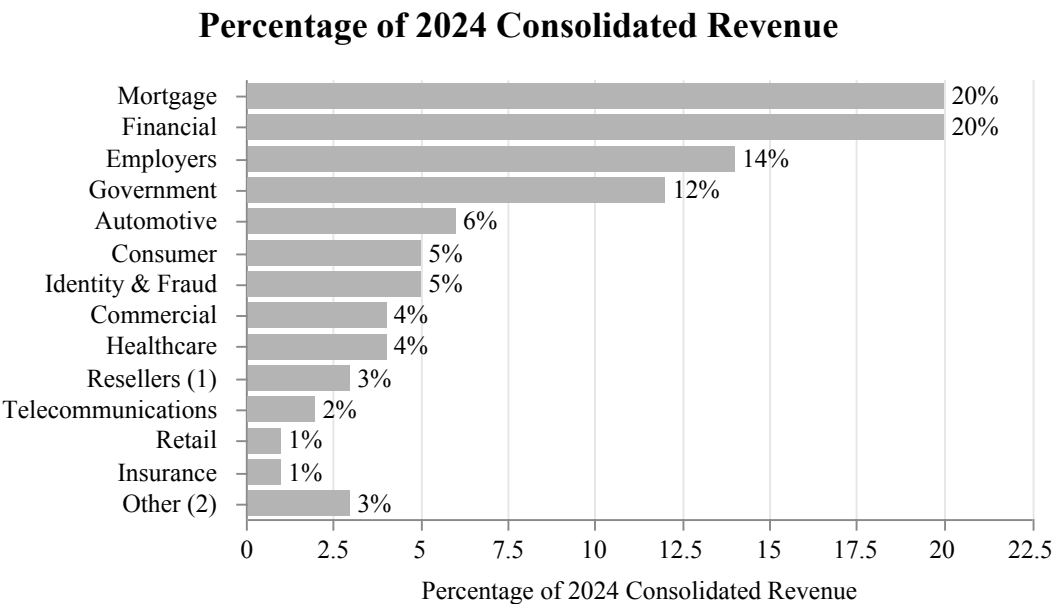
- **Leverage our Equifax Cloud capabilities to accelerate innovation, new products and growth.** Our cloud data and technology transformation has changed nearly every facet of our global technology infrastructure, including a migration to a public cloud environment that employs virtual private cloud deployment techniques. Central to our move to cloud-native technology is our custom single data fabric, which is a cloud native platform that enables Equifax to build, manage and deploy data products, as well as implementation of best-in-class cloud-based tools and capabilities. Our growth strategy includes leveraging our cloud data and technology transformation to accelerate innovation and new product development, deliver market-leading capabilities to our customers, facilitate customer and partner implementation and integration, improve ease of consumer access to and interaction with Equifax, and strengthen system resiliency and uptime.
- **Leverage and expand our differentiated portfolio of data assets.** We use proprietary advanced analytical platforms, including capabilities in machine learning, artificial intelligence and advanced visualization tools, to leverage our unique data to develop leading analytical insights that enhance the precision of our customers' decisioning activities. Our cloud-native technology simplifies our customers' access to our leading analytical and decisioning platforms, allowing us to accelerate the development of unique insights and the conversion of these insights into innovative new products and services consumable by our customers through our delivery platforms. We strive to advance these capabilities and bring our customers multi-data solutions at scale by expanding our unique and differentiated data assets and analytics through organic growth, business acquisitions and partnerships.
- **Foster a culture of putting customers and consumers first.** We are focused on maintaining a culture in which our customers and consumers are at the center of our decision processes, and where we exceed customer and consumer expectations by delivering solutions with speed, flexibility, stability and performance. We prioritize engagement with our customers and strive to accelerate innovation through collaboration. We seek to leverage our cloud native technology and unique data assets and capabilities, as well as customer expertise and data and technology assets, to drive the development of high-value analytical products and services designed to address a broader range of customer and consumer needs. We work to maximize the value of our differentiated data assets, analytics and decisioning to drive new products and services that provide a fuller picture of consumers and commercial entities to our customers in banking and financial services, government, employee hiring and onboarding and other service providers.
- **Execute strategic acquisitions that expand our data portfolio and capabilities and drive revenue growth.** A critical lever of our strategy is inorganic growth through accretive and strategic acquisitions that drive incremental annual revenue growth. Our acquisition priorities are clear and focused on re-investing in acquisitions that expand our unique differentiated data assets and solutions to strengthen and grow our core businesses. We continue to invest, including through acquisitions and partnerships, to expand our addressable markets and the data and capabilities we offer to solve customer challenges across the services we provide and to expand our access to differentiated data including across identity authentication, fraud mitigation and risk management. We believe there are opportunities to continue to expand in the U.S. and internationally, across the existing financial, mortgage, telecommunications, automotive, insurance, talent management, human resource services, government and other markets that we serve, as well as in new and emerging market segments.
- **Continue our leadership in data security.** We are committed to being an industry leader in security. We have built an Equifax culture that prioritizes security, and we consider data and technology security, and more broadly risk management, as a primary requirement in all decisions. We make extensive use of advanced data and technology security tools, techniques, services and processes in order to enhance our ability to protect the information with which we are entrusted. We are committed to working openly with our peers, customers and partners to tackle emerging security challenges, document best practices, provide vital data security thought leadership and work together to deliver solutions that benefit both the security community and consumers.
- **Build a world-class Equifax team by investing in talent to drive our strategy and promote a culture of innovation.** At Equifax, we are committed to nurturing a culture where talent thrives. We are focused on providing meaningful opportunities for career advancement and development, fostering an inclusive work environment, and promoting employee engagement and recognition. We leverage our enterprise-wide talent

initiatives to develop, retain and attract a highly-qualified workforce in order to promote our culture of innovation, add diverse perspectives and deliver on our business strategy.

We seek to enhance shareholder value through the disciplined execution of these imperatives and by positioning our Company as a global data, analytics and technology leader with industry-leading security.

**Markets and Clients**

Our products and services serve clients across a wide range of verticals, including mortgage, financial services, employers, government (state, federal and local), automotive, commercial, identity and fraud, consumer, resellers, healthcare, telecommunications, retail and insurance. We also serve consumers directly. Our revenue streams are highly diversified with our largest client providing approximately 3% of total revenue. The following table summarizes the various end-user markets we serve:



- 1. Predominantly sold to companies who serve the direct-to-consumer market and includes other small end user markets. Mortgage and auto resellers are excluded from this category as they are included within their respective categories above.
- 2. Other includes revenue from other miscellaneous end-user markets.

We market our products and services primarily through our own direct sales organization that is structured around sales teams that focus on client segments typically aligned by vertical markets and geography. In the U.S., the vertical market sales teams for the Mortgage, Financial, Government and Automotive markets sell products from both the USIS and Workforce Solutions business units. Sales groups are based in field offices located throughout the U.S., including our headquarters in Atlanta, Georgia, and in the countries where we have operations. We also market our products and services through indirect channels, including alliance partners, joint ventures and other resellers. In addition, we market our products directly to consumers through e-commerce channels.

Revenue from international clients, including end users and resellers, amounted to 24% of our total revenue in 2024, 23% of our total revenue in 2023 and 22% of our total revenue in 2022.

**Products and Services**

Our products and services help our clients make more informed decisions with higher levels of confidence by leveraging a broad array of data assets. Analytics are used to derive insights from the data that are most relevant for the client’s decisioning needs. The data and insights are then processed through proprietary software and generally transmitted to the client’s operating system to execute the decision.

The following chart summarizes the key products and services offered by each of the business units within our segments:

|                                                  | Workforce Solutions   |                   | USIS                         |                              | International |              |               |        |
|--------------------------------------------------|-----------------------|-------------------|------------------------------|------------------------------|---------------|--------------|---------------|--------|
|                                                  | Verification Services | Employer Services | Online Information Solutions | Financial Marketing Services | Europe        | Asia Pacific | Latin America | Canada |
| Online data                                      | X                     |                   | X                            |                              | X             | X            | X             | X      |
| Portfolio management services                    | X                     |                   | X                            | X                            | X             | X            | X             | X      |
| Analytical services                              | X                     | X                 | X                            | X                            | X             | X            | X             | X      |
| Technology services                              |                       |                   | X                            |                              | X             | X            | X             | X      |
| Identity verification services                   | X                     | X                 | X                            |                              | X             | X            | X             | X      |
| Fraud management services                        | X                     | X                 | X                            |                              | X             | X            | X             | X      |
| Marketing services                               |                       |                   |                              | X                            | X             | X            | X             | X      |
| Direct-to-consumer services                      |                       | X                 | X                            |                              | X             | X            | X             | X      |
| Employment and income verification services      | X                     |                   |                              |                              | X             | X            |               | X      |
| Talent management                                | X                     | X                 |                              |                              |               |              |               |        |
| Business process outsourcing (BPO)               | X                     | X                 |                              |                              |               | X            |               |        |
| Debt collection software, services and analytics |                       |                   |                              |                              | X             | X            | X             |        |

Each of our operating segments is described more fully below. For the operating revenue, operating income and total assets for each segment, see Note 13 of the Notes to the Consolidated Financial Statements in Item 8 of this report.

## Workforce Solutions

Workforce Solutions operates in the U.S. through two business units:

**Verification Services.** Verification Services include employment, income, educational history, criminal justice data, healthcare professional licensure and sanctions verification services. Our online verification services enable third-party verifiers, including various governmental agencies, mortgage originators, credit card and automotive lenders and pre-employment screeners, to verify the employee's employment status and income information. We also offer an offline manual verification service, which expands employment verification to locate data outside our existing automated database. In addition, Verification Services administers a comprehensive source of incarceration, justice and people-based risk intelligence data.

**Employer Services.** These services are aimed at reducing the cost of the human resources function of businesses through a broad suite of services, including assisting with employment tax matters designed to reduce the cost of unemployment claims through effective claims representation and management and efficient processing to better manage the tax rate that employers are assessed for unemployment taxes; comprehensive services designed to research the availability of employment-related tax credits (e.g., federal work opportunity tax credits and employee retention credits), and to process the necessary filings and assist the client in obtaining the tax credit; tax form management services (which include initial distribution, reissuance and correction of W-2 and 1095-C forms); I-9 management services designed to help clients electronically comply with the immigration laws that require employers to complete an I-9 form for each new hire; immigration case management services; onboarding services using an online platform to complete the new hire process for employees of corporations and government agencies; and identity theft protection services. In addition, we provide software and services to employers to assist in their compliance with the Affordable Care Act.

The Work Number<sup>®</sup> is our key employment and income data platform providing a service on behalf of our employer customers to the lenders, government agencies and other customers of our Verification Services business unit. We rely on payroll data received from over four million organizations to provide up-to-date verifications. The updates occur as employers and other data contributors transmit data electronically to Equifax from their payroll systems. Employers provide this data to us so that we can handle verification requests on behalf of each employer. We use this data to provide automated employment and income verification services to verifiers who are lenders, employers/background screeners and government agencies.

The fees we charge for services in these two business units are generally on a per transaction basis. We have not experienced significant turnover in the employer contributors to the platform because we generally do not charge them to add their employment data to The Work Number<sup>®</sup>, and the verification service we offer relieves them of the administrative burden and expense of responding to third-party employment verification requests while providing them with the assurance that the

process is automated and not subject to human interpretation. The Work Number<sup>®</sup> held about 188 million active and 734 million total (active and historic) employment records at December 31, 2024.

Workforce Solutions has established an income and employment verification service in Canada, Australia and the U.K., known as Verification Exchange. At present, revenues from these services in all three regions mentioned are insignificant.

## **USIS**

USIS provides consumer and commercial information solutions to businesses in the U.S. through three product and service lines, as follows:

**Online Information Solutions.** Online Information Solutions' products are derived from multiple large and comprehensive databases of consumer and commercial information that we maintain about individual consumers and businesses, including credit history, current credit status, payment history, address and other identity information. Our clients utilize the information and analytical insights we provide to make decisions for a broad range of financial and business purposes, such as whether, and on what terms, to approve auto loans or credit card applications, and whether to allow a consumer or a business to open a new utility or telephone account. In addition, this information is used by our clients for cross-selling additional products to existing customers, improving their underwriting and risk management decisions, and authenticating and verifying consumer and business identities. We also sell consumer and credit information to resellers who may combine our information with other information to provide services to the financial, mortgage, fraud and identity management, and other end-user markets. Our software platforms and analytical capabilities can integrate all types of information, including third-party and client information, to enhance the insights and decisioning process to help further mitigate the risk of granting credit, predict the risk of bankruptcy, indicate the applicant's risk potential for account delinquency, ensure the identity of the consumer and reduce exposure to fraud. Identity verification and fraud management products combine financial and non-financial identity information and activity to provide identity verification and authentication services, to assist customers in assessing the risk of loss due to account takeover, identity theft and chargebacks. These risk management services enable our clients to monitor risks and opportunities and proactively manage their portfolios.

Online Information Solutions' clients access products through a full range of electronic distribution mechanisms, including direct real-time access, which facilitates instant decisions. We also develop and host customized applications that enhance the decision-making process for our clients. These decisioning technology applications assist with a wide variety of decisioning activities, including determining pre-approved offers, cross-selling of various products, determining deposit amounts for telephone and utility companies and verifying the identity of their customers. We have also compiled commercial databases regarding businesses in the U.S., which include loan, credit card, public records and leasing history data, trade accounts receivable performance and Secretary of State and Securities and Exchange Commission registration information. We offer scoring and analytical services that provide additional information to help mitigate the credit risk assumed by our clients.

Online Information Solutions also includes our consumer solutions product suite that gives U.S. consumers information to enable them to understand and monitor their credit and to monitor and help protect their identity. Equifax products offer monitoring features for consumers who are concerned about identity theft, including credit report monitoring from all three credit bureaus, internet scanning, bank account monitoring and lost wallet support. Products may also be available indirectly through relationships with business partners who distribute our products or provide these services to their employees or customers. We also sell consumer credit information to resellers who may combine our information with other information to provide direct-to-consumer monitoring, reports and scores.

**Mortgage Solutions.** Our Mortgage Solutions products, offered in the U.S., consist of specialized credit reports that combine information from the three major consumer credit reporting agencies (Equifax, Experian and TransUnion) into a single "merged" credit report in an online format, commonly referred to as a tri-merge report. Mortgage lenders use these tri-merge reports in making their mortgage underwriting decisions. Additionally, we offer services designed to alert lenders to changes in a consumer's credit status during the underwriting period and securitized portfolio risk assessment services for evaluating inherent portfolio risk.

**Financial Marketing Services.** Our Financial Marketing Services products utilize consumer and commercial financial information enabling our clients to more effectively manage their marketing efforts, including targeting and segmentation, to identify and acquire new clients for their products and services; to develop portfolio strategies to minimize risk and maximize profitability; and to realize additional revenue from existing customers through more effective cross-selling of additional products and services. Our products are also utilized by customers to support digital identity verification and fraud detection and protection. These products utilize information derived from consumer and commercial information, including credit,

income, asset, liquidity, net worth and spending activity, which also support many of our Online Information Solutions' products. These data assets broaden the understanding of consumer and business financial potential and opportunity, which can further drive high value decisioning and targeting solutions for our clients. We also provide account review services, which assist our clients in managing their existing customers and prescreen services that help our clients identify new opportunities with their customers. Clients for these products primarily include institutions in the banking, brokerage, retail, insurance and mortgage industries, as well as companies primarily focused on digital and interactive marketing.

## **International**

The International operating segment includes our Latin America, Europe, Asia Pacific and Canada business units. These business units offer products that are similar to those available in the USIS operating segment, but with variations by geographic region. In some jurisdictions, data sources tend to rely more heavily on government agencies than in the U.S. We also offer specialized services that help our customers better manage risk in their consumer portfolios. This operating segment's products and services generate revenue in Argentina, Australia, Brazil, Canada, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, India, Mexico, New Zealand, Paraguay, Peru, Portugal, Spain, the U.K. and Uruguay. We also maintain support operations in Chile, Costa Rica, India and Ireland. We have investments in consumer and/or commercial credit information companies through joint ventures in Brazil, Cambodia, Malaysia and Singapore. We also provide information, technology and services to support debt collections and recovery management in Asia Pacific, Europe, and Latin America.

***Latin America.*** Our Latin America operation provides consumer and commercial information solutions products, marketing products and consumer credit protection products. We offer a full range of products, generated from credit records that we maintain, including credit reporting and scoring, decisioning technology, risk management, identity management, authentication and fraud detection services. Our consumer products are the primary source of revenue in each of the countries in this region in which we operate, with the exception of Mexico where debt management services constitute the core of the business. We also offer various commercial products, which include credit reporting, decisioning tools and risk management services, in the countries we serve. We also provide information, technology and services to support debt collections and recovery management. Additionally, we provide a variety of consumer and commercial marketing products generated from our credit information databases, including business profile analysis, business prospect lists and database management. The countries in this region in which we operate include Argentina, Brazil, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Paraguay, Peru and Uruguay. We also have an investment in a consumer credit information company through a joint venture in Brazil.

***Europe.*** Our Europe operation provides information solutions, fraud detection services, debt collection services, marketing products, and credit monitoring products to resellers or directly to consumers. Information solutions and fraud products are generated from information that we maintain and include credit reporting, monitoring and scoring, asset information, risk management, identity management and authentication services and fraud detection and modeling services. These products are sold in the U.K. and Spain. Limited marketing products are available in the U.K. and, to a lesser extent, in Spain. We also provide information, technology and services to support debt collections and recovery management in the U.K. and Spain. In the U.K., this includes a contract to provide these services to the U.K. government.

***Asia Pacific.*** Our Asia Pacific operation provides consumer and commercial information solutions products, marketing products, employment verification services and consumer credit protection products. We offer a full range of products, generated from credit records and other data, including credit reporting and scoring, decisioning technology, risk management, identity management, authentication and fraud detection services. Our consumer and commercial products are the primary source of revenue in each of the countries in which we operate and include credit reporting, decisioning tools and risk management services. We also provide information, technology and services to support talent management, as well as debt collections and recovery management. Additionally, we provide a variety of consumer and commercial marketing products generated from information databases, including business profile analysis, business prospect lists and database management. The countries in which we operate include Australia, New Zealand and India, as well as Cambodia, Malaysia and Singapore through joint ventures.

***Canada.*** Similar to the USIS business units, our Canada operation offers products derived from the credit information that we maintain about individual consumers and businesses. We offer many products in Canada, including credit reporting, monitoring and scoring, consumer and commercial marketing, risk management, fraud detection and modeling services, identity management and authentication services, together with certain of our decisioning products that facilitate pre-approved offers of credit and automate a variety of credit decisions. We also offer credit monitoring products to resellers or directly to consumers, as well as commercial credit solutions, which help businesses manage financial and credit risk and gain insights on customers, markets and industry groups using our commercial data assets. We also provide data, technology and services to facilitate the search of land data and process real estate transactions in Canada.

## Competition

The market for our products and services is highly competitive and is subject to constant change. Our competitors vary widely in size and in the nature of the products and services they offer. Sources of competition are numerous and include the following:

- Competition in the Verification Services business, for both the U.S. and key International segments of Australia, Canada and the U.K., is highly competitive with low barriers to entry and includes employers who manage verifications in-house, lenders who obtain verifications directly from employers, and numerous online and offline firms that provide verification services. Third parties may also seek to obtain verifications directly from employees by leveraging paper copies of information or by seeking employee credentials to access information systems. Competition in the U.S. Employer Services business is also highly competitive with low barriers to entry and includes in-house management of such services or the outsourcing of one or more of such services to numerous online and offline third-party outsourced providers; human resources consulting firms; human resources management services providers; payroll processors; accounting firms; and hundreds of smaller companies that provide one or multiple offerings that compete with our Employer Services business.
- Competition for our credit information solutions and direct-to-consumer solutions products varies by both application and industry, but generally includes global consumer credit reporting companies that offer a product suite similar to our credit information solutions, providers of personal identity theft protection services and providers offering free credit scores. There are also a large number of competitors who offer competing products in specialized areas (such as fraud prevention, risk management and application processing and decisioning solutions) and software companies offering credit modeling services or analytical tools. We believe our product provides the greatest value for customers given our decisioning technology and the features and functionality of our analytical capabilities. We emphasize our improved decision making and product quality while remaining competitive on price.
- Competition for our commercial solutions products primarily includes companies providing commercial credit reports, credit marketing and other business insights and analytics, including providers of these services in the international markets we serve.
- Competition for our debt collection and recovery management software, services and analytics is spread across a number of providers. We believe that the breadth and depth of our offering enables our clients to develop a more current and comprehensive view of consumers. In the category of platforms and analytics, we compete with entities that deploy collections platforms, account management systems or recovery solutions.

While we believe that none of our competitors offers the same mix of products and services as we do, we have strong competition in every category and certain competitors may have a larger share of particular geographic or product markets or operate in geographic areas where we do not currently have a presence.

We assess the principal competitive factors affecting our markets to include: our ability to protect information and systems; product attributes such as quality, depth, coverage, adaptability, scalability, interoperability, functionality and ease of use; product price; technical performance including system response time and availability; access to unique proprietary data tools; quickness of response, flexibility and client services and support; effectiveness of sales and marketing efforts; existing market penetration; proprietary technology; and new product innovation.

## Technology and Intellectual Property

We rely on various intellectual property laws, confidentiality procedures and contractual provisions to protect strategic or valuable intellectual property developed in connection with our business. We register, and apply for registration of, certain intellectual property in the U.S. and several foreign countries under applicable patent laws. We also register and rely on common law rights, where applicable, to protect trademarks, service marks, logos and internet domain names in the U.S. and in many foreign countries, the most important of which include “Equifax,” “The Work Number,” “Interconnect,” “Equifax Ignite,” and variations thereof. These marks are used in connection with many of our product lines and services. Our intellectual property rights are generally important to our operations and competitive position, but no single intellectual property right or group of intellectual property rights is solely responsible for protecting our businesses. Certain Company trademarks, including the “Equifax” trademark, contribute to the success of our business, and their loss could have a significant negative impact on us.

We license other companies to use certain data, software and other technology and intellectual property rights we own or control, primarily as core components of our products and services, on terms that are consistent with customary industry standards and that are designed to protect our interest in our intellectual property. Other companies license us to use certain data, technology and other intellectual property rights they own or control. For example, we license credit-scoring algorithms and the right to sell credit scores derived from those algorithms from third parties for a fee. We do not hold any franchises or concessions that are material to our business or results of operations.

## **Governmental Regulation**

We are subject to a number of U.S. federal, state, local and foreign laws and regulations that involve matters central to our business. These laws and regulations may involve consumer reporting, privacy and consumer protection, data protection, intellectual property, competition, anti-corruption, anti-bribery, anti-money laundering, employment, health, taxation or other subjects. In particular, we are subject to U.S. federal, state, local and foreign laws regarding the collection, protection, dissemination and use of personal information we collect, process or otherwise have in our possession. Failure to satisfy those legal and regulatory requirements, or the adoption of new laws or regulations, could have a significant negative impact on our results of operations, financial condition or liquidity.

U.S. federal, state, local and foreign laws and regulations are evolving and can be subject to significant change. In addition, the application and interpretation of these laws and regulations are often uncertain. These laws are enforced by federal, state and local regulatory agencies in the jurisdictions where we operate, and in some instances also through private civil litigation. There are also a number of legislative proposals pending before the U.S. Congress, various state legislative bodies and foreign governments concerning consumer and data protection that could affect us.

### ***Summary of U.S. Regulations Relating to Consumer and Data Protection***

Our U.S. operations are subject to numerous laws and regulations that govern the collection, protection and use of consumer credit and other information and impose penalties for the misuse of such information or unauthorized access to data. Many of these laws and regulations also affect our customers' use of consumer credit or other data that we license. Examples of the most significant U.S. laws include, but are not limited to, the following:

#### ***Federal Laws and Regulation***

- **FCRA.** The Fair Credit Reporting Act ("FCRA") regulates consumer reporting agencies, including many of our U.S. operations, as well as data furnishers and users of consumer reports such as banks and other companies. FCRA provisions govern the accuracy, fairness and privacy of information in the files of consumer reporting agencies ("CRAs") that engage in the practice of assembling or evaluating certain information relating to consumers for certain specified purposes. Among other requirements, the FCRA limits the type of information that may be reported by CRAs, limits the distribution and use of consumer reports and establishes consumer rights to access, freeze and dispute information in the consumer's files. CRAs are required to follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates and if a consumer disputes the accuracy of any information in the consumer's file, to conduct a reasonable reinvestigation. The Consumer Financial Protection Bureau ("CFPB") is the primary regulator that enforces and provides regulatory guidance related to the FCRA in the United States. CRAs are required to comply with regulations promulgated by the CFPB and are subject to regular supervisory engagements related to a variety of FCRA requirements. Violation of the FCRA can result in civil and criminal penalties. The FCRA contains an attorney fee shifting provision to provide an incentive for consumers to bring individual or class action lawsuits against a CRA for violations of the FCRA. The United States Federal Trade Commission ("FTC") and state attorneys general may also enforce the requirements of the FCRA.
- **Dodd-Frank Act.** Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") created the CFPB. The Dodd-Frank Act provides the CFPB with examination and supervisory authority over CRAs, including us. The Dodd-Frank Act prohibits unfair, deceptive or abusive acts or practices ("UDAAP") with respect to consumer financial services practices and provides the CFPB with enforcement authority to enforce those provisions. Among other areas, the CFPB's UDAAP authority extends to the security measures we employ to safeguard the personal data of consumers. Allegations that we failed to safeguard or handle such data in a compliant manner may subject us to CFPB enforcement action. The CFPB may pursue administrative proceedings or litigation to enforce the laws and rules subject to its jurisdiction. In these proceedings, the CFPB can obtain cease and desist orders, which can include orders for restitution to consumers or rescission of contracts, as well as other types of affirmative relief and monetary penalties ranging from \$5,000 per day for ordinary

violations and up to \$1 million per day for known violations. Also, the Dodd-Frank Act empowers state attorneys general and state regulators to bring civil actions in certain circumstances for the kind of cease and desist orders available to the CFPB (but not for civil penalties).

- **FTC Act.** The Federal Trade Commission Act (“FTC Act”) prohibits unfair methods of competition and unfair or deceptive acts or practices. Under the FTC Act, the FTC’s jurisdiction includes the ability to bring enforcement actions based on the security measures we employ to safeguard the personal data of consumers. Allegations that we failed to safeguard or handle such data in a reasonable manner may subject us to regulatory scrutiny or enforcement action. There is no private right of action under the FTC Act.
- **GLBA.** The Financial Services Modernization Act of 1999, or Gramm-Leach-Bliley Act (“GLBA”), regulates, among other things, the use of non-public personal information of consumers that is held by financial institutions, including us. We are subject to various GLBA provisions, including rules relating to the use or disclosure of the underlying data and rules relating to the physical, administrative and technological protection of non-public personal financial information. Breach of the GLBA can result in civil and/or criminal liability and sanctions by regulatory authorities. Regulatory enforcement of the GLBA is under the purview of the FTC, the CFPB, the federal prudential banking regulators, the SEC and state attorneys general, acting alone or in concert with each other.
- **CROA.** The Credit Repair Organizations Act (“CROA”) regulates companies that claim to be able to assist consumers in improving their credit standing. There have been efforts to apply the CROA to credit monitoring services offered by CRAs and others. The CROA allows for a private right of action. Consumers can sue to recover the greater of the amount paid or actual damages, punitive damages, costs, and attorney’s fees for violations of the CROA.

#### *State Laws and Regulations Relating to Consumer and Data Protection*

- A number of states have enacted requirements similar to the federal FCRA. Some of these state laws impose additional, or more stringent, requirements than the FCRA, especially in connection with investigations and responses to reported inaccuracies in consumer reports. The FCRA preempts some of these state laws, but the scope of preemption continues to be defined by the courts. The state of Vermont is grandfathered under the original FCRA requirements and thus we are subject to additional requirements to comply with Vermont law.
- All fifty states have adopted versions of data security breach laws that require notification to affected consumers and potentially regulators or law enforcement authorities in the event of a breach of personal information. A subset of these laws and other state laws require the implementation of data security measures as well. State attorneys general can enforce such state laws and can seek equitable as well as monetary remedies and in some cases private rights of action are permitted by such laws.
- The New York State Department of Financial Services (“NYDFS”) has enacted extensive regulatory requirements applicable to CRAs that require registration with that agency, prohibit unfair and deceptive consumer practices and require compliance with significant portions of the NYDFS cybersecurity rules.
- We or certain of our operations are also subject to and affected by new and evolving state privacy and data security laws such as data broker registration requirements in California and Vermont, and the California Consumer Privacy Act (“CCPA”). The CCPA, as amended by the California Privacy Rights Act, imposes additional data privacy requirements on many businesses operating in the state. The CCPA expansively defines “personal information” and imposes new notice requirements relating to the collection, use and sharing of personal information. It provides consumers with extensive rights, including the right to access the categories and specific pieces of personal information businesses collect, the right to request businesses delete information, and the right to opt-out of “sales” of personal information with sales being defined under the CCPA to include monetary and non-monetary valuable consideration. The CCPA also contains a private right of action in the event that a business suffers a security breach that was due to unreasonable security measures. We may also become subject to and affected by newly enacted state privacy laws similar to the CCPA, such as laws in effect in Colorado, Connecticut, Delaware, Florida, Iowa, Montana, Nebraska, New Hampshire, New Jersey, Oregon, Texas, Utah and Virginia, as well as enacted laws in states such as Indiana, Kentucky, Maryland, Minnesota, Rhode Island and Tennessee that become effective throughout 2025 and 2026. A number of other state legislatures, including New York and Washington, have introduced comprehensive data privacy legislation modeled after, and which contain certain elements of, the CCPA, other state consumer privacy laws, or the European Union’s General Data Protection Regulation (“GDPR”), which is an extremely broad privacy law.



Additional state legislatures are expected to consider similar legislation in 2025. If enacted, such laws may contain variations and impose new compliance risks and obligations on us.

- State banking and financial services regulatory agencies have asserted either express or implied authority under applicable state laws to examine us as a third-party service provider to financial institutions, and in certain cases to bring enforcement actions against us. Generally, such examinations, and related enforcement actions, are focused on assessing our safety and soundness in support of financial institutions we serve. In 2018, we entered into a consent order with certain state banking regulators in response to their multi-state review of our information security program. This consent order obligated us to, among other things, make certain changes to our corporate governance and information security practices.
- We are also subject to federal and state laws that are generally applicable to any U.S. business with national or international operations, such as antitrust laws, the Foreign Corrupt Practices Act, the Americans with Disabilities Act, state unfair or deceptive practices acts and various employment laws. We continuously monitor legislative and regulatory activities that involve credit reporting, data privacy, security and other relevant issues to identify issues in order to remain in compliance with all applicable laws and regulations.

### ***Summary of International Regulations Relating to Consumer and Data Protection***

We are subject to various data protection, privacy and consumer credit laws and regulations in the foreign countries where we operate. Examples of the most significant of these laws include, but are not limited to, the following:

- **In the U.K.**, we are subject to a regulatory framework that provides for regulation by the Financial Conduct Authority (the “FCA”). The FCA focuses on consumer protection, the integrity of the U.K. financial system, and effective competition in the interests of consumers. The FCA has significant powers, including the power to regulate conduct related to the marketing of financial products, to specify minimum standards and to place requirements on products, impose unlimited fines, and to investigate organizations and individuals. In addition, the FCA is able to ban financial products for up to a year while considering an indefinite ban; it has the power to instruct firms to immediately retract or modify promotions which it finds to be misleading, and to publish such decisions. Our core credit reporting and debt collections services and recovery management businesses in the U.K. are subject to FCA supervision. In addition to regulation by the FCA, we are also subject to regulation by the U.K. Information Commissioner’s Office, which focuses on upholding information rights in the public interest and the protection of data privacy for individuals.

In the U.K., we are subject to provisions that are broadly equivalent to the European Union’s General Data Protection Regulation (described below). These equivalent provisions were adopted into U.K. laws following the end of the transition period that followed the U.K.’s exit from the EU.

- **In Europe**, we are subject to the EU’s GDPR, which is an extremely broad and sweeping privacy law. The GDPR establishes multiple privacy and data protection requirements that are more specific and comprehensive than those of the U.S. and most other countries where Equifax operates. In addition, the GDPR includes data breach notification requirements and it establishes the ability of regulators to pursue substantial penalties for non-compliance. In addition to the GDPR, each EU member state may include specific requirements regarding personal data breaches in its local data protection regulations.
- **In Canada**, federal and provincial laws govern how we collect, use or disclose personal information in the course of our commercial activities. Federally, the Personal Information Protection and Electronic Documents Act (“PIPEDA”) governs the collection, use and disclosure of personal information by organizations in the private sector. Businesses must follow the fair information principles set forth in PIPEDA to protect personal information, including: accountability, identifying purposes, consent, limiting collection, limiting use, disclosure and retention, accuracy, safeguards, openness, individual access and compliance. It sets out specific obligations with respect to accountability and identifying purposes, consent, collection, use, disclosure, retention, accuracy, safeguards, personal data breach reporting, individual access and compliance. Alberta, British Columbia and Quebec privacy legislation sets out similar privacy laws and rules that apply to our Canadian business. The federal and provincial privacy regulators have powers of investigation and intervention, and provisions of Canadian law regarding civil liability apply in the event of unlawful processing which is prejudicial to the persons concerned. Canada also has specific credit reporting legislation that is regulated at a provincial level. At present, each province has credit reporting legislation, with the exception of the territories (Northwest Territories, Yukon, and Nunavut). Generally

speaking, the legislation regulates the contents of credit files, the length of time information can be included on a credit file, who can receive credit reports and consumer rights pertaining to the maintenance of credit reports.

- **In Latin America**, data protection and credit reporting laws and regulations vary considerably among Latin American countries. Some countries, such as El Salvador, Paraguay, Chile and Honduras, establish a constitutional right to privacy without general data protection standards or a data protection authority. These countries, however, have laws that govern the functioning of credit bureaus. Other countries, such as Argentina, Uruguay, Peru, Costa Rica, Mexico and most recently Brazil have enacted comprehensive data protection legislation similar to the EU's GDPR. The EU recognizes Argentina and Uruguay as having adequate levels of protection for personal data transfers and processing.
- **In Australia**, we are subject to regulatory oversight by various agencies. The Office of the Australian Information Commissioner ("OAIC") is the regulator with direct responsibility for administering the Australian Privacy Principles (which relate to the collection, holding, use and disclosure of personal information) and Part IIIA of the Privacy Act 1988 (which regulates credit reporting). The OAIC can investigate a complaint, conduct its own investigations, resolve/make binding determinations and seek civil penalties. Our credit reporting business, Equifax Information Services and Solutions, is a member of an external dispute resolution scheme, the Australian Financial Complaints Authority, which has been approved by the OAIC to handle privacy and credit reporting complaints and make binding determinations. The OAIC can register codes of practice under the Privacy Act 1988, and has registered the Privacy (Credit Reporting) Code 2024. The Australian Competition and Consumer Commission ("ACCC") is the regulator responsible for administering and enforcing the Competition and Consumer Act 2010 and related legislation concerning consumer protection and competition. The ACCC has the authority to use a range of actions to ensure compliance with the law, including investigative powers and the ability to seek penalties through litigation and other formal enforcement means. The ACCC also administers Consumer Data Right legislation, which mandates the supply by banks of comprehensive credit information to credit reporting bodies, including Equifax. The Australian Retail Credit Association is a credit and credit reporting industry self-regulatory body, which administers principles and standards for the exchange of credit data between industry participants. Equifax Australasia Credit Ratings Pty Limited (formerly named Corporate Scorecard Pty Limited, one of our Australian subsidiaries) holds an Australia Financial Services License, which allows it to provide general advice to wholesale clients by issuing a credit rating, and has been approved in New Zealand as a rating agency by the Reserve Bank of New Zealand under section 86 of the Non-Bank Deposit Takers Act 2013 (NZ). The Australian Securities and Investments Commission regulates corporations and has authority to investigate, prosecute, ban individuals and to seek civil penalties.
- **In New Zealand**, the regulatory framework provides for primary regulation under the Privacy Act 2020. The Office of the Privacy Commissioner ("OPC") investigates complaints relating to the collection, use, holding and disclosure of personal information, both credit-related and non-credit related. The OPC can make a finding that there has been an interference with privacy but cannot impose civil penalties for this. In extreme cases where there has been an interference with privacy, it can refer these cases to the Director of Human Rights for determination in the Human Rights Review Tribunal. The OPC can issue practice codes under the Privacy Act 2020 and has issued and subsequently amended the Credit Reporting Privacy Code 2020. The Privacy Act 2020 contains mandatory data breach reporting. The Retail Credit Association of New Zealand is an industry association which addresses reciprocity of data issues relating to comprehensive credit reporting and data standards.
- **In India**, various legislation including the Information Technology Act of 2000 and rules framed thereunder and the Credit Information Companies (Regulation) Act of 2005 and rules and regulations framed thereunder, establishes a federal data protection framework. Entities that collect and maintain personal data and/or credit information must ensure that it is complete, accurate and safeguarded, and must adopt certain privacy principles with respect to collecting, processing, preserving, sharing and using such data and/or credit information. India enacted a new privacy law, The Digital Personal Data Protection Act, 2023 ("DPDP Act"), in August 2023. If it becomes effective, the DPDP Act would provide greater protection to individuals' personal data in digital form. The DPDP Act will become effective at a future date or dates to be determined by the Indian Central Government. In January 2025, the Central Government published draft Digital Personal Data Protection Rules, 2025, which would supplement the DPDP Act. Our Indian business is also subject to regulation by the Reserve Bank of India, which is India's central banking institution.

## ***Summary of Regulations Affecting our Employer Services Business***

The Employer Services business unit within our Workforce Solutions business segment helps employers comply with various regulatory frameworks applicable to employers in the United States. As a result, changes to those regulatory frameworks could impact the services we provide. For instance, if the federal government or a state government mandates the use of E-Verify or changes the requirements for individuals to work in the U.S., our I-9 service may be impacted. In addition, if the federal government changes the employer mandate or tax form requirements of the Affordable Care Act, our Affordable Care Act Management Service may be impacted. The Unemployment Cost Management service could be impacted if a state government changes the requirements for employers to process and/or protest unemployment claims. The Tax Management Services business within our Employer Services business is potentially impacted by changes in renewal or non-renewal of U.S. federal and state tax laws or interpretations, for example, those pertaining to work opportunity tax credits and unemployment compensation claims.

## **Human Resources**

### ***Our People***

Equifax employed approximately 14,700 employees in 22 countries as of December 31, 2024. Our global employee base consisted of approximately 3,100 employees in our Workforce Solutions business unit, 2,500 employees in our USIS business unit, 4,500 employees in our International business unit and 4,600 employees in our corporate Centers of Excellence, which include our support centers in Chile, Costa Rica, India and Ireland. In 2024, we hired approximately 2,200 new employees and promoted approximately 1,900 employees as we continue to grow and transform our businesses around the world.

## **Forward-Looking Statements**

This report contains information that may constitute “forward-looking statements.” Generally, the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “will,” “may” and similar expressions identify forward-looking statements, which generally are not historical in nature. All statements that address future operating performance and events or developments that we expect or anticipate will occur in the future, including statements relating to future operating results, improvements in our information technology and data security infrastructure, including as a part of our cloud technology transformation, our strategy, the expected financial and operational benefits, synergies and growth from our acquisitions, changes in U.S. and worldwide economic conditions, such as changes in interest rates and inflation, that materially impact consumer spending, home prices, investment values, consumer debt, unemployment rates and the demand for Equifax's products and services, our culture, our ability to innovate, the market acceptance of new products and services and similar statements about our business plans are forward-looking statements. Management believes that these forward-looking statements are reasonable as and when made. However, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the Company's historical experience and our present expectations or projections, including without limitation our expectations regarding the Company's outlook, long-term organic and inorganic growth, and customer acceptance of our business solutions referenced above under “Item 1. Business” and below in “Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Business Overview.” These risks and uncertainties include, but are not limited to, those described below in “Item 1A. Risk Factors,” and elsewhere in this report and those described from time to time in our future reports filed with the United States Securities and Exchange Commission (“SEC”). As a result of such risks and uncertainties, we urge you not to place undue reliance on any such forward-looking statements. Forward-looking statements speak only as of the date when made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## **Available Information**

Detailed information about us is contained in our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and other reports, and amendments to those reports, that we file with, or furnish to, the SEC. These reports are available free of charge at our website, [www.equifax.com](http://www.equifax.com), as soon as reasonably practicable after we electronically file such reports with or furnish such reports to the SEC. However, our website and any contents thereof should not be considered to be incorporated by reference into this document. We will furnish copies of such reports free of charge upon written request to Equifax Inc., Attn: Office of Corporate Secretary, P.O. Box 4081, Atlanta, Georgia, 30302. These reports are also available at [www.sec.gov](http://www.sec.gov).

## ITEM 1A. RISK FACTORS

All of the risks and uncertainties described below and the other information included in this Form 10-K should be considered and read carefully. The risks described below are not the only ones facing us. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition or results of operations. This Form 10-K also contains forward-looking statements and estimates that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks and uncertainties described below.

### Technology and Data Security Risks

***Security breaches and other disruptions to our information technology infrastructure could compromise Company, consumer and customer information, interfere with our operations, cause us to incur significant costs for remediation and enhancement of our IT systems and expose us to legal liability, all of which could have a substantial negative impact on our business and reputation.***

We are a global data, analytics and technology company. In the ordinary course of business, we collect, process, transmit and store sensitive data, including intellectual property, proprietary business information and personal information of consumers, employees and strategic partners. The secure operation of our information technology networks and systems, and of the processing and maintenance of this information, is critical to our business operations and strategy. Because our products and services involve the storage and transmission of personal information of consumers, we are routinely the target of attempted cyber and other security threats by outside third parties, including technically sophisticated and well-resourced bad actors attempting to access or steal the data we store. Additionally, we could experience service disruptions or a loss of access to critical data or systems due to ransomware or other destructive attacks. Insider or employee cyber and security threats are also a significant concern for all companies, including ours. Despite our substantial investment in physical and technological security measures, employee training and contractual precautions, our information technology networks and infrastructure (or those of our third-party vendors and other service providers) are potentially vulnerable to unauthorized access to data, loss of access to systems or breaches of confidential information due to criminal conduct, attacks by hackers, employee or insider malfeasance and/or human error.

The techniques used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly evolving and often are not recognized until launched against a target, or even some time after. We may be unable to anticipate these techniques, implement adequate preventative measures or remediate any intrusion on a timely or effective basis even if our security measures are appropriate, reasonable and/or comply with applicable legal requirements. Certain efforts may be state-sponsored and supported by significant financial and technological resources, making them even more sophisticated and difficult to detect. Further, the transition of our applications and systems infrastructure to cloud-based technologies may expose us to additional cyber threats, as most of our data has migrated from legacy Equifax systems to cloud-based solutions hosted by third parties. Although we have developed systems and processes that are designed to protect our data and customer data and to prevent data loss and other security breaches, and expect to continue to expend significant additional resources to bolster these protections, these security measures cannot provide absolute security.

We previously experienced a material cybersecurity incident in 2017 and if we experience additional breaches of our security measures, including from incidents that we fail to detect for a period of time, sensitive data may be accessed, stolen, disclosed or lost. Any such access, disclosure or other loss of information could subject us to business interruption, significant litigation, regulatory fines or penalties, any of which could have a material adverse effect on our cash flows, competitive position, financial condition or results of operations. While we maintain cybersecurity insurance, we cannot ensure that our insurance policies in the future will be adequate to cover losses from any security breaches.

Security breaches and attacks (including those that impact our third-party vendors and other service providers) and the adverse publicity that may follow, can have a negative impact on our reputation and our relationship with our customers. For example, our reputation with consumers and other stakeholders and our customer relationships were damaged following the cybersecurity incident in 2017, resulting in a negative impact on our revenue for a period of time. If we experience another material cybersecurity incident or are otherwise unable to demonstrate the security of our systems and the data we maintain and retain the trust of our customers, consumers and data suppliers, we could experience a substantial negative impact on our business.

***If we fail to achieve and maintain key industry or technical certifications, our customers and business partners may stop doing business with us and we may not be able to win new business, which would negatively affect our revenue.***

We are required by customers and business partners to obtain various industry or technical certifications. Such certifications are critical to our business because certain of our current and potential customers and the contracts governing certain customer relationships, as well as certain of our data suppliers, require us to maintain them as a requirement of doing business. For example, as a result of a prior material cybersecurity incident, we lost certain key certifications which caused certain customers and business partners to stop or pause doing business with us and temporarily limited our ability to win new business. We had to spend significant resources on remediation activities in order to obtain these key re-certifications. If we fail to achieve or maintain key industry or technical certifications as a result of another cybersecurity incident or for other reasons, customers and business partners may stop doing business with us and we may not be able to win new business, which would negatively affect our revenue.

## **Strategy and Market Demand Risks**

***The failure to realize the anticipated benefits of our technology transformation could adversely impact our business and financial results.***

We are in the final stages of migrating the vast majority of our applications and systems infrastructure from legacy on-premises systems to cloud-based solutions hosted by third parties. We expect that our cloud technology transformation will significantly increase our efficiency and productivity, improve the stability and functionality of our products and services, and decrease the cost of our overall systems infrastructure, all of which we expect will drive growth and have a positive effect on our business, competitive position and results of operations. This initiative has been a major undertaking as we have replaced most of our previous operating systems with cloud-based systems. This complex, multifaceted and extensive initiative has been expensive and has caused, and may cause in the future, unanticipated problems and expenses. If we are unable to complete the remaining migrations or, if our new cloud-based systems do not operate as expected, we may have to incur significant additional costs to make modifications and could lose customers and we may suffer reputational harm as a result.

We cannot assure you that our technology transformation will be beneficial to the extent, or within the timeframes expected, or that the estimated efficiency, cost savings and other improvements will be realized as anticipated or at all. Market acceptance of cloud-based offerings is affected by a variety of factors, including information security, reliability, performance, the sufficiency of technological infrastructure to support our products and services in certain geographies, customer and data provider concerns with entrusting a third party to store and manage its data as well as the customer's ability to access this data once a contract has expired, and consumer concerns regarding data privacy and the enactment of laws or regulations that restrict our ability to provide such services to customers. If we are unable to correctly respond to these issues, we may experience business disruptions, damage to our reputation, negative publicity, diminished customer trust and relationships and other adverse effects on our business. Even if the anticipated benefits and savings of our technology transformation are substantially realized, there may be consequences, internal control issues or business impacts that were not expected. We have made significant investments in our technology transformation, and if we were to change cloud-based service providers, we may incur additional costs in connection with a transition.

***The loss of access to credit, employment, financial and other data from external sources could harm our ability to provide our products and services.***

We rely extensively on data from external sources to maintain our proprietary and non-proprietary databases, including data received from customers, licensors, furnishers, strategic partners and various government and public record sources. This data includes the widespread and voluntary contribution of credit data from most lenders in the U.S. and many other markets as well as the contribution of data under proprietary contractual agreements, such as employers' contribution of employment and income data to The Work Number<sup>®</sup> and telecommunications, cable and utility companies' contribution of payment and fraud data to the National Cable, Telecommunications and Utility Exchange (NCTUE). For a variety of reasons, including concerns of data furnishers arising out of legislatively or judicially imposed restrictions on use, security breaches or competitive reasons, our data sources could withdraw, delay receipt of or increase the cost of the data they provide to us. Where we currently have exclusive use of data, the providers of the data sources could elect to make the information available to competitors. We also compete with several of our third-party data suppliers. If a substantial number of data sources or certain key data sources were to withdraw or be unable to provide their data, if we were to lose access to data due to government regulation, if we lose our right to the use of data, or if the collection, disclosure or use of data becomes uneconomical, our ability to provide products and services to our customers could be adversely affected, which could result in decreased revenue, net income and earnings per share and reputational loss. There can be no assurance that we would be able to obtain data from alternative sources if our current sources become unavailable.

***Negative changes in general economic conditions, including interest rates, the level of inflation, unemployment rates, income, home prices, investment values and consumer confidence, could adversely affect us.***

Our customers, and therefore our business and revenues, are sensitive to negative changes in general economic conditions, including the demand and availability of affordable credit and capital, the level and volatility of interest rates, the level of inflation, employment levels, consumer confidence, and housing demand, both inside and outside the United States. Business customers use our credit information and related analytical services and data to process applications for new credit cards, automobile loans, home and equity loans and other consumer loans, and to manage their existing credit relationships. Demand for our services tends to be correlated to general levels of economic activity and to consumer credit activity, which can be impacted by changes in interest rates and the level of inflation. Banks' and other lenders' willingness to extend credit are adversely affected by elevated consumer delinquency and loan losses in a weak economy. Consumer demand for credit (i.e., rates of spending and levels of indebtedness) also tends to grow more slowly or decline during periods of economic contraction or slow economic growth.

Our customer base generally suffers when financial markets experience volatility, illiquidity and disruption, and the potential for disruptions going forward presents considerable risks to our business and revenue. High or rising rates of unemployment and interest, declines in income, home prices or investment values, lower consumer confidence and reduced access to credit adversely affect demand for many of our products and services, and consequently our revenue and results of operations, as consumers may postpone or reduce their spending and use of credit, and lenders may reduce the amount of credit offered or available. Conversely, certain of our businesses, such as our unemployment claims management business within the Workforce Solutions segment, are countercyclical and may experience negative impacts on revenue and operating profit during periods of improving economic conditions or lower unemployment.

We expect U.S. mortgage credit activity in 2025 to be below the levels of activity seen in 2024. Any weakening in the U.S. mortgage market resulting in a significant reduction in mortgage originations could have a corresponding negative impact on revenue and operating profit for our business, primarily within the Workforce Solutions and USIS operating segments. To the extent inflation results in higher interest rates and has other adverse effects upon the securities markets and upon the value of financial instruments, it may adversely affect our financial position and profitability.

***Our markets are highly competitive and new product introductions and pricing strategies being offered by our competitors could decrease our sales and market share or require us to enhance our products and services or reduce our prices in a manner that reduces our revenue and operating margins.***

We operate in a number of geographic, product and service markets that are highly competitive. Competitors may develop products and services that are superior to or that achieve greater market acceptance than our products and services. New competitors may choose to enter and compete in our markets, or existing competitors may choose to introduce new products and enter markets that we serve and that they do not currently serve. The size of our competitors varies across market segments, as do the resources we have allocated to the segments we target. Therefore, some of our competitors may have significantly greater financial, technical, marketing or other resources than we do in one or more of our market segments, or overall. As a result, our competitors may be in a position to respond more quickly than we can to new or emerging technologies and changes in customer requirements, or may devote greater resources than we can to the development, enhancement, promotion, sale and support of products and services, or some of our customers may develop products of their own that replace the products they currently purchase from us, which would result in lower revenue. In addition, many of our competitors have extensive consumer relationships, including relationships with our current and potential customers. Moreover, new competitors or alliances among our competitors may emerge and potentially reduce our market share, revenue or margins.

We also license our information to competing firms, and license information from certain of our competitors, in order to sell "tri-bureau" and other products, most notably into the U.S. mortgage market. Changes in prices between competitors for this information and/or changes in the design or sale of tri-bureau versus single or dual bureau product offerings may affect our revenue or profitability.

Some of our competitors sell products that compete with ours at lower prices by accepting lower margins and profitability, or may be able to sell products competitive to ours at lower prices, individually or as a part of integrated suites, given proprietary ownership of data, technological superiority or economies of scale. Price reductions by our competitors could negatively impact our revenue and operating margins and results of operations and could also harm our ability to obtain new customers on favorable terms. Historically, certain of our key products have experienced declines in per unit pricing due to competitive factors and customer demand. If we were unable to respond quickly enough to changes in competition or customer demand we could experience reductions in our operating margins.

***If our relationships with key customers and business partners are materially diminished or terminated, our business could suffer.***

We have long-standing relationships with a number of our customers and business partners, many of whom could unilaterally terminate their relationship with us or materially reduce the amount of business they conduct with us at any time. Many of our material customer agreements can be terminated by the customer for convenience on limited advance written notice, which provides our customers with the opportunity to renegotiate their contracts with us or to award more business to our competitors. There is no guarantee that we will be able to retain or renew existing agreements, maintain relationships with any of our customers or business partners on acceptable terms or at all, or collect amounts owed to us from insolvent customers or business partners. The loss of one or more of our major customers or business partners could adversely affect our business, financial condition and results of operations.

***If we do not introduce successful new products, services and analytical capabilities in a timely manner, or if the market does not adopt our new services, or if new technologies are introduced by competitors that are more effective or at lower costs than ours, our competitiveness and operating results will suffer.***

We generally sell our products in industries that are characterized by rapid technological changes, including the introduction of new innovative technologies, frequent new product and service introductions and changing industry standards. In addition, certain of the markets in which we operate are seasonal and cyclical. Without the timely introduction of new technologies, products, services and enhancements, our products and services will become technologically or commercially obsolete over time, in which case our revenue and operating results would suffer. The success of our new products and services will depend on several factors, including our ability to: (i) properly identify customer needs; (ii) innovate and develop new technologies, services and applications; (iii) successfully commercialize new technologies in a timely manner; (iv) produce and deliver our products in sufficient volumes on time; (v) differentiate our offerings from competitor offerings; (vi) price our products competitively; (vii) anticipate our competitors' development of new products, services or technological innovations; and (viii) control product quality in our product development process. Our resources have to be committed to any new products and services before knowing whether the market will adopt the new offerings.

***We may face risks associated with our use of certain artificial intelligence and machine learning models and systems.***

We use artificial intelligence and machine learning models in the development of some of our products and artificial intelligence systems to support the deployment of new applications and to improve the efficiency of our business operations. For new products, the models that we use are developed or trained using various data sets. If the models are incorrectly designed, if the data we use to train them is incomplete, inadequate or biased in some way, or if we do not have sufficient rights to use the data on which our models rely, the performance of our products and business, as well as our reputation, could suffer or we could incur liability through the violation of laws, third-party privacy or other rights, or contracts to which we are a party. Similarly, if the artificial intelligence systems used for deploying new applications or improving operational processes are incorrectly configured, if the data we use to train them is incomplete or inadequate, or if sufficient testing is not completed, the performance of our business operations, as well as our reputation, could suffer.

We continuously invest in new technologies. If we implement new technology that includes artificial intelligence, we may introduce incremental risks in our environment if these technologies are incorrectly configured or implemented, if the data we use to prompt them is incomplete, inadequate or biased in some way, or if the outputs are not sufficiently reviewed for reliability and validity.

Our use of artificial intelligence could lead to new or enhanced governmental or regulatory scrutiny, litigation or other legal liability, ethical concerns, negative consumer and customer impacts, and negative perceptions of artificial intelligence generally, all of which could adversely affect our business, reputation or financial results. In particular, our use of artificial intelligence in credit decisioning could lead to enhanced scrutiny. Further, our competitors or other third parties may incorporate artificial intelligence into their products and business operations more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations.

***The demand for some of our products and services may be negatively impacted to the extent the availability of free or less expensive consumer information increases.***

Public or commercial sources of free or relatively inexpensive consumer credit, credit score and other information have become increasingly available, including sources that utilize artificial intelligence or machine learning, and this trend is expected to continue. Free sources of consumer employment and income information, such as paystubs, have always existed and could impact demand for our products and services in the event that customers determine such data is sufficient to meet their needs. In addition, governmental agencies in particular have increased the amount of information to which they provide

free public access and these or other sources of free or relatively inexpensive consumer information from competitors or other commercial sources may reduce demand for our services. In recent years, there also has been an increase in companies offering free or low-cost direct-to-consumer credit services (such as credit scores, reports and monitoring) as part of alternative business models that use such services as a means to introduce consumers to other products and services. To the extent that our customers choose not to obtain services from us and instead rely on information obtained at no cost or relatively inexpensively from these other sources, our business, financial condition and results of operations may be adversely affected.

***We rely, in part, on acquisitions, joint ventures and other alliances to grow our business and expand our geographic reach. The acquisition, integration or divestiture of businesses by us may not produce the expected financial or operating results or IT and data security profile we expect. In addition, if we are unable to make acquisitions or successfully develop and maintain joint ventures and other alliances, our growth may be adversely impacted.***

Historically, we have relied, in part, on acquisitions, joint ventures and other alliances to grow our business. Any transaction we do complete may not be on favorable terms, may involve greater-than-expected liabilities and expenses, potential impairments of tangible and intangible assets or significant write-offs, and the expected benefits, synergies, revenue and growth from these initiatives may not materialize as planned. We may have difficulty assimilating new businesses and their products, services, technologies, IT systems and personnel into our operations. IT and data security profiles of acquired companies may not meet our technological standards and may take longer to integrate and remediate than planned. This may result in significantly greater transaction, remediation and integration costs for future acquisitions than we have experienced historically, or it could mean that we will not pursue certain acquisitions where the costs of integration and remediation are too significant. We may also have difficulty integrating and operating businesses in geographies and markets or market segments where we do not currently have a significant presence, and acquisitions of businesses having a significant presence outside of the U.S. will increase our exposure to risks of conducting operations in international markets. These difficulties could disrupt our ongoing business, distract our management and workforce, increase our expenses and adversely affect our operating results and financial condition.

Despite our past experience, opportunities to grow our business through acquisitions, joint ventures and other alliances may not be available to us in the future. In addition, our focus on data security and our transition to cloud-based technologies may limit our ability to identify and complete acquisitions as our stringent technological criteria and standards for acquisition candidates may continue to increase.

***If our government contracts are terminated, if we are suspended from government work, or if our ability to compete for new contracts is adversely affected, our business could suffer.***

We derive a meaningful portion of our revenue from direct and indirect sales to U.S. federal, state and local governments, as well as foreign governments, and their respective agencies. Such contracts are subject to various procurement laws and regulations, and contract provisions relating to their formation, administration and performance. Failure to comply with these laws, regulations or provisions in our government contracts could result in the imposition of various civil and criminal penalties, termination or non-renewal of contracts, forfeiture of profits, suspension of payments or suspension of future government contracting. A number of our government contracts receive enhanced scrutiny and media attention due to the sensitive nature of the data we handle and due to the importance of the government programs we support. If we experience another material cybersecurity incident, if public or legislative scrutiny and pressure leads to reduced use of data by government agencies, or if we experience uptime issues or performance problems, our ability to maintain existing or acquire new government contracts may be substantially impacted.

Furthermore, our government contracts are funded through federal and state budgeting and appropriations processes, whereby a legislature approves the annual budget submitted by the executive branch. Budget shortfalls or changing priorities may cause legislatures to fail to appropriate sufficient funds to fulfill our government contracts from year to year. In addition, the U.S. federal government has recently taken steps to reduce government spending, which could negatively impact the continuation, renewal or negotiation of our contracts with the federal government.

If our government contracts are terminated or not funded, if we are suspended from government work, if the services we provide are no longer needed due to government program change or termination, or if our ability to compete for new contracts is adversely affected, including by our failure to achieve certain government certifications, our business and financial performance could suffer.



***Our business has been and may continue to be negatively impacted by health epidemics, pandemics and similar outbreaks.***

We face various risks related to health epidemics, pandemics and similar outbreaks. For example, the COVID-19 pandemic and the mitigation efforts by governments to attempt to control its spread adversely impacted the global economy and led to reduced consumer spending and lending activities. Our customers, and therefore our business and revenues, are sensitive to negative changes in general economic conditions. We experienced significant revenue declines in several of our markets as a result of COVID-19 and we may experience similar revenue declines as a result of future health epidemics, pandemics and similar outbreaks.

***Our reputation and/or business could be negatively impacted by ESG matters and/or our reporting of such matters.***

Over the past several years, regulators, investors, customers, employees and other stakeholders have focused on various environmental, social and governance ("ESG") matters, both in the United States and internationally. In response to stakeholder feedback, we communicate certain information regarding our responsible business priorities, including initiatives, goals and commitments related to climate, inclusion and diversity, responsible sourcing and social investments, in public disclosures. These initiatives, goals and commitments could be difficult to achieve and costly to implement. For example, we have announced our commitments to reduce our greenhouse gas emissions, the achievement of which relies, in large part, on the accuracy of our estimates and assumptions around the availability and cost of renewable energy sources and technologies, the availability of suppliers that can meet our sustainability and other standards, and other factors. We could fail to achieve, or be perceived to fail to achieve, our greenhouse gas reduction commitments or other responsible business initiatives, goals and commitments. In addition, we could be criticized for the timing, scope or nature of these initiatives, goals and commitments, or for any revisions to them. Our actual or perceived failure to achieve our responsible business-related initiatives, goals and commitments could negatively impact our reputation or otherwise materially harm our business.

More recently, an "anti-ESG" sentiment has developed in the U.S. among certain activists, institutions and governments, and we may face scrutiny, reputational risk, lawsuits or market access restrictions from these parties regarding our responsible business priorities, initiatives, goals and commitments. To the extent that we continue to make disclosures about responsible business priorities, initiatives, goals and commitments, we could be criticized for such matters, which could negatively impact our reputation or otherwise materially harm our business.

## **Operational Risks**

***Our use of cloud-based and other technologies that are outsourced to third parties could expose us to operational disruptions.***

We rely on the efficient and uninterrupted operation of complex information technology systems and networks, some of which are managed internally within the Company and some of which are outsourced to third parties. As part of our technology transformation, we upgraded a significant portion of the information technology systems used to operate our business and replaced them with cloud-based solutions. Our information technology applications and systems consist primarily of outsourced, cloud-based infrastructure, platforms and software-as-a-service solutions not under our direct management or control. Any disruption to either the outsourced systems or the communication links between us and the outsourced supplier could negatively affect our ability to operate our data systems and could impair our ability to provide services to our customers. We may incur additional costs to remedy the damages caused by these disruptions.

***Our customers' decisioning may be adversely affected if we provide inaccurate or unreliable data, which could adversely affect our financial condition, cause loss of customer trust and contribute to non-compliance with certain laws and regulations.***

Data accuracy is an essential component of data quality and is the foundation of our business model. Accurate data increases predictive ability and improves confidence in decisions for our customers. Inaccurate or unreliable data could adversely affect customer decisioning and poses reputational, regulatory compliance, litigation and financial risk to our company. Although we have developed internal processes and controls to maintain and continually improve data accuracy, these processes and controls cannot ensure absolute accuracy and the complexity of our technology transformation may introduce additional risk. We have experienced data accuracy issues, including errors in connection with our technology transformation. To date, none of these issues have had a material impact on our operations or financial results. However, any future data accuracy issues arising in connection with our technology transformation or otherwise could have a material adverse effect on our business or results of operations, including through the incurrence of additional costs or the loss of customers and harm to our reputation.

***If our systems do not meet customer requirements for response time or high availability, or we experience system constraints or failures, or if our customers do not modify and/or upgrade their systems to accept new releases of our products and services, our services to our customers could be delayed or interrupted, which could result in lost revenues or customers, lower margins, service level penalties or other harm to our business and reputation.***

Our customers expect high system availability and response time performance, as well as a very high degree of system resilience. We depend on reliable, stable, efficient and uninterrupted operation of our technology network, systems and data centers to provide service to our customers. Many of the services and systems upon which we rely have been outsourced to third parties. In addition, many of our revenue streams are dependent on links to third party telecommunications providers. These systems and operations, and the personnel that support, service and operate these systems, could be exposed to interruption, damage or destruction from power loss, telecommunication failures, computer viruses, denial-of-service or other cyber attacks, employee or insider malfeasance, human error, fire, natural disasters, war, terrorist acts or civil unrest. We may not have sufficient disaster recovery or redundant operations in place to cover a loss or failure of systems or telecommunications links in a timely manner, which may be exacerbated by any delays in obtaining equipment due to supply chain or other impacts. Any significant system interruption or series of minor interruptions could result in the loss of customers and/or lost revenues, lower margins, service level penalties or other significant harm to our business or reputation.

***Dependence on outsourcing certain portions of our operations may adversely affect our ability to bring products to market and damage our reputation. Dependence on outsourced information technology and other administrative functions may impair our ability to operate effectively.***

We have outsourced various components of our application development, information technology, operational support and administrative functions and will continue to evaluate additional outsourcing. If our outsourcing vendors fail to perform their obligations in a timely manner or at satisfactory quality levels including with respect to data and system security, or increase prices for their services to unreasonable levels, our ability to bring products to market and support our customers and our reputation could suffer. Any failure to perform on the part of these third-party providers could impair our ability to operate effectively and could result in lower future revenue, unrealized efficiencies and adversely impact our results of operations and our financial condition. Some of our outsourcing takes place in developing countries and, as a result, may be subject to geopolitical uncertainty.

***Our business will suffer if we are not able to retain and hire key personnel.***

Our future success depends partly on the continued service of our key development, sales, marketing, executive and administrative personnel. Increased retention risk exists in certain key areas of our operations, such as data and analytics, IT and data security, which require specialized skills, including cloud security, application development and maintenance and artificial intelligence expertise and analytical modeling. If we fail to retain and hire a sufficient number of these personnel, we will not be able to maintain or expand our business. Hiring, on-boarding training, motivating, retaining and managing employees with the skills required is time-consuming and expensive. There is intense competition for certain highly technical specialties in geographic areas where we continue to recruit, and it may become more difficult to retain our key employees. If we are not able to hire sufficient employees to support our business or to train, motivate, retain and manage the employees we do hire, it could have a material adverse effect on our business operations or financial results.

## **Global Operational Risks**

***Economic, political and other risks associated with international sales and operations could adversely affect our results of operations.***

Sales outside the U.S. comprised 24% of our total revenue in 2024. As a result, our business is subject to various risks associated with doing business internationally and these risks may differ in each jurisdiction where we operate. In addition, many of our employees, suppliers, job functions and facilities are located outside the U.S. Accordingly, our future results could be harmed by a variety of factors including:

- changes in specific country or region political, economic or other conditions;
- trade protection measures;
- data privacy and consumer protection laws and regulations;
- antitrust and competition laws;
- difficulty in staffing and managing widespread operations;
- differing labor, intellectual property protection and technology standards and regulations;

- business licensing requirements or other requirements relating to making foreign direct investments, which could increase our cost of doing business in certain jurisdictions, prevent us from entering certain markets, increase our operating costs or lead to penalties or restrictions;
- difficulties associated with repatriating cash generated or held abroad in a tax-efficient manner;
- implementation of exchange controls;
- geopolitical instability, including terrorism and war and international conflict;
- foreign currency changes;
- increased travel, infrastructure, legal and compliance costs of multiple international locations;
- foreign laws and regulatory requirements;
- terrorist activity, natural disasters, pandemics and other catastrophic events;
- restrictions on the import and export of technologies;
- difficulties in enforcing contracts and collecting accounts receivable;
- longer payment cycles;
- failure to meet quality standards for outsourced work;
- unfavorable tax rules;
- the presence and acceptance of varying levels of business corruption in international markets; and
- varying business practices in foreign countries.

We earn revenue, pay expenses, own assets and incur liabilities in countries using currencies other than the U.S. dollar, including among others, the British pound, the Australian dollar, the Canadian dollar, the Argentine peso, the Chilean peso, the Euro, the New Zealand dollar, the Costa Rican colon, the Singapore dollar, the Brazilian real and the Indian rupee. Because our consolidated financial statements are presented in U.S. dollars, we must translate revenue, income and expenses, as well as assets and liabilities, into U.S. dollars at exchange rates in effect during or at the end of each reporting period. Therefore, increases or decreases in the value of the U.S. dollar against major currencies will affect our operating revenues, operating income and the value of balance sheet items denominated in foreign currencies. We generally do not mitigate the risks associated with fluctuating exchange rates, although we may from time to time through forward contracts or other derivative instruments hedge a portion of our translational foreign currency exposure or exchange rate risks associated with material transactions which are denominated in a foreign currency. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Accordingly, fluctuations in foreign currency exchange rates, particularly the strengthening of the U.S. dollar against major currencies, may materially affect our consolidated financial results.

Compliance with applicable U.S. and foreign laws and regulations, such as anti-corruption laws, tax laws, foreign exchange controls and restrictions on repatriation of earnings or other similar restraints, data privacy requirements, operational resilience requirements, sustainability reporting, labor laws and anti-competition regulations increases the cost of doing business in foreign jurisdictions. Although we have implemented policies and procedures to comply with these laws and regulations, a violation by our employees, contractors or agents could nevertheless occur.

## Legal and Regulatory Risks

***As part of a global settlement, we entered into agreements with various parties to settle the U.S. Consumer MDL Litigation and certain federal and state government investigations arising out of a material cybersecurity incident in 2017. If we are unable to comply with our obligations under these agreements, it could have a material adverse effect on our financial condition.***

In July 2019, the Company entered into multiple agreements that resolved the U.S. consolidated consumer class action cases, captioned In re: Equifax, Inc. Customer Data Security Breach Litigation, MDL No. 2800 (Consumer Cases), and the investigations of the FTC, the CFPB, the Attorneys General of 48 states, the District of Columbia and Puerto Rico and the NYDFS (collectively, the “Consumer Settlement”) relating to a material cybersecurity incident in 2017. The Consumer Settlement became effective on January 11, 2022.

As part of the Consumer Settlement, we agreed to implement certain business practice commitments related to consumer assistance and our information security program, including third party assessments of our program. These business practice commitments are extensive and require a significant amount of attention from management. To the extent we are unable to comply or we are viewed as not being in compliance with these business practice commitments or other requirements of a relevant order, we could face an enforcement action or contempt proceeding that could potentially result in fines, penalties

and new business practice commitments, which, depending on the amount and type, could have a material adverse effect on our financial condition.

***We and our customers are subject to various current laws and governmental regulations, and could be affected by new and evolving consumer privacy and cybersecurity or other data-related laws or regulations, compliance with which may cause us to incur significant expenses and change our business practices, and if we fail to maintain satisfactory compliance with certain laws and regulations, we could be subject to civil or criminal penalties.***

As a data, analytics and technology company and credit reporting agency, we are subject to a number of U.S. federal, state, local and foreign laws and regulations relating to consumer financial protection, data protection, data privacy, artificial intelligence and cybersecurity. See “Item 1. Business—Governmental Regulation” in this Form 10-K for a summary of the U.S. and foreign consumer and data protection laws and regulations to which we are subject. These regulations are complex, change frequently, have tended to become more stringent over time, and are subject to administrative interpretation and judicial construction in ways that could harm our business. In addition, new laws and regulations at the state and federal level are enacted frequently, such as amendments to the FCRA, cybersecurity and other requirements promulgated by the FTC, the NYDFS and the SEC, and data privacy laws in several U.S. states.

There are laws and regulatory requirements in the U.S. and abroad that govern the operations of consumer reporting agencies and the collection, use, accuracy, correction and sharing of personal data. The CFPB, our primary regulator, frequently adopts new rulemakings related to these matters. For example, in October 2024, the CFPB finalized a rule regarding personal financial data rights and open banking pursuant to Section 1033 of the Dodd-Frank Act that governs the practices of data providers, third parties authorized to access consumer data and data aggregators. Additionally, in January 2025, the CFPB finalized a rule that requires the removal of medical collection debt from consumer credit reports. There are also a number of proposed rules, including changes to the FCRA proposed by the CFPB, that could significantly impact our business if they are finalized. Any future changes in laws or regulations that impose additional requirements on our operations or restrict our use of data could have a material adverse effect on our business.

In addition, there are laws and legislative proposals in the U.S. and abroad concerning privacy and cybersecurity that have implications for our business. For example, the Canadian and Australian governments have initiated reviews of their consumer privacy laws, and several U.S. states have introduced varying comprehensive privacy laws modeled to some degree on the CCPA and/or the GDPR. More recently, regulators and legislators have been increasingly focused on the use of algorithms, artificial intelligence and machine learning in business processes. Multiple jurisdictions, including the EU and at least one U.S. state, have adopted laws related to the development and use of artificial intelligence. There have also been new legislative proposals to regulate business use and development of artificial intelligence and machine learning technologies which, if enacted, could impose new legal requirements addressing among other issues, privacy, discrimination and human rights. The specifics of such legislation and the number of other jurisdictions that will introduce legislation in this area remain unclear at this time.

A growing number of legislative and regulatory bodies have adopted consumer notification and other requirements in the event that consumer information is accessed or acquired by unauthorized persons and additional regulations regarding the use, access, accuracy and security of such data are possible. In the U.S., state laws provide for disparate notification regimes, all of which we are subject to. Further, any perception that our practices or products are an invasion of privacy, whether or not consistent with current or future regulations and industry practices, may subject us to public criticism, private class actions, reputational harm, or claims by regulators, which could disrupt our business and expose us to increased liability.

We devote substantial compliance, legal and operational business resources towards compliance with applicable regulations and requirements. In the future, we may be subject to significant additional expenses related to compliance with applicable laws and regulations, including new laws and evolving interpretations that have varying requirements and/or are difficult to predict, and to the investigation, defense or remedy of actual or alleged violations. Additionally, we cooperate with the CFPB in supervisory examinations and respond to other state, federal and foreign government examinations of, or inquiries into, our business practices. In particular, legislative activity in the privacy area may result in new laws that are applicable to us and that may hinder our business, for example, by restricting use or sharing of consumer data, including for marketing or advertising purposes, limiting our ability to provide certain consumer data to our customers, or otherwise regulating artificial intelligence and machine learning, including the use of algorithms and automated processing in ways that could materially affect our business, or which may lead to significant increases in the cost of compliance.

Any failure by us to comply with, or remedy any violations of, applicable laws and regulations could result in new costs for our operations, the curtailment of certain of our operations, the imposition of fines and penalties, liability to private plaintiffs as a result of individual or class action litigation, restrictions on the operation of our business and reputational harm. It

is difficult to predict the impact on our business if we were subject to allegations of having violated existing laws. For example, in Europe, the GDPR, which includes extensive regulations for certain security incidents, could result in fines of up to 4% of annual worldwide “turnover” (a measure similar to revenues in the U.S.). In addition, because many of our products are regulated or sold to customers in various industries, we must comply with additional regulations in marketing our products. Moreover, our compliance with privacy laws and regulations and our reputation depend in part on suppliers’ or customers’ adherence to privacy laws and regulations and their use of our services in ways consistent with consumer expectations and regulatory requirements. Additionally, we may not succeed in adapting our products to changes in the regulatory environment in an efficient, cost effective manner. We cannot predict the ultimate impact on our business of new or proposed rules, supervisory examinations or government investigations or enforcement actions.

***The CFPB has supervisory authority over our U.S. business and supporting operations and may initiate enforcement actions with regard to our compliance with federal consumer financial laws.***

The CFPB, which was established under the Dodd-Frank Act and commenced operations in July 2011, has broad authority over our business. This includes authority to issue regulations under federal consumer financial protection laws, such as under the FCRA and other laws applicable to us and our financial customers. The CFPB is authorized to prevent “unfair, deceptive or abusive acts or practices” through its regulatory, supervisory and enforcement authority.

The CFPB conducts examinations and investigations, issues requests for information and subpoenas, and brings civil actions in federal court for violations of the federal consumer financial laws, including the FCRA. In these proceedings, the CFPB can seek relief that includes: rescission or reformation of contracts, restitution, disgorgement of profits, payment of damages, limits on activities and civil money penalties of up to \$1.0 million per day for known violations. The CFPB conducts periodic examinations of our business and the consumer reporting industry and issues requests for information or subpoenas to us from time to time. The CFPB has in the past, and may in the future, initiate enforcement actions against us with regard to our compliance with federal consumer financial protection laws. Actions by the CFPB against us can result, and have in the past resulted, in monetary penalties and requirements to alter or cease offering affected products and services, making them less attractive and restricting our ability to offer them.

Although we have committed resources to enhancing our compliance programs, actions by the CFPB or other regulators against us could result in financial or reputational harm. Our compliance costs and legal and regulatory exposure could increase materially if the CFPB or other regulators enact new regulations, change existing regulations, modify through supervision or enforcement past regulatory guidance, or interpret existing regulations in a manner different or stricter than have been previously interpreted.

***Regulatory oversight of our contractual relationships with certain of our customers may adversely affect our business.***

The federal banking agencies, including the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System and the CFPB, as well as many state and foreign banking agencies have issued guidance to insured depository institutions and other providers of financial services on assessing and managing risks associated with third-party relationships, which include all business arrangements between a financial services provider and another entity, by contract or otherwise, and generally requires banks and financial services providers to exercise comprehensive oversight throughout each phase of a bank or financial service provider’s business arrangement with third-party service providers, and instructs banks and financial service providers to adopt risk management processes commensurate with the level of risk and complexity of their third-party relationships. This guidance requires more rigorous oversight of third-party relationships that involve certain “critical activities.” In light of this guidance, our existing or potential bank and financial services customers subject to this guidance may continue to revise their third-party risk management policies and processes and the terms on which they do business with us, which may adversely affect our relationships with such customers and/or increase our expenses in servicing such customers.

***We are regularly involved in claims, suits, government investigations, enforcement actions and other proceedings that may result in adverse outcomes.***

We are regularly involved in claims, suits, government investigations, enforcement actions and regulatory proceedings arising from the ordinary course of our business, including actions with respect to consumer protection and data protection, including purported class action lawsuits. Such claims, suits, government investigations and proceedings are inherently uncertain and their results cannot be predicted with certainty. Regardless of their outcome, such legal proceedings can have an adverse impact on us because of legal costs, diversion of management and other personnel, and other factors. In addition, it is possible that a resolution of one or more such proceedings could result in reputational harm, liability, penalties or sanctions, as well as judgments, consent decrees or orders preventing us from offering certain features, functionalities, products or services,

or requiring a change in our business practices, products or technologies, which could in the future materially and adversely affect our business, operating results, and financial condition. The FCRA contains an attorney fee shifting provision that provides an incentive for consumers to bring individual and class action lawsuits against a consumer reporting agency for violation of the FCRA, and the number of consumer lawsuits (both individual and class action) against us alleging a violation of the FCRA and our resulting costs associated with resolving these lawsuits have increased substantially over the past several years.

***Third parties may claim that we are infringing on their intellectual property and we could suffer significant litigation or licensing expenses or be prevented from selling products or services.***

There is substantial litigation, both in the U.S. and more recently the Unified Patent Court in Europe, regarding intellectual property rights in the information technology industry. From time to time, third parties may make claims that one or more of our products or services infringe their intellectual property rights. We analyze and take action in response to each such claim on a case by case basis. A dispute or litigation regarding patents or other intellectual property can be costly and time-consuming due to the complexity of our technology and the inherent uncertainty of intellectual property litigation, could divert our management and key personnel from our business operations, and we may not prevail. A claim of intellectual property infringement could force us to enter into a costly or restrictive license agreement, which might not be available under acceptable terms or at all, or could subject us to significant damages or to an injunction against development and sale of certain of our products or services. Our intellectual property portfolio may not be useful in asserting a counterclaim, or providing commercial leverage for negotiating a license, in response to a claim of intellectual property infringement. In certain of our businesses we rely on third-party intellectual property licenses and we cannot ensure that these licenses will be available to us in the future on favorable terms or at all. Although our policy is to obtain licenses or other rights where necessary, we cannot provide assurance that we have obtained all required licenses or rights.

***Third parties may misappropriate or infringe our intellectual property and we may suffer competitive injury or expend significant resources enforcing our rights.***

Our success increasingly depends on our proprietary technology and its ability to differentiate us from our competitors. We rely on various intellectual property rights, including patents, copyrights, database rights, trademarks and trade secrets, as well as contract restrictions, confidentiality provisions and licensing arrangements, to establish and protect our proprietary rights. The extent to which such rights can be protected varies in different jurisdictions and is rapidly evolving with respect to artificial intelligence. If we do not protect and enforce our intellectual property rights successfully, our competitive position may suffer which could harm our operating results. Our pending patent and trademark applications may not be allowed or competitors may challenge the validity or scope of our intellectual property rights. In addition, our patents, copyrights, trademarks and other intellectual property rights may not provide us a significant competitive advantage.

We may need to devote significant resources to monitoring our intellectual property rights and we may or may not be able to detect misappropriation or infringement by third parties. Our competitive position may be harmed if we cannot detect misappropriation or infringement and enforce our intellectual property rights quickly or at all. In some circumstances, enforcement may not be available to us because a third party has a dominant intellectual property position or for other business reasons. In addition, competitors might avoid infringement by designing around our intellectual property rights or by developing non-infringing competing technologies. Intellectual property rights and our ability to enforce them may be unavailable or limited in some countries, which could make it easier for competitors to capture market share and could result in lost revenue.

## **Financial Market Risks**

***A downgrade in our credit ratings could increase our cost of borrowing under our credit facilities and have an adverse effect on our ability to access the capital markets.***

Credit ratings reflect an independent agency's judgment on the likelihood that a borrower will repay a debt obligation at maturity. The ratings reflect many considerations, such as the nature of the borrower's industry and its competitive position, the size of the company, its liquidity and access to capital and the sensitivity of a company's cash flows to changes in the economy. A security rating is not a recommendation to buy, sell or hold securities and may be changed or withdrawn at any time by the assigning rating agency.

A downgrade in our credit ratings would increase the cost of borrowings under our commercial paper program and \$1.5 billion revolving credit facility, and could limit or, in the case of a significant downgrade, preclude our ability to issue commercial paper. If our credit ratings were to decline to lower levels, we could experience increases in the interest cost for any

new debt. In addition, the market's demand for, and thus our ability to readily issue, new debt could become further affected by the economic and credit market environment.

***Our retirement and post-retirement pension plans are subject to financial market risks that could adversely affect our future results of operations and cash flows.***

We have significant retirement and post-retirement pension plan assets and obligations. The performance of the financial markets and interest rates impact our plan expenses, expected returns, and funding obligations. Significant decreases in interest rates, decreases in the fair value of plan assets and investment losses on plan assets will increase our funding obligations, and adversely impact our results of operations and cash flows.

## **ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

## **ITEM 1C. CYBERSECURITY**

### ***Risk Management and Strategy***

We are a global data, analytics and technology company. In the ordinary course of business, we collect, process, transmit and store sensitive data, including intellectual property, proprietary business information and personal information of consumers, employees and strategic partners. The secure operation of our information technology networks and systems, and of the processing and maintenance of this information, is critical to our business operations and strategy.

Equifax has invested significantly to develop and maintain an information security program with processes, technology and controls to protect the information, systems and resources of the Company. We have a Security team operating under the leadership of our Chief Information Security Officer ("CISO"), including approximately 400 cybersecurity professionals. The key elements of our information security program, including our cybersecurity risk management strategy, are described below.

### ***Security Controls Framework***

Equifax has implemented a unified security and privacy controls framework as our primary mechanism to establish strategic priorities related to cybersecurity, assess cybersecurity risk across the enterprise, comply with regulatory requirements and enhance security program maturity. Our unified security and privacy controls framework is based upon the National Institute of Standards and Technology's Cybersecurity Framework (NIST CSF) and Privacy Framework (NIST PF).

### ***Cybersecurity Incident Detection and Response Process***

Our information security program is based on five key functions as set forth in the NIST CSF: (i) identify; (ii) protect; (iii) detect; (iv) respond; and (v) recover. As part of that program, we maintain an incident detection and response process that is designed to ensure we appropriately identify, investigate, respond to, and recover from, cybersecurity incidents in order to protect our information, systems and resources. As part of our process, we maintain operational plans for incident response and recovery activities. We regularly review our incident response process and conduct multiple incident response exercises each year, including sessions with management, to test and assess our preparedness to respond to a cybersecurity incident.

As part of our incident detection and response process, we have established internal teams to investigate and escalate notification of cybersecurity incidents. Pursuant to this process, cybersecurity incidents are reported to appropriate personnel within Equifax (including the CISO and the CEO) and to the Board of Directors based on incident severity. We track incidents through resolution, conduct post-incident analysis and update our processes and procedures if areas for improvement are identified. On a monthly basis, a summary of prior period cybersecurity investigation escalations is reviewed by management, including our head of Internal Audit, our CISO, our Chief Financial Officer and our Chief Legal Officer.

To inform our incident detection and response process, our cyber intelligence operations team regularly performs exercises to simulate real threat scenarios that would be carried out by a perpetrator by utilizing the actual tools and methodologies that would be deployed in such an attack (so called "red team" activities).

## *Risk Management*

- *Cybersecurity Incorporated into Enterprise Risk Management Program.* We have implemented an enterprise risk management (“ERM”) program that operates under the leadership of our Chief Privacy and Compliance Officer. Each business unit and corporate support unit has primary responsibility for assessing and mitigating risks within its respective areas of responsibility, and the ERM team is responsible for oversight and reporting to management and the Board.

Under our ERM program, we conduct an annual enterprise risk assessment, which produces an enterprise risk scorecard. Cybersecurity is one of nine primary risk categories identified within the scorecard. The cybersecurity risk rating is based on a detailed enterprise security risk assessment performed by the Security team. The enterprise risk scorecard is reviewed with management and the Board of Directors on an annual basis.

- *Security Risk Assessment.* The Security team performs an annual enterprise security risk assessment of the information security program that is provided to management, the Board of Directors and other relevant parties. The security risk assessment provides a detailed understanding of the information security program in order to inform decisions and support risk response. The security risk assessment process evaluates the program’s control domains through various analyses and testing methods to determine the overall level of risk present within the environment over the period evaluated. The risk assessment identifies risks and considers observations from multiple business process- and system-level assessments.

We leverage NIST guidance to inform our process for conducting the security risk assessment. The risk management program and processes can be described in four steps: (i) frame risk; (ii) assess risk; (iii) respond to risk; and (iv) monitor risk.

- *Third Party Risk Management.* We have a governance process in place to oversee our third-party vendors who have access to our network or who hold or store personal information on our behalf (“risk vendors”). Our risk vendor contracts contain provisions requiring our suppliers to maintain a program that meets our information security standards. We periodically assess risk vendor compliance with our information security program requirements. One such requirement is the obligation that our risk vendors must notify Equifax within a designated time period upon identifying certain cybersecurity events.
- *M&A Due Diligence and Integration Process.* Our Security team has implemented a due diligence and integration process for entities we acquire through mergers and acquisitions (“M&A”). This process is designed to protect our information systems, align acquired entities with our security controls, and comply with applicable legal and regulatory requirements, without interrupting critical business processes. Our M&A security integration status is reported regularly to management and the Technology Committee and annually to the Board of Directors.
- *Employee Training and Awareness.* In order to help bolster our cybersecurity defenses and mitigate the risk presented by insider or employee cyber and security threats, Equifax has incorporated employee training into our security program. On an annual basis, all employees are required to complete mandatory security training. In addition, each Equifax employee receives training customized to his or her role or function, and has visibility into his or her individual security performance. We continually measure and assess key employee behaviors, including secure browsing and sensitive data handling. In order to promote a Company-wide focus on data security and reinforce overall security program goals, Equifax includes an individual security performance measure as one of the metrics used to evaluate the performance of all bonus-eligible employees under our annual incentive compensation program.
- *Cybersecurity Insurance.* We maintain cybersecurity insurance under our errors and omissions/professional liability policy, which provides coverage for certain costs related to cybersecurity incidents.

## *Review and Assessment of Information Security Program*

We conduct regular audits of our information security program, including third party assessments and review by our internal audit department.

- *Third Party Assessments of Security Program Maturity.* Equifax has a formal process in place to annually assess our security program maturity, which is a measure of our ability to adapt to cyber threats and manage risk over time. Under the oversight of the Technology Committee of the Board of Directors, Equifax engages a third party research and advisory firm to conduct an annual analysis of the maturity of our security program and identify potential



initiatives to enhance maturity. On an annual basis, the Technology Committee reviews the results of this analysis with management, including a review of Company performance against relevant benchmarks.

- *Controls Testing.* Equifax has a formal process in place to periodically assess the effectiveness of controls in our security controls framework. These controls assessments are performed by the Security team. Results are regularly reported to management and the Technology Committee and annually to the Board of Directors.
- *Internal Audit Review.* Our internal audit department is responsible for providing the Audit and Technology Committees and management with an independent assessment and assurance regarding the design and effectiveness of the risk management framework related to cybersecurity. As part of the assessment of our cybersecurity program, the internal audit department has a “red team” that regularly performs testing to simulate real threat scenarios that would be carried out by a perpetrator. On a quarterly basis, our head of Internal Audit provides an update to management and the Audit and Technology Committees of the Board on audit activities pursuant to the IT and security portions of the internal audit plan. Our head of Internal Audit reviews the IT and security audit reports issued, including a summary of IT and security audit findings by inherent risk and residual risk rating.

### ***Cybersecurity Risks to our Business***

As a global data, analytics and technology company, our products and services involve the storage and transmission of personal information of consumers. As a result, we are routinely the target of attempted cyber and other security threats presented by outside third parties, as well as security threats presented by employees and other insiders.

In 2017, we experienced a material cybersecurity incident following a criminal attack on our systems that involved the theft of personal information of U.S., Canadian and U.K. consumers. If we experience additional significant compromises of our security measures, including from incidents that we fail to detect for a period of time, sensitive data may be accessed, stolen, disclosed, altered or lost. Any such access, disclosure, alteration or other loss of information could subject us to significant litigation, regulatory fines or penalties, any of which could have a material adverse effect on our cash flows, competitive position, financial condition or results of operations.

Cybersecurity incidents, and the adverse publicity that may follow, can have a negative impact on our reputation and our relationship with our customers. For example, our reputation with consumers and other stakeholders and our customer relationships were damaged following the cybersecurity incident in 2017, resulting in a negative impact on our revenue for a period of time. If we experience another material cybersecurity incident or are otherwise unable to demonstrate the security of our systems and the data we maintain and retain the trust of our customers, consumers and data suppliers, we could experience a substantial negative impact on our business.

For additional information related to the cybersecurity-related risks relevant to our business, see “Risk Factors—Technology and Data Security Risks—Security breaches and other disruptions to our information technology infrastructure could compromise Company, consumer and customer information, interfere with our operations, cause us to incur significant costs for remediation and enhancement of our IT systems and expose us to legal liability, all of which could have a substantial negative impact on our business and reputation” in Part I, Item 1A. of this annual report on Form 10-K.

### ***Governance***

#### ***Board Oversight of Cybersecurity***

The Equifax Board of Directors monitors our “tone at the top” and risk culture and oversees principal risks facing the Company. On an annual basis, the Board reviews an enterprise risk assessment prepared by management that describes the principal risks and monitors the steps management is taking to map and mitigate these risks. The Board then sets the general level of risk appropriate for the Company through business strategy reviews. Risks are assessed throughout the business, focusing on nine primary risk categories, including cybersecurity.

In addition, the Audit and Technology Committees of the Board coordinate on risk management oversight with respect to cybersecurity, including through quarterly joint meetings that cover the following topics:

- Regular reports from the internal audit department regarding the security and technology portions of the internal audit plan
- Regular reports from our CISO and Chief Technology Officer regarding the cybersecurity control environment, including remediation updates, control posture analyses and other recurring items

- Regular reports from our Chief Privacy and Compliance Officer regarding our global privacy, risk management and compliance programs, including matters related to cybersecurity

The Technology Committee of the Board oversees our information security program, including:

- Reviewing with management our technology investments and infrastructure associated with risk management, including policies relating to information security, disaster recovery and business continuity
- Receiving quarterly reports directly from our CISO, including updates on our enterprise cybersecurity threat level
- Overseeing the engagement of outside advisors to review our cybersecurity program
- Reviewing the results of our annual information security program maturity assessment performed by a third party
- Reviewing the results of our annual security program risk assessment prepared by management

#### *Management Oversight of Cybersecurity Risk*

Our information security program is managed through implementation, monitoring and continuous improvement of the security program with active participation of management as described below.

- *Senior Leadership Team.* The Equifax senior leadership team, consisting of our CEO and his direct reports (“SLT”), sets the tone for strategic growth, effective operations and risk mitigation at the management level. The SLT supports the management of the information security program through proper resource allocation and decision-making involving high risk issues. The SLT has overall managerial responsibility for confirming that the information security program functions in a manner that meets the needs of Equifax.
- *Chief Information Security Officer.* Equifax has a CISO who is a member of the SLT and reports directly to our CEO. Our CISO has more than two decades of experience in cybersecurity-related roles, including serving as CISO at other large, multinational companies. Our CISO is responsible for the assessment and management of material risks from cybersecurity threats, including oversight of the global Security team and the implementation and execution of the information security program. Our CISO helps ensure that the program is strategically aligned to Equifax’s business strategy and is responsible for reporting on the effectiveness of the program to the SLT and the Board of Directors.
- *Global Security Team.* The Equifax global Security team is responsible for supporting the CISO in the execution of the information security program to meet the program’s objectives. The Security team is directly responsible for the day to day program activities such as planning, implementation, monitoring and reporting on operational capabilities.

## **ITEM 2. PROPERTIES**

Our executive offices are located at 1550 Peachtree Street, N.W., Atlanta, Georgia. Our other properties are geographically distributed to meet sales and operating requirements worldwide. We consider these properties to be both suitable and adequate to meet our current operating requirements. We ordinarily lease office space for conducting our business and are obligated under approximately 57 leases and other rental arrangements for our field locations. We owned 5 office buildings at December 31, 2024, including our executive offices, one campus which houses our Alpharetta, Georgia technology center, a building utilized by our Workforce Solutions operations located in St. Louis, Missouri, as well as two buildings utilized by our Latin America operations.

For additional information regarding our obligations under leases, see Note 6 and Note 12 of the Notes to Consolidated Financial Statements in Item 8 of this Form 10-K. We believe that suitable additional space will be available to accommodate our future needs.

### ITEM 3. LEGAL PROCEEDINGS

#### Remaining Matters Related to 2017 Cybersecurity Incident

*Canadian Class Actions.* Five putative Canadian class actions, four of which are on behalf of a national class of approximately 19,000 Canadian consumers, are pending against us in Ontario, British Columbia and Alberta. Each of the proposed Canadian class actions asserts a number of common law and statutory claims seeking monetary damages and other related relief in connection with a material cybersecurity incident in 2017. In addition to seeking class certification on behalf of Canadian consumers whose personal information was allegedly impacted by the 2017 cybersecurity incident, in some cases, plaintiffs also seek class certification on behalf of a larger group of Canadian consumers who had contracts for subscription products with Equifax around the time of the incident or earlier and were not impacted by the incident. The Ontario class action has been certified in part but is otherwise at a preliminary stage. All other purported class actions are at preliminary stages or stayed.

#### CFPB Matters

In December 2021, we received a Civil Investigative Demand (a “CID”) from the CFPB as part of its investigation into our consumer disputes process at our USIS business unit in order to determine whether we have followed FCRA requirements for the proper handling of consumer disputes. The CID requested the production of documents and answers to written questions. In January 2023, the CFPB informed us that its enforcement division would be investigating our previously-disclosed coding issue identified within a legacy server environment in the U.S. that impacted how some credit scores were calculated during a three-week period in 2022. In January 2025, we entered into a consent order with the CFPB to settle the investigation into our consumer disputes process at our USIS business unit and the investigation into our previously-disclosed coding issue. The consent order resolves these investigations and requires the payment of a civil money penalty of \$15 million. As part of the settlement, the Company has agreed to modify certain business practices.

In July 2023, we received a CID from the CFPB as part of its investigation into data accuracy and dispute handling at our Workforce Solutions business unit in order to determine whether we have followed the FCRA's requirements. We received a second CID from the CFPB in March 2024 and a third CID from the CFPB in August 2024 as part of the same investigation. The CIDs request the production of documents and answers to written questions. We are cooperating with the CFPB in its investigation and providing responses and information on an ongoing basis. At this time, we are unable to predict the outcome of this CFPB investigation, including whether the investigation will result in any actions or proceedings against us.

#### Other

Equifax has been named as a defendant in various other legal actions, including administrative claims, regulatory matters, government investigations, class actions and other litigation arising in connection with our business. Some of the legal actions include claims for substantial compensatory or punitive damages or claims for indeterminate amounts of damages. We believe we have defenses to and, where appropriate, will contest many of these matters. Given the number of these matters, some are likely to result in adverse judgments, penalties, injunctions, fines or other relief. We may explore potential settlements before a case is taken through trial because of the uncertainty and risks inherent in the litigation process.

For information regarding our accounting for legal contingencies, see Note 6 of the Notes to Consolidated Financial Statements in Item 8 of this report.

### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## PART II

### ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

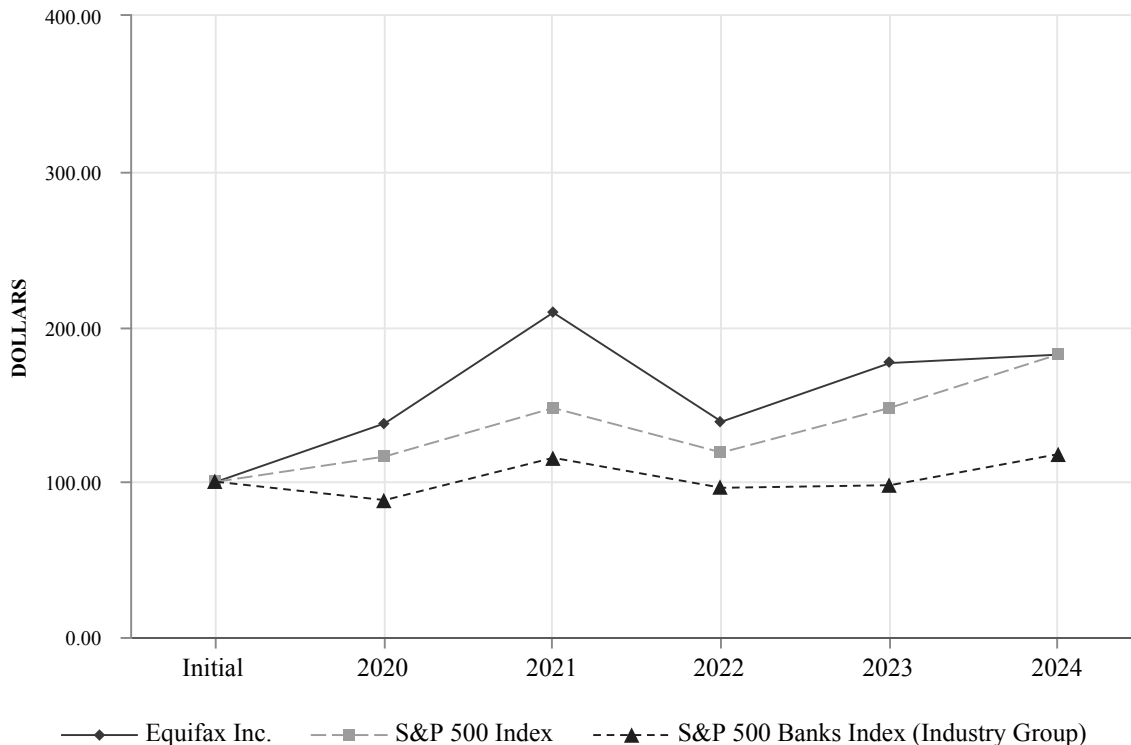
Equifax's common stock is traded on the New York Stock Exchange under the symbol "EFX." As of January 31, 2025, Equifax had approximately 2,324 holders of record; however, Equifax believes the number of beneficial owners of common stock exceeds this number.

#### Shareholder Return Performance Graph

The graph below compares Equifax's five-year cumulative total shareholder return with that of the Standard & Poor's Composite Stock Index (S&P 500) and a peer group index, the S&P 500 Banks Index (Industry Group). The graph assumes that the value of the investment in our Common Stock and each index was \$100 on the last trading day of 2019 and that all quarterly dividends were reinvested without commissions. Our past performance may not be indicative of future performance.

#### COMPARATIVE FIVE-YEAR CUMULATIVE TOTAL RETURN AMONG EQUIFAX INC., S&P 500 INDEX AND S&P 500 BANKS INDEX (INDUSTRY GROUP)

COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURNS  
VALUE OF \$100 INVESTED AS OF JANUARY 1, 2020



|                                      | Fiscal Year Ended December 31, |        |        |        |        |        |
|--------------------------------------|--------------------------------|--------|--------|--------|--------|--------|
|                                      | Initial                        | 2020   | 2021   | 2022   | 2023   | 2024   |
| Equifax Inc.                         | 100.00                         | 137.62 | 208.96 | 138.71 | 176.48 | 181.88 |
| S&P 500 Index                        | 100.00                         | 116.26 | 147.52 | 118.84 | 147.64 | 182.05 |
| S&P 500 Banks Index (Industry Group) | 100.00                         | 88.19  | 115.44 | 96.11  | 97.78  | 117.82 |

The table below contains information with respect to purchases made by or on behalf of Equifax of its common stock during the fourth quarter ended December 31, 2024:

**Issuer Purchases of Equity Securities**

| Period                         | Total<br>Number<br>of Shares<br>Purchased <sup>(1)</sup> | Average<br>Price Paid<br>Per Share <sup>(2)</sup> | Total Number<br>of Shares Purchased<br>as Part of Publicly-<br>Announced<br>Plans or Programs | Maximum Number<br>(or Approximate<br>Dollar Value)<br>of Shares that May<br>Yet Be Purchased<br>Under the Plans or<br>Programs <sup>(3)</sup> |
|--------------------------------|----------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| October 1 - October 31, 2024   | 5,987                                                    | \$ —                                              | —                                                                                             | \$ 520,168,924                                                                                                                                |
| November 1 - November 30, 2024 | 33                                                       | \$ —                                              | —                                                                                             | \$ 520,168,924                                                                                                                                |
| December 1 - December 31, 2024 | 1,766                                                    | \$ —                                              | —                                                                                             | \$ 520,168,924                                                                                                                                |
| Total                          | <u>7,786</u>                                             | <u>\$ —</u>                                       | <u>—</u>                                                                                      | <u>\$ 520,168,924</u>                                                                                                                         |

(1) The total number of shares purchased includes, if applicable: (a) shares purchased pursuant to our publicly-announced share repurchase program (the "Repurchase Program"); and (b) shares surrendered, or deemed surrendered, in satisfaction of the exercise price and/or to satisfy tax withholding obligations in connection with the exercise of employee stock options and vesting of restricted stock, totaling 5,987 shares for the month of October 2024, 33 shares for the month of November 2024 and 1,766 shares for the month of December 2024.

(2) Average price paid per share for shares purchased as part of the Repurchase Program (includes brokerage commissions).

(3) We purchased no common shares during the twelve months ended December 31, 2024. At December 31, 2024, the amount authorized for future share repurchases under the Repurchase Program was \$520.2 million.

Information relating to compensation plans under which the Company's equity securities are authorized for issuance will be included in the section captioned "Equity Compensation Plan Information" in our 2025 Proxy Statement and is incorporated herein by reference.

**ITEM 6. RESERVED**

Not applicable.

## **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the results of operations and financial condition of Equifax Inc. MD&A is provided as a supplement to and should be read in conjunction with our consolidated financial statements and the accompanying Notes to Financial Statements in Item 8 of this Form 10-K. This section discusses the results of our operations for the year ended December 31, 2024 compared to the year ended December 31, 2023 and the year ended December 31, 2023 compared to the year ended December 31, 2022. All percentages have been calculated using unrounded amounts for each of the periods presented.

As used herein, the terms Equifax, the Company, we, our and us refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

All references to earnings per share data in MD&A are to diluted earnings per share, or EPS, unless otherwise noted. Diluted EPS is calculated to reflect the potential dilution that would occur if stock options or other contracts to issue common stock were exercised and resulted in additional common shares outstanding.

### **BUSINESS OVERVIEW**

Equifax Inc. is a global data, analytics and technology company. We provide information solutions for businesses, governments and consumers, and we provide human resources business process automation and outsourcing services for employers. We have a large and diversified group of clients, including financial institutions, corporations, government agencies and individuals. Our services are based on comprehensive databases of consumer and business information derived from numerous sources including credit, financial assets, telecommunications and utility payments, employment, income, educational history, criminal justice data, healthcare professional licensure and sanctions, demographic and marketing data. We use advanced statistical techniques, machine learning and proprietary software tools to analyze available data to create customized insights, decision-making and process automation solutions and processing services for our clients. We are a leading provider of information and solutions used in payroll-related and human resource management business process services in the U.S., as well as e-commerce fraud and charge back protection services in North America. For consumers, we provide products and services to help people understand, manage and protect their personal information and make more informed financial decisions. Additionally, we also provide information, technology and services to support debt collections and recovery management.

We currently operate in four global regions: North America (U.S. and Canada), Asia Pacific (Australia, New Zealand and India), Europe (the U.K., Spain and Portugal) and Latin America (Argentina, Brazil, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Paraguay, Peru and Uruguay). We maintain support operations in Chile, Costa Rica, India and Ireland. We also have investments in consumer and/or commercial credit information companies through joint ventures in Brazil, Cambodia, Malaysia and Singapore.

### **Recent Events and Company Outlook**

As further described above, we operate in the U.S., which represented 76% of our revenue in 2024, and internationally in 20 countries. Our products and services span a wide variety of vertical markets including financial services, mortgage, talent solutions, federal, state and local governments, automotive, telecommunications, e-commerce and many others.

Demand for our services tends to be correlated to general levels of economic activity and to consumer credit and small business commercial credit decisioning and portfolio review, marketing, identity validation and fraud protection activity, employee hiring and onboarding activity, and activity in provisioning support services in the U.S. by government agencies. Demand is also enhanced by our initiatives to expand our products, capabilities and markets served.

For 2025, our planning assumes that U.S. economic activity, as measured by GDP, is expected to grow at a similar rate as experienced in 2024. We expect U.S. mortgage credit activity in 2025 to be below the levels of activity seen in 2024. The U.S. mortgage market, particularly the mortgage refinance portion of the U.S. mortgage market, can be significantly impacted by U.S. interest rates which impact mortgage rates available to consumers. In the international markets in which we operate, in particular in Australia, the U.K., and Canada, our planning also assumes economic activity, as measured by GDP, to grow in 2025 at similar rates as experienced in 2024.

## Segment and Geographic Information

**Segments.** The Workforce Solutions segment consists of the Verification Services and Employer Services business lines. Verification Services revenue is transaction-based and is derived primarily from employment and income verification, as well as criminal justice data and educational background data. Employer Services revenue is derived from our provision of certain human resources business process outsourcing services that include both transaction and subscription based product offerings. These services include unemployment claims management, I-9 and onboarding services, Affordable Care Act compliance management, tax credits and incentives and other complementary employment-based transaction services. Workforce Solutions revenue is predominantly in the U.S., and they have also established operations in Canada, Australia and the U.K.

The USIS segment consists of three service lines: Online Information Solutions, Mortgage Solutions and Financial Marketing Services. Online Information Solutions and Mortgage Solutions revenue is principally transaction-based and is derived from our sales of products such as consumer and commercial credit reporting and scoring, identity management, fraud detection, modeling services and consumer credit monitoring services. USIS also markets certain decisioning software services which facilitate and automate a variety of consumer and commercial credit-oriented decisions. Online Information Solutions also includes our U.S. consumer credit monitoring solutions business. Financial Marketing Services revenue is principally project and subscription based and is derived from our sales of batch credit and consumer wealth information such as those that assist clients in acquiring new customers, cross-selling to existing customers and managing portfolio risk.

The International segment consists of Latin America, Europe, Asia Pacific and Canada. Canada's services are similar to our USIS offerings. Asia Pacific, Europe and Latin America are made up of varying mixes of service lines that are generally consistent with those in our USIS reportable segment. We also provide information and technology services to support lenders and other creditors in the collections and recovery management process.

**Geographic Information.** We currently have operations in the following countries: Argentina, Australia, Brazil, Canada, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, India, Ireland, Mexico, New Zealand, Paraguay, Peru, Portugal, Spain, the U.K., Uruguay and the U.S. We also have investments in consumer and/or commercial credit information companies through joint ventures in Brazil, Cambodia, Malaysia and Singapore. Approximately 76% and 77% of our revenue was generated in the U.S. during the twelve months ended December 31, 2024 and 2023, respectively.

**Seasonality.** We experience seasonality in certain of our revenue streams. Revenue generated by the online consumer information services component of our USIS operating segment is typically the lowest during the first quarter, when consumer lending activity is at a seasonal low. Revenue generated from the Employer Services business unit within the Workforce Solutions operating segment is generally higher in the first quarter due primarily to the provision of 1095-C services that occur in the first quarter each year. Revenue generated from our financial wealth asset products and data management services in our Financial Marketing Services business is generally higher in the fourth quarter each year due to the significant portion of our annual renewals and deliveries which occur then. Mortgage related revenue is generally higher in the second and third quarters of the year due to the increase in consumer home purchasing during the summer in the U.S. Any change in the U.S. mortgage market has a corresponding impact on revenue and operating profit for our business within the Workforce Solutions and USIS operating segments.

**Key Performance Indicators.** Management focuses on a variety of key indicators to monitor operating and financial performance. These performance indicators include measurements of operating revenue, change in operating revenue, operating income, operating margin, net income, diluted earnings per share, cash provided by operating activities and capital expenditures. The key performance indicators for the twelve months ended December 31, 2024, 2023 and 2022 were as follows:

|                                       | Key Performance Indicators<br>Twelve Months Ended<br>December 31, |            |            |
|---------------------------------------|-------------------------------------------------------------------|------------|------------|
|                                       | 2024                                                              | 2023       | 2022       |
|                                       | <i>(In millions, except per share data)</i>                       |            |            |
| Operating revenue                     | \$ 5,681.1                                                        | \$ 5,265.2 | \$ 5,122.2 |
| Operating revenue change              | 8 %                                                               | 3 %        | 4 %        |
| Operating income                      | \$ 1,042.1                                                        | \$ 933.6   | \$ 1,056.0 |
| Operating margin                      | 18.3 %                                                            | 17.7 %     | 20.6 %     |
| Net income attributable to Equifax    | \$ 604.1                                                          | \$ 545.3   | \$ 696.2   |
| Diluted earnings per share            | \$ 4.84                                                           | \$ 4.40    | \$ 5.65    |
| Cash provided by operating activities | \$ 1,324.5                                                        | \$ 1,116.8 | \$ 757.1   |
| Capital expenditures*                 | \$ (495.9)                                                        | \$ (585.8) | \$ (617.4) |

\*Amounts include accruals for capital expenditures.

## RESULTS OF OPERATIONS — TWELVE MONTHS ENDED DECEMBER 31, 2024, 2023 AND 2022

### Consolidated Financial Results

#### Operating Revenue

|                                | Twelve Months Ended December 31, |                   |                   | Change               |            |                 |            |
|--------------------------------|----------------------------------|-------------------|-------------------|----------------------|------------|-----------------|------------|
|                                | 2024                             | 2023              | 2022              | 2024 vs. 2023        |            | 2023 vs. 2022   |            |
|                                |                                  |                   |                   | \$                   | %          | \$              | %          |
| Operating Revenue              |                                  |                   |                   | <i>(In millions)</i> |            |                 |            |
| Workforce Solutions            | \$ 2,433.8                       | \$ 2,315.8        | \$ 2,325.4        | \$ 118.0             | 5 %        | \$ (9.6)        | — %        |
| U.S. Information Solutions     | 1,893.0                          | 1,720.4           | 1,657.7           | 172.6                | 10 %       | 62.7            | 4 %        |
| International                  | 1,354.3                          | 1,229.0           | 1,139.1           | 125.3                | 10 %       | 89.9            | 8 %        |
| Consolidated operating revenue | <u>\$ 5,681.1</u>                | <u>\$ 5,265.2</u> | <u>\$ 5,122.2</u> | <u>\$ 415.9</u>      | <u>8 %</u> | <u>\$ 143.0</u> | <u>3 %</u> |

Revenue for 2024 increased 8% compared to 2023 due to revenue growth in USIS, International and Workforce Solutions. USIS revenue growth is primarily due to growth in mortgage related online services. International revenue growth is driven by growth in Latin America from the Boa Vista Serviços S.A. ("BVS") acquisition, completed in the third quarter of 2023, as well as local currency growth in Latin America, Europe and Canada. Workforce Solutions revenue growth is primarily due to growth in Verification Services, partially offset by declines in Employer Services. The effect of foreign exchange rates decreased revenue by \$105.5 million, or 2%, in 2024 compared to 2023.

Revenue for 2023 increased 3% compared to 2022 due to revenue growth in International and USIS. International revenue growth was driven by growth in Latin America primarily from the BVS acquisition, as well as growth in Canada, Europe and Asia Pacific. USIS revenue growth was primarily due to growth in online revenue, partially offset by declines in Mortgage Solutions. Workforce Solutions revenue declined slightly, as a decline in Verification Services revenue due to the impact of the decline in mortgage activity was principally offset by growth in Employer Services revenue. The effect of foreign exchange rates decreased revenue by \$51.2 million, or 1%, in 2023 compared to 2022.



## Operating Expenses

| Operating Expenses                                        | Twelve Months Ended<br>December 31, |            |            | Change        |      |               |     |
|-----------------------------------------------------------|-------------------------------------|------------|------------|---------------|------|---------------|-----|
|                                                           | 2024                                | 2023       | 2022       | 2024 vs. 2023 |      | 2023 vs. 2022 |     |
|                                                           |                                     |            |            | \$            | %    | \$            | %   |
|                                                           | (In millions)                       |            |            |               |      |               |     |
| Consolidated cost of services                             | \$ 2,518.7                          | \$ 2,335.1 | \$ 2,177.2 | \$ 183.6      | 8 %  | \$ 157.9      | 7 % |
| Consolidated selling, general and administrative expenses | 1,450.5                             | 1,385.7    | 1,328.9    | 64.8          | 5 %  | 56.8          | 4 % |
| Consolidated depreciation and amortization expense        | 669.8                               | 610.8      | 560.1      | 59.0          | 10 % | 50.7          | 9 % |
| Consolidated operating expenses                           | \$ 4,639.0                          | \$ 4,331.6 | \$ 4,066.2 | \$ 307.4      | 7 %  | \$ 265.4      | 7 % |

**Cost of Services.** Cost of services increased \$183.6 million in 2024 compared to 2023. The increase is primarily due to higher royalty and revenue share costs, costs of purchased data and information, and costs from BVS, which was acquired in the third quarter of 2023. The effect of changes in foreign exchange rates decreased cost of services by \$28.1 million.

Cost of services increased \$157.9 million in 2023 compared to 2022. The increase is primarily due to higher royalty and revenue share costs, people costs, third party cloud usage fees and software costs, and costs of purchased data and information. The effect of changes in foreign exchange rates decreased cost of services by \$16.9 million.

**Selling, General and Administrative Expenses.** Selling, general and administrative expenses increased \$64.8 million in 2024 compared to 2023. The increase is primarily due to increased people costs and costs from BVS, which was acquired in the third quarter of 2023, partially offset by a decrease in professional fees. The increased people costs, excluding the impact of costs from BVS, is primarily due to higher incentive plan costs. The impact of changes in foreign currency exchange rates decreased our selling, general and administrative expenses by \$39.2 million.

Selling, general and administrative expenses increased \$56.8 million in 2023 compared to 2022. The increase in 2023 is primarily due to an increase in litigation expense, mainly due to a payment to the U.K. FCA for a penalty associated with resolution of the investigation of a material 2017 cybersecurity incident, as well as higher people costs, partially offset by lower discretionary expenses. The increase in people costs is primarily driven by higher incentive plan costs, partially offset by lower temporary labor. The impact of changes in foreign currency exchange rates decreased our selling, general and administrative expenses by \$16.6 million.

**Depreciation and Amortization.** Depreciation and amortization expense for 2024 increased \$59.0 million. The increase is primarily due to increased amortization of capitalized internal-use software costs resulting from technology transformation capital spending incurred previously, as well as higher amortization of purchased intangible assets related to the BVS acquisition. The impact of changes in foreign currency exchange rates led to a decrease in depreciation and amortization expense of \$2.9 million.

Depreciation and amortization expense increased \$50.7 million in 2023 compared to 2022. The increase is due to increased amortization of capitalized internal-use software and system costs from technology transformation capital spending incurred previously, as well as higher amortization of purchased intangible assets related to recent acquisitions. The impact of changes in foreign currency exchange rates led to a decrease in depreciation and amortization expense of \$1.5 million.

### Operating Income and Operating Margin

| Operating Income and<br>Operating Margin | Twelve Months Ended<br>December 31, |                 |                   | Change          |         |                   |          |
|------------------------------------------|-------------------------------------|-----------------|-------------------|-----------------|---------|-------------------|----------|
|                                          | 2024                                | 2023            | 2022              | 2024 vs. 2023   |         | 2023 vs. 2022     |          |
|                                          |                                     |                 |                   | \$              | %       | \$                | %        |
|                                          |                                     |                 |                   | (In millions)   |         |                   |          |
| Consolidated operating revenue           | \$ 5,681.1                          | \$ 5,265.2      | \$ 5,122.2        | \$ 415.9        | 8 %     | \$ 143.0          | 3 %      |
| Consolidated operating expenses          | 4,639.0                             | 4,331.6         | 4,066.2           | 307.4           | 7 %     | 265.4             | 7 %      |
| Consolidated operating income            | <u>\$ 1,042.1</u>                   | <u>\$ 933.6</u> | <u>\$ 1,056.0</u> | <u>\$ 108.5</u> | 12 %    | <u>\$ (122.4)</u> | (12) %   |
| Consolidated operating margin            | 18.3 %                              | 17.7 %          | 20.6 %            |                 | 0.6 pts |                   | (2.9)pts |

Total company operating margin increased by 0.6 percentage points in 2024 versus 2023 and decreased by 2.9 percentage points in 2023 versus 2022. The margin increase in 2024 is due to the aforementioned higher reported revenue, partially offset by increased operating expenses and depreciation and amortization expenses during the period. The margin decrease in 2023 was due to increased operating expenses and amortization expenses during the periods, partially offset by the higher reported revenue during the periods.

### Interest Expense and Other (Expense) Income, net

| Consolidated Interest and Other<br>(Expense) Income, net | Twelve Months Ended<br>December 31, |            |            | Change        |        |               |       |
|----------------------------------------------------------|-------------------------------------|------------|------------|---------------|--------|---------------|-------|
|                                                          | 2024                                | 2023       | 2022       | 2024 vs. 2023 |        | 2023 vs. 2022 |       |
|                                                          |                                     |            |            | \$            | %      | \$            | %     |
|                                                          | <i>(In millions)</i>                |            |            |               |        |               |       |
| Consolidated interest expense                            | \$ (229.1)                          | \$ (241.4) | \$ (183.0) | \$ 12.3       | (5)%   | \$ (58.4)     | 32 %  |
| Consolidated other (expense) income, net                 | (2.5)                               | 25.7       | 56.7       | (28.2)        | (110)% | (31.0)        | (55)% |
| Average cost of debt                                     | 4.1 %                               | 4.2 %      | 3.2 %      |               |        |               |       |
| Total consolidated debt, net, at year end                | \$ 5,010.5                          | \$ 5,711.2 | \$ 5,787.3 | \$ (700.7)    | (12)%  | \$ (76.1)     | (1)%  |

Interest expense decreased in 2024, when compared to 2023, due to lower overall debt balances and a lower weighted average cost of debt when compared to 2023.

Interest expense increased in 2023, when compared to 2022, due to higher interest rates attributable to debt agreements entered into during 2022 and 2023, as well as higher weighted average debt balances in 2023 when compared to 2022.

The decrease in other (expense) income, net in 2024 is primarily due to the gain on fair market value adjustment of our investment in BVS due to our acquisition of BVS in the third quarter of 2023 that did not recur in the same period of 2024, as well as a gain on the sale of an investment in 2023 that did not recur in 2024. We also incurred higher pension expense in 2024 as compared to 2023. For 2024 and 2023, we recorded losses of \$11.6 million and \$0.1 million, respectively, on the mark-to-market adjustment of our pension and postretirement benefit plans.

The decrease in other (expense) income, net in 2023 was due to the gains associated with the sale of equity method investments and higher fair market value adjustment of our investment in BVS in 2022 that did not recur in 2023. We also incurred higher pension expense in 2023 as compared to 2022. For 2023 and 2022, we recorded a \$0.1 million loss and \$1.4 million gain, respectively, on the mark-to-market adjustment of our pension and postretirement benefit plans.

## Income Taxes

|                                         | Twelve Months Ended<br>December 31, |            |            | Change        |      |               |       |
|-----------------------------------------|-------------------------------------|------------|------------|---------------|------|---------------|-------|
|                                         |                                     |            |            | 2024 vs. 2023 |      | 2023 vs. 2022 |       |
| Provision for Income Taxes              | 2024                                | 2023       | 2022       | \$            | %    | \$            | %     |
|                                         | (In millions)                       |            |            |               |      |               |       |
| Consolidated provision for income taxes | \$ (203.2)                          | \$ (166.2) | \$ (229.5) | \$ (37.0)     | 22 % | \$ 63.3       | (28)% |
| Effective income tax rate               | 25.1 %                              | 23.2 %     | 24.7 %     |               |      |               |       |

Our effective tax rate was 25.1% for 2024, up from 23.2% for the same period in 2023. Our effective tax rate is higher for the year ended December 31, 2024 compared to 2023 primarily due to a decrease in tax credits and an increase in tax on foreign earnings in 2024 compared to 2023.

Our effective tax rate was 23.2% for 2023, down from 24.7% for the same period in 2022. Our effective tax rate was lower for the year ended December 31, 2023 compared to 2022 due to the write off of a deferred tax liability related to our original investment in BVS, which was no longer necessary given the acquisition of the company in the third quarter of 2023, partially offset by an increase in the foreign rate differential.

## Net Income

| Net Income                                                                                        | Twelve Months Ended<br>December 31,     |          |            | Change        |       |               |       |
|---------------------------------------------------------------------------------------------------|-----------------------------------------|----------|------------|---------------|-------|---------------|-------|
|                                                                                                   | 2024                                    | 2023     | 2022       | 2024 vs. 2023 |       | 2023 vs. 2022 |       |
|                                                                                                   |                                         |          |            | \$            | %     | \$            | %     |
|                                                                                                   | (In millions, except per share amounts) |          |            |               |       |               |       |
| Consolidated operating income                                                                     | \$ 1,042.1                              | \$ 933.6 | \$ 1,056.0 | \$ 108.5      | 12 %  | \$ (122.4)    | (12)% |
| Consolidated interest and other (expense) income, net                                             | (231.6)                                 | (215.7)  | (126.3)    | (15.9)        | 7 %   | (89.4)        | 71 %  |
| Consolidated provision for income taxes                                                           | (203.2)                                 | (166.2)  | (229.5)    | (37.0)        | 22 %  | 63.3          | (28)% |
| Consolidated net income                                                                           | 607.3                                   | 551.7    | 700.2      | 55.6          | 10 %  | (148.5)       | (21)% |
| Net income attributable to noncontrolling interests including redeemable noncontrolling interests | (3.2)                                   | (6.4)    | (4.0)      | 3.2           | (50)% | (2.4)         | 60 %  |
| Net income attributable to Equifax                                                                | \$ 604.1                                | \$ 545.3 | \$ 696.2   | \$ 58.8       | 11 %  | \$ (150.9)    | (22)% |
| Diluted earnings per share:                                                                       |                                         |          |            |               |       |               |       |
| Net income attributable to Equifax                                                                | \$ 4.84                                 | \$ 4.40  | \$ 5.65    | \$ 0.44       | 10 %  | \$ (1.25)     | (22)% |
| Weighted-average shares used in computing diluted earnings per share                              | 124.9                                   | 123.9    | 123.3      |               |       |               |       |

Consolidated net income increased \$55.6 million in 2024 compared to 2023 due to higher levels of operating income and lower interest expense, partially offset by higher income tax expense and lower levels of other income, net.

Consolidated net income decreased \$148.5 million in 2023 compared to 2022 due to lower levels of operating income, higher interest expense, and lower levels of other income, net, partially offset by the decrease in income tax expense.

## Segment Financial Results

### Workforce Solutions

| Workforce Solutions       | Twelve Months Ended<br>December 31, |                   |                   | Change          |         |                 |           |
|---------------------------|-------------------------------------|-------------------|-------------------|-----------------|---------|-----------------|-----------|
|                           | 2024                                | 2023              | 2022              | 2024 vs. 2023   |         | 2023 vs. 2022   |           |
|                           |                                     |                   |                   | \$              | %       | \$              | %         |
|                           |                                     |                   |                   | (In millions)   |         |                 |           |
| Operating Revenue:        |                                     |                   |                   |                 |         |                 |           |
| Verification Services     | \$ 2,021.9                          | \$ 1,846.2        | \$ 1,871.0        | \$ 175.7        | 10 %    | \$ (24.8)       | (1)%      |
| Employer Services         | 411.9                               | 469.6             | 454.4             | (57.7)          | (12) %  | 15.2            | 3 %       |
| Total operating revenue   | <u>\$ 2,433.8</u>                   | <u>\$ 2,315.8</u> | <u>\$ 2,325.4</u> | <u>\$ 118.0</u> | 5 %     | <u>\$ (9.6)</u> | — %       |
| % of consolidated revenue | 43 %                                | 44 %              | 45 %              |                 |         |                 |           |
| Total operating income    | \$ 1,053.3                          | \$ 969.3          | \$ 1,006.0        | \$ 84.0         | 9 %     | \$ (36.7)       | (4)%      |
| Operating margin          | 43.3 %                              | 41.9 %            | 43.3 %            |                 | 1.4 pts |                 | (1.4) pts |

Workforce Solutions revenue increased 5% in 2024 compared to 2023, which was due to an increase in non-mortgage verticals within Verification Services, partially offset by declines in Employer Services and Verification Services mortgage revenue.

Workforce Solutions revenue declined slightly in 2023 compared to 2022, which was due to a decline in Verification Services as declines in mortgage revenue were partially offset by growth in the government and talent verticals. This decline was principally offset by growth in Employer Services revenue, which was driven by revenue from recently acquired companies and growth in I-9 and onboarding services.

**Verification Services.** Revenue increased 10% in 2024 compared to 2023. The increase in revenue is primarily due to growth in the government and talent solutions verticals, partially offset by declines in the mortgage vertical.

Revenue decreased 1% in 2023 compared to 2022. The decrease in revenue was due to declines in the mortgage vertical, partially offset by an increase in the government and talent solutions verticals.

**Employer Services.** Revenue decreased 12% in 2024, compared to 2023 primarily due to lower Employee Retention Credit ("ERC") revenue and declines in I-9 and onboarding services. The ERC revenue decrease is driven by the wind down of this U.S. Federal government program, accelerated by the IRS pausing new ERC claims processing during the third quarter of 2023.

Revenue increased 3% in 2023 compared to 2022 due to revenue from recently acquired companies and I-9 and onboarding services, partially offset by lower tax credit revenue and a decrease in unemployment claims revenue.

**Workforce Solutions Operating Margin.** Operating margin increased to 43.3% in 2024 compared to 41.9% in 2023 due to the aforementioned increase in revenue. Operating margin decreased to 41.9% in 2023 compared to 43.3% in 2022 due to an increase in operating expenses. The increased operating expenses were a result of increased royalty costs, costs of purchased data or information, and amortization of capitalized internal-use software and system costs from technology transformation capital spending, partially offset by a decrease in people costs and discretionary expenses.

## U.S. Information Solutions

|                              | Twelve Months Ended December 31, |                   |                   | Change          |             |                |            |
|------------------------------|----------------------------------|-------------------|-------------------|-----------------|-------------|----------------|------------|
|                              |                                  |                   |                   | 2024 vs. 2023   |             | 2023 vs. 2022  |            |
| U.S. Information Solutions   | 2024                             | 2023              | 2022              | \$              | %           | \$             | %          |
|                              | (In millions)                    |                   |                   |                 |             |                |            |
| Operating revenue:           |                                  |                   |                   |                 |             |                |            |
| Online Information Solutions | \$ 1,501.2                       | \$ 1,375.2        | \$ 1,295.4        | \$ 126.0        | 9 %         | \$ 79.8        | 6 %        |
| Mortgage Solutions           | 149.4                            | 113.7             | 138.3             | 35.7            | 31 %        | (24.6)         | (18) %     |
| Financial Marketing Services | 242.4                            | 231.5             | 224.0             | 10.9            | 5 %         | 7.5            | 3 %        |
| Total operating revenue      | <u>\$ 1,893.0</u>                | <u>\$ 1,720.4</u> | <u>\$ 1,657.7</u> | <u>\$ 172.6</u> | <u>10 %</u> | <u>\$ 62.7</u> | <u>4 %</u> |
| % of consolidated revenue    | 33 %                             | 33 %              | 33 %              |                 |             |                |            |
| Total operating income       | \$ 404.4                         | \$ 365.0          | \$ 402.1          | \$ 39.4         | 11 %        | \$ (37.1)      | (9) %      |
| Operating margin             | 21.4 %                           | 21.2 %            | 24.3 %            |                 | 0.2 pts     |                | (3.1) pts  |

U.S. Information Solutions revenue increased 10% in 2024 compared to 2023 due to growth in Online Information Solutions due to an increase in mortgage related and consumer solutions online services, as well as growth in Mortgage Solutions and Financial Marketing Services. Growth in mortgage related online services and Mortgage Solutions is due to both product pricing, as well as new products.

U.S. Information Solutions revenue increased 4% in 2023 compared to 2022 due to growth in online revenue from non-mortgage online services and revenue from acquisitions, as well as growth in consumer services revenue. Mortgage Solutions revenue also declined in 2023 compared to 2022. The decline in Mortgage Solutions and mortgage related online revenue was due to declines in mortgage credit inquiry volumes.

**Online Information Solutions.** Revenue for 2024 increased 9% compared to 2023, driven by higher mortgage related online services due to product pricing and new products, as well as continued growth of consumer solutions revenue.

Revenue for 2023 increased 6% compared to 2022, driven by continued growth in online non-mortgage services, revenue from acquisitions, consumer services and commercial risk.

**Mortgage Solutions.** Revenue increased 31% in 2024 compared to 2023 due to both product pricing and new products.

Revenue decreased 18% in 2023 compared to 2022 due to significantly lower mortgage credit inquiry volumes in 2023 compared to the prior year.

**Financial Marketing Services.** Revenue increased 5% in 2024 compared to 2023 driven by growth in credit marketing services.

Revenue increased 3% in 2023 compared to 2022 driven by growth in both credit marketing services as well as risk and data services.

**U.S. Information Solutions Operating Margin.** USIS operating margin increased to 21.4% in 2024 compared to 21.2% in 2023 due to the aforementioned increase in revenue. USIS operating margin decreased to 21.2% in 2023 compared to 24.3% in 2022 due to an increase in operating expenses, partially offset by the increase in revenue. The increase in operating expenses was due to increased incentive and salary expenses, royalty expenses, third party cloud usage fees, software costs and amortization expenses.

## International

| International             | Twelve Months Ended December 31, |            |            | Change           |       |               |       |
|---------------------------|----------------------------------|------------|------------|------------------|-------|---------------|-------|
|                           | 2024                             | 2023       | 2022       | 2024 vs. 2023    |       | 2023 vs. 2022 |       |
|                           |                                  |            |            | \$               | %     | \$            | %     |
|                           | (In millions)                    |            |            |                  |       |               |       |
| Operating revenue:        |                                  |            |            |                  |       |               |       |
| Latin America             | \$ 384.9                         | \$ 290.9   | \$ 206.8   | \$ 94.0          | 32 %  | \$ 84.1       | 41 %  |
| Europe                    | 369.2                            | 333.2      | 327.8      | 36.0             | 11 %  | 5.4           | 2 %   |
| Asia Pacific              | 335.4                            | 345.3      | 348.4      | (9.9)            | (3) % | (3.1)         | (1) % |
| Canada                    | 264.8                            | 259.6      | 256.1      | 5.2              | 2 %   | 3.5           | 1 %   |
| Total operating revenue   | \$ 1,354.3                       | \$ 1,229.0 | \$ 1,139.1 | \$ 125.3         | 10 %  | \$ 89.9       | 8 %   |
| % of consolidated revenue | 24 %                             | 23 %       | 22 %       |                  |       |               |       |
| Total operating income    | \$ 181.2                         | \$ 167.8   | \$ 147.0   | \$ 13.4          | 8 %   | \$ 20.8       | 14 %  |
| Operating margin          | 13.4 %                           | 13.7 %     | 12.9 %     | (0.3)pts 0.8 pts |       |               |       |

International revenue increased 10% in 2024 as compared to 2023. Local currency revenue increased 19% in 2024, driven by growth in Latin America from the BVS acquisition, completed in the third quarter of 2023, as well as local currency growth in Latin America, Europe and Canada. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$105.5 million, or 9%.

International revenue increased 8% in 2023 as compared to 2022. Local currency revenue increased 12% in 2023, driven by revenue growth in Latin America from the BVS acquisition and growth in Argentina, as well as growth in our credit reporting business across all geographies. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$51.2 million, or 4%.

**Latin America.** Local currency revenue increased 69% in 2024 as compared to 2023. The increase is primarily due to revenue from the BVS acquisition, which occurred in the third quarter of 2023, as well as local currency growth in Argentina. Revenue from the BVS acquisition was \$159.3 million in 2024, compared to \$64.8 million in 2023. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$107.1 million, or 37%, in 2024, primarily from Argentina. Reported revenue increased 32% in 2024 as compared to 2023.

Local currency revenue increased 56% in 2023 as compared to 2022 reflecting revenue from the BVS acquisition and local currency growth in Argentina and across Central America, primarily related to growth in revenue from an acquired company in the Dominican Republic. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$31.8 million, or 15%, in 2023, primarily from Argentina. Reported revenue increased 41% in 2023 as compared to 2022.

**Europe.** Local currency revenue increased 8% in 2024 as compared to 2023, primarily due to growth in the debt services and credit reporting businesses. Local currency fluctuations against the U.S. dollar positively impacted revenue by \$8.0 million, or 3%, for 2024. Reported revenue increased 11% in 2024 as compared to 2023.

Local currency revenue was flat in 2023 as compared to 2022, driven by growth in credit reporting businesses in Europe, offset by lower debt placements within our debt services business. Local currency fluctuations against the U.S. dollar positively impacted revenue by \$4.2 million, or 2%, for 2023. Reported revenue increased 2% in 2023 as compared to 2022.

**Asia Pacific.** Local currency revenue decreased 2% in 2024 as compared to 2023, primarily driven by Australia due to declines in the commercial and direct to consumer businesses in the first half of the year. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$2.4 million, or 1%. Reported revenue decreased 3% in 2024 as compared to 2023.

Local currency revenue increased 4% in 2023 as compared to 2022, driven by growth in Australia due to growth in commercial, identity and fraud, and credit reporting businesses. India revenue also grew due to growth in the credit reporting business primarily due to higher online volumes. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$15.7 million, or 5%. Reported revenue decreased 1% in 2023 as compared to 2022.

**Canada.** Local currency revenue increased 4% in 2024 as compared to 2023. Revenue growth in 2024 is driven by growth in the direct to consumer and commercial businesses. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$4.0 million, or 2%, in 2024. Reported revenue increased 2% in 2024 as compared to 2023.

Local currency revenue increased 4% in 2023 as compared to 2022. Revenue in 2023 reflected increases in the consumer credit reporting business, as well as commercial and identity and fraud revenue. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$7.8 million, or 3%, in 2023. Reported revenue increased 1% in 2023 as compared to 2022.

**International Operating Margin.** Operating margin was 13.4% in 2024 compared to 13.7% in 2023. The decrease in margin is mainly due to higher amortization costs, principally due to higher amortization of purchased intangible assets related to the BVS acquisition and amortization of capitalized internal-use software and system costs from technology transformation capital spending incurred previously. Operating margin was 13.7% in 2023 and 12.9% in 2022. The increase in margin was mainly due to increased revenue, partially offset by increased salary and incentive costs, increased costs of purchased data or information, higher cloud production costs, increased depreciation expense related to technology transformation project spending and higher amortization of purchased intangible assets related to recent acquisitions.

### **General Corporate Expense**

|                           | Twelve Months Ended<br>December 31, |          |          | Change        |     |               |      |
|---------------------------|-------------------------------------|----------|----------|---------------|-----|---------------|------|
|                           | 2024                                | 2023     | 2022     | 2024 vs. 2023 |     | 2023 vs. 2022 |      |
| General Corporate Expense |                                     |          |          | \$            | %   | \$            | %    |
| <i>(In millions)</i>      |                                     |          |          |               |     |               |      |
| General corporate expense | \$ 596.8                            | \$ 568.5 | \$ 499.1 | \$ 28.3       | 5 % | \$ 69.4       | 14 % |

Our general corporate expenses are unallocated costs that are incurred at the corporate level and include those expenses impacted by the overall management and strategic choices of the company, including shared services overhead, technology, security, data and analytics, administrative, legal, restructuring, and the portion of management incentive compensation determined by total company-wide performance.

General corporate expense increased \$28.3 million in 2024. The increase in 2024 as compared to 2023 is primarily due to an increase in people costs, which is primarily due to higher incentive plan costs, and an accrual for a settlement associated with the resolution of a matter with the CFPB.

General corporate expense increased \$69.4 million in 2023 as compared to 2022. The increase in 2023 as compared to 2022 was due to payment of a penalty associated with resolution of the investigation of a material 2017 cybersecurity incident by the U.K. FCA, as well as increased people costs, primarily incentive plans and restructuring charges.

## LIQUIDITY AND FINANCIAL CONDITION

Management assesses liquidity in terms of our ability to generate cash to fund operating, investing and financing activities. We continue to generate substantial cash from operating activities, remain in a strong financial position and manage our capital structure to meet short- and long-term objectives including reinvestment in existing businesses and completing strategic acquisitions.

Funds generated by operating activities, our \$1.5 billion five-year unsecured revolving credit facility (the "Revolver") and related commercial paper ("CP") program, more fully described below, are our most significant sources of liquidity. At December 31, 2024, we had \$169.9 million in cash and cash equivalents, as well as \$1,212.1 million available to borrow under our Revolver.

### Sources and Uses of Cash

We believe that our existing cash balance, liquidity available from our CP and Revolver, cash generated from ongoing operations and continued access to public or private debt markets will be sufficient to satisfy cash requirements over the next 12 months and beyond. While there was no significant changes in our cash requirements as of December 31, 2024 compared to December 31, 2023, we have utilized existing CP capacity, together with cash from operating activities, to meet our current obligations. As further described in our Financing Activities section below, during 2024 we issued \$650.0 million of 4.8% Senior Notes, and we used the proceeds for general corporate purposes, including the repayment of borrowings under our then-outstanding delayed draw term loan prior to the August 2026 maturity.

**Fund Transfer Limitations.** The ability of certain of our subsidiaries and associated companies to transfer funds to the U.S. may be limited, in some cases, by certain restrictions imposed by foreign governments. These restrictions do not, individually or in the aggregate, materially limit our ability to service our indebtedness, meet our current obligations or pay dividends. As of December 31, 2024, we held \$166.0 million of cash in our foreign subsidiaries.

Information about our cash flows, by category, is presented in the Consolidated Statements of Cash Flows. The following table summarizes our cash flows for the twelve months ended December 31, 2024, 2023 and 2022:

| Net cash provided by (used in): | Twelve Months Ended December 31, |            |            | Change        |               |
|---------------------------------|----------------------------------|------------|------------|---------------|---------------|
|                                 | 2024                             | 2023       | 2022       | 2024 vs. 2023 | 2023 vs. 2022 |
|                                 | <i>(In millions)</i>             |            |            |               |               |
| Operating activities            | \$ 1,324.5                       | \$ 1,116.8 | \$ 757.1   | \$ 207.7      | \$ 359.7      |
| Investing activities            | \$ (511.5)                       | \$ (878.2) | \$ (959.5) | \$ 366.7      | \$ 81.3       |
| Financing activities            | \$ (846.4)                       | \$ (306.2) | \$ 273.7   | \$ (540.2)    | \$ (579.9)    |

### Operating Activities

Cash provided by operating activities for 2024 increased \$207.7 million compared to 2023 primarily due to changes in our working capital position and increased net income.

Cash provided by operating activities for 2023 increased \$359.7 million compared to 2022 due primarily to the \$345.0 million consumer class action settlement payment that was made in January 2022 related to the U.S. Consumer MDL Litigation settlement that became effective on January 11, 2022 that did not recur in 2023.

### Investing Activities

### Capital Expenditures

| Net cash used in:     | Twelve Months Ended December 31, |            |            | Change        |               |
|-----------------------|----------------------------------|------------|------------|---------------|---------------|
|                       | 2024                             | 2023       | 2022       | 2024 vs. 2023 | 2023 vs. 2022 |
|                       | <i>(In millions)</i>             |            |            |               |               |
| Capital expenditures* | \$ (511.5)                       | \$ (601.3) | \$ (624.5) | \$ 89.8       | \$ 23.2       |

\*Amounts above are total cash outflows for capital expenditures.



Our capital expenditures are used for developing, enhancing and deploying new and existing software in support of our expanding product set, replacing or adding equipment, updating systems for regulatory compliance, the licensing of certain software applications, investing in system reliability, security and disaster recovery enhancements, and updating or expanding our office facilities.

Capital expenditures decreased in 2024 and 2023 from 2023 and 2022, respectively, due to lower capitalized software costs and lower spending on technology infrastructure as compared to the prior year periods as we near completion of our technology transformation.

#### Acquisitions, Divestitures and Investments

| Net cash (used in) provided by:    | Twelve Months Ended December 31, |            |            | Change        |               |
|------------------------------------|----------------------------------|------------|------------|---------------|---------------|
|                                    | 2024                             | 2023       | 2022       | 2024 vs. 2023 | 2023 vs. 2022 |
| <i>(In millions)</i>               |                                  |            |            |               |               |
| Acquisitions, net of cash acquired | \$ —                             | \$ (283.8) | \$ (433.8) | \$ 283.8      | \$ 150.0      |
| Cash received from divestitures    | \$ —                             | \$ 6.9     | \$ 98.8    | \$ (6.9)      | \$ (91.9)     |

**2024 Acquisitions and Investments.** During 2024, we did not complete any acquisitions.

**2023 Acquisitions and Investments.** During 2023, we acquired The Food Industry Credit Bureau and BVS within the International operating segment. During 2023, we sold an equity investment.

**2022 Acquisitions and Investments.** During 2022, we acquired Efficient Hire and LawLogix within the Workforce Solutions operating segment. We acquired Midigator within the USIS operating segment. We acquired Data Crédito within the International operating segment. During 2022, we sold multiple equity investments.

For additional information about our acquisitions, see Note 3 of the Notes to Consolidated Financial Statements in Item 8 of this report.

#### Financing Activities

##### Borrowings and Credit Facility Availability

| Net cash provided by (used in):          | Twelve Months Ended December 31, |            |            | Change        |               |
|------------------------------------------|----------------------------------|------------|------------|---------------|---------------|
|                                          | 2024                             | 2023       | 2022       | 2024 vs. 2023 | 2023 vs. 2022 |
| <i>(In millions)</i>                     |                                  |            |            |               |               |
| Net short-term borrowings (payments)     | \$ 91.2                          | \$ (371.2) | \$ 242.2   | \$ 462.4      | \$ (613.4)    |
| Payments on long-term debt               | \$ (1,445.6)                     | \$ (579.3) | \$ (500.0) | \$ (866.3)    | \$ (79.3)     |
| Proceeds from issuance of long-term debt | \$ 649.8                         | \$ 872.9   | \$ 749.3   | \$ (223.1)    | \$ 123.6      |

**Borrowing and Repayment Activity.** We primarily borrow under our CP program and Revolver as needed and as availability allows.

Net short-term borrowings (payments) primarily represent repayments or borrowings of outstanding amounts under our CP program.

The increase in net short-term borrowings in 2024 is due to lower repayments on our CP notes, partially offset by lower borrowings on our CP notes during the year as compared to 2023. The decrease in net short-term borrowings in 2023 is due to higher repayments on short-term borrowings on our CP notes during the year as compared to 2022.

Proceeds from issuance of long-term debt in 2024 represent the issuance of \$650.0 million of 4.8% Senior Notes in the third quarter of 2024. Proceeds from issuance of long-term debt in 2023 represent \$175.0 million of borrowings on our Revolver during the first quarter of 2023 and the issuance of \$700.0 million of 5.1% Senior Notes in the second quarter of 2023. Proceeds from issuance of long-term debt in 2022 represent the issuance of \$750.0 million of 5.1% Senior Notes in the third quarter of 2022.

In August 2024, we issued \$650.0 million in aggregate principal amount of 4.8% five-year Senior Notes due 2029 (the "2029 Notes") in an underwritten public offering. Interest on the 2029 Notes accrues at a rate of 4.8% per year and is payable semi-annually in arrears on March 15 and September 15 of each year. The net proceeds of the sale of the 2029 Notes were ultimately used for general corporate purposes, including the repayment of borrowings under our then-outstanding delayed draw term loan (the "Term Loan") prior to the August 2026 maturity. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2029 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

In May 2023, we issued \$700.0 million aggregate principal amount of 5.1% five-year Senior Notes due 2028 (the "2028 Notes") in an underwritten public offering. Interest on the 2028 Notes accrues at a rate of 5.1% per year and is payable semi-annually in arrears on June 1 and December 1 of each year. The net proceeds of the sale of the 2028 Notes were ultimately used to repay our then-outstanding \$400.0 million 3.95% Senior Notes due June 2023 at maturity. The remaining proceeds were used for general corporate purposes, including the repayment of borrowings under our CP program. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2028 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

In September 2022, we issued \$750.0 million aggregate principal amount of 5.1% five-year Senior Notes due 2027 (the "2027 Notes") in an underwritten public offering. Interest on the 2027 Notes accrues at a rate of 5.1% per year and is payable semi-annually in arrears on June 15 and December 15 of each year. The net proceeds of the sale of the 2027 Notes were ultimately used to repay our then-outstanding \$500.0 million 3.30% Senior Notes due December 2022. The remaining proceeds were used for general corporate purposes, including the repayment of borrowings under our CP program. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2027 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

Payments on long-term debt in 2024 represent repayment of our \$750.0 million 2.60% Senior Notes during the fourth quarter of 2024 with cash on hand and commercial paper borrowings and \$695.6 million of payments on our then-outstanding Term Loan during the third quarter of 2024. Payments on long-term debt in 2023 represent \$175.0 million of repayments on our Revolver and repayment of our \$400.0 million 3.95% Senior Notes during the second quarter of 2023. Payments on long-term debt in 2022 reflect the October 2022 repayment of the \$500.0 million Senior Notes due December 2022 with the proceeds from the \$750.0 million 5.1% Senior Notes issued in September 2022 and commercial paper borrowings.

**Credit Facility Availability.** We have access to a \$1.5 billion five-year unsecured revolving credit facility (the Revolver), which matures in August 2027. Borrowings under the Revolver may be used for working capital, for capital expenditures, to refinance existing debt, to finance acquisitions and for other general corporate purposes. The Revolver includes an option to request a maximum of three one-year extensions of the maturity date any time after the first anniversary of the closing date of the Revolver. In May 2024, we exercised our first option to extend the maturity date by one year, from August 2026 to August 2027, and amended the Revolver agreement to replace a discontinued reference rate for Canadian Dollar-denominated commitments. Availability of the Revolver is reduced by the outstanding principal balance of our CP notes and by any letters of credit issued under the Revolver.

Our \$1.5 billion CP program has been established to allow for borrowing through the private placement of CP with maturities ranging from overnight to 397 days. We may use the proceeds of CP for general corporate purposes. The CP program is supported by our Revolver and the total amount of CP that may be issued is reduced by the amount of any outstanding borrowings under our Revolver and by any letters of credit issued under the facility.

As of December 31, 2024, there were \$1.4 million of letters of credit outstanding, no outstanding borrowings under the Revolver, and \$286.5 million of outstanding CP notes. Availability under the Revolver was \$1,212.1 million at December 31, 2024.

At December 31, 2024, approximately 94% of our debt was fixed-rate debt and 6% was variable-rate debt. Our variable-rate debt consists of outstanding amounts under our CP program. The interest rates reset periodically, depending on the terms of the respective financing agreements. At December 31, 2024, the interest rate on our variable-rate debt ranged from 4.55% to 4.81%.

**Debt Covenants.** A downgrade in our credit ratings would increase the cost of borrowings under our CP program and our Revolver, and could limit or, in the case of a significant downgrade, preclude our ability to issue CP. Our outstanding

indentures and comparable instruments also contain customary covenants including, for example, limits on mortgages, liens, sale/leaseback transactions, mergers and sales of assets.

The Revolver requires a maximum leverage ratio, defined as consolidated funded debt divided by consolidated EBITDA, of 3.75 to 1.0. We may also elect to increase the maximum leverage ratio by 0.5 to 1.0 (subject to a maximum leverage ratio of 4.25 to 1.0) in connection with certain material acquisitions if we satisfy certain requirements. The Revolver also permits cash in excess of \$175 million to be netted against debt in the calculation of the leverage ratio, subject to certain restrictions.

As of December 31, 2024, we were in compliance with all of our debt covenants.

We do not have any credit rating triggers that would accelerate the maturity of a material amount of the outstanding debt; however, our 2.6% senior notes due 2025, 3.25% senior notes due 2026, 5.1% senior notes due 2027, 5.1% senior notes due 2028, 4.8% senior notes due 2029, 3.1% senior notes due 2030, 2.35% senior notes due 2031 and 7.0% senior notes due 2037 (collectively, the “Senior Notes”) contain change in control provisions. If the Company experiences a change of control or publicly announces an intention to effect a change of control and the rating on the Senior Notes is lowered by Standard & Poor’s (“S&P”) and Moody’s Investors Service (“Moody’s”) below an investment grade rating within 60 days of such change of control or notice thereof, then the Company will be required to offer to repurchase the Senior Notes at a price equal to 101% of the aggregate principal amount of the Senior Notes plus accrued and unpaid interest.

**Credit Ratings.** Credit ratings reflect an independent agency’s judgment on the likelihood that a borrower will repay a debt obligation at maturity. The ratings reflect many considerations, such as the nature of the borrower’s industry and its competitive position, the size of the company, its liquidity and access to capital and the sensitivity of a company’s cash flows to changes in the economy. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency.

A downgrade in our credit rating would increase the cost of borrowings under our CP program and our Revolver, and could limit, or in the case of a significant downgrade, preclude our ability to issue CP. If our credit ratings were to decline to lower levels, we could experience increases in the interest cost for any new debt. In addition, the market’s demand for, and thus our ability to readily issue, new debt could become further affected by the economic and credit market environment. These ratings are subject to change as events and circumstances change.

For additional information about our debt, including the terms of our financing arrangements, basis for variable interest rates and debt covenants, see Note 5 of the Notes to Consolidated Financial Statements in Item 8 of this report.

## Equity Transactions

| Net cash (used in) provided by:                                          | Twelve Months Ended December 31, |            |            | Change        |               |
|--------------------------------------------------------------------------|----------------------------------|------------|------------|---------------|---------------|
|                                                                          | 2024                             | 2023       | 2022       | 2024 vs. 2023 | 2023 vs. 2022 |
|                                                                          | <i>(In millions)</i>             |            |            |               |               |
| Dividends paid to Equifax shareholders                                   | \$ (193.2)                       | \$ (191.8) | \$ (191.1) | \$ (1.4)      | \$ (0.7)      |
| Distributions paid to noncontrolling interests                           | \$ (4.6)                         | \$ (45.6)  | \$ (3.1)   | \$ 41.0       | \$ (42.5)     |
| Proceeds from exercise of stock options and employee stock purchase plan | \$ 78.2                          | \$ 32.3    | \$ 16.9    | \$ 45.9       | \$ 15.4       |

Sources and uses of cash related to equity during the twelve months ended December 31, 2024, 2023 and 2022 were as follows:

- We did not repurchase any shares on the open market in 2024, 2023 or 2022. As of December 31, 2024, under the existing board authorization, the Company is approved for additional stock repurchases of \$520.2 million.
- During the twelve months ended December 31, 2024, 2023 and 2022, we paid cash dividends to Equifax shareholders of \$193.2 million, \$191.8 million and \$191.1 million, respectively, at \$1.56 per share for 2024, 2023 and 2022.

- During the twelve months ended December 31, 2024, we paid dividends to noncontrolling interests of \$4.6 million. During the twelve months ended December 31, 2023, we paid distributions to noncontrolling interests of \$45.6 million. During the twelve months ended December 31, 2022, we paid dividends to noncontrolling interests of \$3.1 million.
- We received cash of \$78.2 million, \$32.3 million, and \$16.9 million during the first twelve months ended December 31, 2024, 2023 and 2022, respectively, from the exercise of stock options and purchases under the employee stock purchase plan.

We anticipate continuing the payment of quarterly cash dividends. The actual amount of such dividends is subject to declaration by our Board of Directors and will depend upon future earnings, results of operations, capital requirements, our financial condition and other relevant factors. There can be no assurance that the Company will continue to pay quarterly cash dividends at current levels or at all.

### **Contractual Obligations, Commercial Commitments and Other Contingencies**

The company's material cash requirements include the following contractual and other obligations. Our plan is to use existing cash balances and funds generated by operating activities to fund our obligations and commitments. If our cash requirements exceed our existing cash balances and funds generated by operations, we will finance future cash requirements with existing borrowing capacity, as necessary. In the event that additional financing is needed, we would finance using the public and private corporate bond markets or syndicated loan markets, if available. The following sections provide details of material cash requirements from known contractual and other obligations as of December 31, 2024.

#### *Debt*

As of December 31, 2024, we had outstanding variable and fixed rate debt with varying maturities for an aggregate principal amount of \$5.0 billion, with \$687.7 million payable within the next twelve months, as detailed further in Note 5 of the Notes to Consolidated Financial Statements in Item 8 of this report. Future interest payments associated with the outstanding variable and fixed rate notes totals \$964.6 million, with \$209.0 million payable within the next twelve months.

We also issue unsecured promissory notes through our Revolver and CP program, with the Revolver set to expire in August 2027. As of December 31, 2024, we had no amount outstanding under our Revolver and \$286.5 million outstanding under our CP program.

#### *Data Processing, Outsourcing Agreements and Other Purchase Obligations*

We utilize several outsourcing partners for services that we outsource associated with our network and security infrastructure, computer data processing operations, applications development, business continuity and recovery services, help desk service and desktop support functions, operation of our voice and data networks, maintenance and related functions and to provide certain other administrative and operational services. These agreements expire between 2025 and 2030. As of December 31, 2024 the estimated aggregate minimum contractual obligation remaining under these agreements is approximately \$1.4 billion, with \$520.9 million payable within the next twelve months.

#### *Pension, Post-Retirement and Deferred Compensation Obligations*

As detailed further in Note 9 of the Notes to Consolidated Financial Statements in Item 8 of this report, we have several pension, post-retirement benefit and deferred compensation plans. Our U.S. Retirement Plan is frozen and is supported by plan assets to fund future payments. We have three supplemental retirement plans for certain key employees which are unfunded. As of December 31, 2024, the total gross obligation for the pension and post-retirement plans was \$451.5 million, with \$42.0 million of benefits expected to be paid within the next twelve months.

We maintain deferred compensation plans for certain management employees and the Board of Directors to defer the receipt of compensation until a later date based on the terms of the plan. As of December 31, 2024, the total obligation for the deferred compensation plans was \$53.0 million, with \$8.8 million expected to be paid within the next twelve months. These obligations exclude those under our deferred stock compensation plans.

#### *Payments to Resolve Certain Legal Proceedings and Investigations*

The Company has made payments to resolve certain legal proceedings and investigations related to the 2017 cybersecurity incident, described more fully in "Item 3. Legal Proceedings" in this Form 10-K. Through 2024, the Company

has made payments of \$802.2 million for legal settlements related to a material cybersecurity incident in 2017. On January 11, 2022, the Consumer Settlement became effective, and on January 24, 2022, we deposited the \$345.0 million remaining to be paid to the Consumer Restitution Fund. The U.K.'s Financial Conduct Authority ("FCA") opened an enforcement investigation against our U.K. subsidiary, Equifax Limited, in October 2017 in connection with the 2017 cybersecurity incident. We received a notice with the FCA's findings on October 13, 2023, and paid a penalty of \$13.5 million to resolve the matter.

### *Leases*

As detailed further in Note 12 of the Notes to Consolidated Financial Statements in Item 8 of this report, our lease arrangements principally involve office space. As of December 31, 2024, our total fixed lease payment obligations were \$157.0 million, with \$36.6 million payable within the next twelve months.

### **Other Planned Uses of Capital**

We will continue to invest in sales, marketing, new product development, security and our technology, as well as continue to make strategic acquisitions that align with our business strategy. Additions to property and equipment will continue in order to support growth in new product development and the completion of our technology transformation, although we expect spending related to capital expenditures for the next twelve months to be down from current levels.

### **Off-Balance Sheet Arrangements**

We do not engage in off-balance sheet financing activities.

### **Letters of Credit and Guarantees**

We will from time to time issue standby letters of credit, performance or surety bonds or other guarantees in the normal course of business. The aggregate notional amount of all performance and surety bonds and standby letters of credit was not material at December 31, 2024, and generally have a remaining maturity of one year or less. Guarantees are issued from time to time to support the needs of our operating units. The maximum potential future payments we could be required to make under the guarantees is not material at December 31, 2024.

### **Benefit Plans**

We sponsor a qualified defined benefit retirement plan, the U.S. Retirement Income Plan ("USRIP"), that covers approximately 5% of current U.S. salaried employees who were hired on or before June 30, 2007, the last date on which an individual could be hired and enter the plan before the USRIP was closed to new participation at December 31, 2008. This plan also covers retirees as well as certain terminated but vested individuals not yet in retirement status.

During the twelve months ended December 31, 2024 and 2023, we made no voluntary contributions to the USRIP. At December 31, 2024, the USRIP met or exceeded ERISA's minimum funding requirements. In the future, we expect to make minimum funding contributions as required and may make discretionary contributions, depending on certain circumstances, including market conditions and our liquidity needs. We believe additional funding contributions, if any, would not prevent us from continuing to meet our liquidity needs, which are primarily funded from cash flows generated by operating activities, available cash and cash equivalents, our CP program and our Revolver.

For our non-U.S. tax-qualified retirement plans, we fund an amount sufficient to meet minimum funding requirements but no more than allowed as a tax deduction pursuant to applicable tax regulations. For our non-qualified supplementary retirement plans, we fund the benefits as they are paid to retired participants, but accrue the associated expense and liabilities in accordance with U.S. GAAP.

For additional information about our benefit plans, see Notes 1 and 9 of the Notes to Consolidated Financial Statements in Item 8 of this report.

### **Effects of Inflation and Changes in Foreign Currency Exchange Rates**

Inflation in the countries in which we operate may result in increases in the Company's expenses, which may not be readily recoverable in the price of services offered. To the extent inflation results in rising U.S. interest rates and has other adverse effects upon the U.S. securities markets and upon the value of financial instruments, it may adversely affect the

Company's financial position and profitability. Increases in U.S. interest rates may also negatively impact the U.S. mortgage market, which may adversely affect the Company's revenue, financial position and profitability.

A portion of the Company's business is conducted in currencies other than the U.S. dollar and changes in foreign exchange rates relative to the U.S. dollar can therefore affect the value of non-U.S. dollar net assets, revenues and expenses. Potential exposures as a result of these fluctuations in currencies are closely monitored. We generally do not mitigate the risks associated with fluctuating exchange rates, although we may from time to time through forward contracts or other derivative instruments, hedge a portion of our translational foreign currency exposure or exchange rate risks associated with material transactions which are denominated in a foreign currency.

## **RECENT ACCOUNTING PRONOUNCEMENTS**

For information about new accounting pronouncements and the potential impact on our Consolidated Financial Statements, see Note 1 of the Notes to Consolidated Financial Statements in Item 8 of this report.

## **APPLICATION OF CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The Company's Consolidated Financial Statements are prepared in conformity with U.S. generally accepted accounting principles, or GAAP. This requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in our Consolidated Financial Statements and the Notes to Consolidated Financial Statements. The following accounting policies involve critical accounting estimates because they are particularly dependent on estimates and assumptions made by management about matters that are uncertain at the time the accounting estimates are made. In addition, while we have used our best estimates based on facts and circumstances available to us at the time, different estimates reasonably could have been used in the current period, or changes in the accounting estimates that we used are reasonably likely to occur from period to period, either of which may have a material impact on the presentation of our Consolidated Balance Sheets, Statements of Income and Statements of Comprehensive Income. We also have other significant accounting policies which involve the use of estimates, judgments and assumptions that are relevant to understanding our results. For additional information about these policies, see Note 1 of the Notes to Consolidated Financial Statements in Item 8 of this report. Although we believe that our estimates, assumptions and judgments are reasonable, they are based upon information available at the time. Actual results may differ significantly from these estimates under different assumptions, judgments or conditions.

### **Revenue Recognition**

In accordance with Accounting Standards Codification ("ASC") 606, "Revenue from Contracts with Customers," we recognize revenue when a performance obligation has been satisfied by transferring a promised good or service to a customer and the customer obtains control of the good or service. In order to recognize revenue, we note that the two parties must have an agreement that creates enforceable rights, the performance obligations must be distinct and the transaction price can be determined. Our revenue is derived from the provision of information services to our customers on a transactional basis, in which distinct services are delivered over time as the customer simultaneously receives and consumes the benefits of the services delivered. To measure our performance over time, the output method is utilized to measure the value to the customer based on the transfer to date of the services promised, with no rights of return once consumed. In these cases, revenue on transactional contracts with a defined price but an undefined quantity is recognized utilizing the right to invoice expedient resulting in revenue being recognized when the service is provided and billed. Additionally, multi-year contracts with defined pricing but an undefined quantity that utilize tier pricing would be defined as a series of distinct performance obligations satisfied over time utilizing the same method of measurement, the output method, with no rights of return once consumed. This measurement method is applied on a monthly basis resulting in revenue being recognized when the service is provided and billed.

Additionally, we recognize revenue from subscription-based contracts under which a customer pays a preset fee for a predetermined or unlimited number of transactions or services provided during the subscription period, generally one year. Revenue from subscription-based contracts having a preset number of transactions is recognized as the services are provided, using an effective transaction rate as the actual transactions are delivered. Any remaining revenue related to unfulfilled units is not recognized until the end of the related contract's subscription period. Revenue from subscription-based contracts having an unlimited volume is recognized ratably during the contract term. Multi-year subscription contracts are analyzed to determine the full contract transaction price over the term of the contract and the subsequent price is ratably recognized over the full term of the contract.

Revenue is recorded net of sales taxes.

If at the outset of an arrangement, we determine that collectability is not reasonably assured, revenue is deferred until the earlier of when collectability becomes probable or the receipt of payment from the customer. If there is uncertainty as to the customer's acceptance of the performance obligation, revenue is not recognized until the earlier of receipt of customer acceptance or expiration of the acceptance period.

Certain costs incurred prior to the satisfaction of a performance obligation are deferred as contract costs and are amortized on a systematic basis consistent with the pattern of transfer of the related goods and services. These costs generally consist of labor costs directly relating to the implementation and setup of the contract.

*Contract Balances* – The contract balances are generated when revenue recognized varies from billing in a given period. A contract asset is created when an entity transfers a good or service to a customer and recognizes more revenue than what has been billed. As of December 31, 2024, the contract asset balance was \$18.9 million. A contract liability is created when an entity transfers a good or service to a customer and recognizes less than what has been billed. Deferred revenue is recognized when we have an obligation to transfer goods or services to a customer and have already received consideration from the customer. We generally expect to recognize our deferred revenue as revenue within twelve months of being recorded based on the terms of the contracts.

## Goodwill

Goodwill is tested for impairment annually (as of December 1) and between annual tests if events occur or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. These events or circumstances could include a significant change in the business climate, legal factors, operating performance or trends, competition, or sale or disposition of a significant portion of a reporting unit. We have six reporting units, comprised of Workforce Solutions, USIS, Asia Pacific, Latin America, Europe and Canada.

We performed a qualitative assessment to determine whether further impairment testing was necessary for our Workforce Solutions, USIS, Latin America, Europe and Canada reporting units. In this qualitative assessment, we considered the following items for each of the reporting units: macroeconomic conditions, industry and market conditions, overall financial performance and other entity specific events. In addition, for each of these reporting units, the most recent fair value determination resulted in an amount that significantly exceeded the carrying amount of the reporting units. Based on these assessments, we determined the likelihood that a current fair value determination would be less than the current carrying amount of the reporting unit is not more likely than not. As a result of our conclusions, no further testing was required for these reporting units.

The goodwill balance at December 31, 2024, for our six reporting units was as follows:

|                     | <b>December 31, 2024</b> |
|---------------------|--------------------------|
|                     | <i>(In millions)</i>     |
| Workforce Solutions | \$ 2,519.8               |
| USIS                | 2,006.2                  |
| Asia Pacific        | 1,260.5                  |
| Latin America       | 494.9                    |
| Europe              | 175.3                    |
| Canada              | 91.1                     |
| Total goodwill      | <u>\$ 6,547.8</u>        |

## Valuation Techniques

We performed a quantitative assessment for our Asia Pacific reporting unit to determine whether impairment exists from the most recent valuation date due to the size of the cushion. In determining the fair value of the reporting unit, we used a combination of the income and market approaches to estimate the reporting unit's business enterprise value. We assess the valuation methodology based upon the relevance and availability of the data at the time we perform the valuation. If multiple valuation methodologies are used, the results are weighted appropriately. We engaged a third party specialist to assist in developing these estimates and valuation approaches.

Under the income approach, we calculate the fair value of a reporting unit based on estimated future discounted cash flows which require assumptions about short and long-term revenue growth rates, operating margins for the reporting unit,

discount rates, foreign currency exchange rates and estimates of capital expenditures. The assumptions we use are based on what we believe a hypothetical marketplace participant would use in estimating fair value. Under the market approach, we estimate the fair value based on market multiples of earnings before income taxes, depreciation and amortization, for benchmark companies or guideline transactions. We believe the benchmark companies used for our Asia Pacific reporting unit serve as an appropriate input for calculating a fair value for the reporting unit as those benchmark companies have similar risks, participate in similar markets, provide similar services for their customers and compete with us directly. The companies we use as benchmarks are principally outlined in our discussion of Competition in Item 1 of this Form 10-K and have not significantly changed since our last annual impairment test. Valuation multiples were selected based on a financial benchmarking analysis that compared the reporting unit's operating result with the comparable companies' information. In addition to these financial considerations, qualitative factors such as variations in growth opportunities and overall risk among the benchmark companies were considered in the ultimate selection of the multiple.

Given the lower historical cushion of concluded fair value in excess of carrying value for our Asia Pacific reporting unit, we used a combination of the income and market approaches to estimate our Asia Pacific reporting unit's business enterprise value. The values separately derived from each of the income and market approach valuation techniques were used to develop an overall estimate of the Asia Pacific reporting unit's fair value. This approach relies more heavily on the calculated fair value derived from the income approach with 70% of the value coming from the income approach. We believe this approach is consistent with that of a market participant in valuing prospective purchase business combinations. The selection and weighting of the various fair value techniques may result in a higher or lower fair value. Judgment is applied in determining the weightings that are most representative of fair value.

We have not made any material changes to the valuation methodology we use to assess goodwill impairment since the date of our last annual impairment test.

The estimated fair value of the Asia Pacific reporting unit is derived from the valuation techniques described above incorporating the related projections and assumptions. Impairment occurs when the estimated fair value of the reporting unit is below the carrying value. The estimated fair value for all of our Asia Pacific reporting unit exceeded its related carrying value as of December 1, 2024. As a result, no goodwill impairment was recorded.

#### *Growth Assumptions*

The assumptions for our future cash flows begin with our historical operating performance, the details of which are described in our Management's Discussion & Analysis of operating performance. Additionally, we consider the impact that known economic, industry and market trends, including the impact of rising interest rates and inflation, will have on our future forecasts, as well as the impact that we expect from planned business initiatives including new product initiatives, client service and retention standards, and cost management programs. At the end of the forecast period, the long-term growth rate we used to determine the terminal value of our Asia Pacific reporting unit was between 3.0% and 5.0% based on management's assessment of the minimum expected terminal growth rate of the reporting unit, as well as broader economic considerations such as GDP, inflation and the maturity of the markets we serve.

We projected revenue growth in 2025 for our Asia Pacific reporting unit in completing our 2024 impairment testing based on planned business initiatives and prevailing trends exhibited by this reporting unit. The anticipated revenue growth in this reporting unit, however, is partially offset by assumed increases in expenses and capital expenditures for the reporting unit, which reflects the additional level of investment needed in order to achieve the planned revenue growth and completion of our technology transformation initiatives.

#### *Discount Rate Assumptions*

We utilize a weighted average cost of capital, or WACC, in our impairment analysis that makes assumptions about the capital structure that we believe a market participant would make and include a risk premium based on an assessment of risks related to the projected cash flows for the reporting unit. We believe this approach yields a discount rate that is consistent with an implied rate of return that a market participant would require for an investment in a company having similar risks and business characteristics to the reporting unit being assessed. To calculate the WACC, the cost of equity and cost of debt are multiplied by the assumed capital structure of the reporting unit as compared to industry trends and relevant benchmark company structures. The cost of equity was computed using the Capital Asset Pricing Model which considers the risk-free interest rate, beta, equity risk premium and specific company risk premium related to a particular reporting unit. The cost of debt was computed using a benchmark rate and the reporting unit's tax rate. For the 2024 annual goodwill impairment evaluation, the discount rate used to develop the estimated fair value of the Asia Pacific reporting unit was consistent with the discount rate used in 2023 and ranged between 10.0% and 11.5%.



## *Estimated Fair Value and Sensitivities*

The estimated fair value of the Asia Pacific reporting unit is highly sensitive to changes in these projections and assumptions; therefore, in some instances, changes in these assumptions could impact whether the fair value of a reporting unit is greater than its carrying value. For example, an increase in the discount rate and decline in the projected cumulative cash flow of a reporting unit could cause the fair value of certain reporting units to be below its carrying value. We perform sensitivity analyses around these assumptions in order to assess the reasonableness of the assumptions and the resulting estimated fair values. Ultimately, future potential changes in these assumptions may impact the estimated fair value of a reporting unit and cause the fair value of the reporting unit to be below its carrying value. Due to the lower cushion when compared to other reporting units, Asia Pacific is more sensitive to changes in the assumptions noted above that could result in a fair value that is less than its carrying value. The excess of fair value over carrying value for the Asia Pacific reporting unit was greater than 10% as of December 1, 2024.

Given the relatively smaller excess of fair value over carrying value for the Asia Pacific reporting unit, we believe that it is at risk of a possible future goodwill impairment. The future impact of changes in economic conditions, including rising interest rates and inflation, remains uncertain. Avoidance of a future impairment will be dependent on continued growth during current economic conditions and our ability to execute on initiatives to grow revenue and operating margin and manage expenses prudently. We will continue to monitor the performance of this reporting unit to ensure no interim indications of possible impairment have occurred before our next annual goodwill impairment assessment in December 2025.

## **Loss Contingencies**

We are subject to various proceedings, lawsuits and claims arising in the normal course of our business. We determine whether to disclose and/or accrue for loss contingencies based on our assessment of whether the potential loss is estimable, probable, reasonably possible or remote.

*Judgments and uncertainties* — We periodically review claims and legal proceedings and assess whether we have potential financial exposure based on consultation with internal and outside legal counsel and other advisors. If the likelihood of an adverse outcome from any claim or legal proceeding is probable and the amount can be reasonably estimated, we record a liability on our Consolidated Balance Sheets for the estimated amount. If the likelihood of an adverse outcome is reasonably possible, but not probable, we provide disclosures related to the potential loss contingency. Our assumptions related to loss contingencies are inherently subjective.

*Effect if actual results differ from assumptions* — We do not believe there is a reasonable likelihood that there will be a material change in the future estimates or assumptions we use to determine loss contingencies. However, if facts and circumstances change in the future that change our belief regarding assumptions used to determine our estimates, we may be exposed to a loss that could be material.

## **Income Taxes**

We record deferred income taxes using enacted tax laws and rates for the years in which the taxes are expected to be paid. We assess the likelihood that our deferred tax assets will be recovered from future taxable income or other tax planning strategies. To the extent that we believe that recovery is not likely, we must establish a valuation allowance to reduce the deferred tax assets to the amount we estimate will be recoverable.

Our income tax provisions are based on assumptions and calculations which will be subject to examination by various tax authorities. We record tax benefits for positions in which we believe are more likely than not of being sustained under such examinations. We assess the potential outcome of such examinations to determine the adequacy of our income tax accruals.

*Judgments and uncertainties* — We consider accounting for income taxes critical because management is required to make significant judgments in determining our provision for income taxes, our deferred tax assets and liabilities, and our future taxable income for purposes of assessing our ability to realize any future benefit from our deferred tax assets. These judgments and estimates are affected by our expectations of future taxable income, mix of earnings among different taxing jurisdictions, and timing of the reversal of deferred tax assets and liabilities.

We also use our judgment to determine whether it is more likely than not that we will sustain positions that we have taken on tax returns and, if so, the amount of benefit to initially recognize within our financial statements. We review our uncertain tax positions and adjust our unrecognized tax benefits in light of changes in facts and circumstances, such as changes

in tax law, interactions with taxing authorities and developments in case law. These adjustments to our unrecognized tax benefits may affect our income tax expense. Settlement of uncertain tax positions may require use of our cash. At December 31, 2024, \$42.9 million was recorded for uncertain tax benefits, including interest and penalties, of which it is reasonably possible that up to \$15.8 million of our unrecognized tax benefit may change within the next twelve months.

*Effect if actual results differ from assumptions* — Although management believes that the judgments and estimates discussed herein are reasonable, actual results could differ, and we may be exposed to increases or decreases in income tax expense that could be material.

### **Purchase Accounting for Acquisitions**

We account for acquisitions under Accounting Standards Codification 805, Business Combinations. In general, the acquisition method of accounting requires companies to record assets acquired and liabilities assumed at their respective fair market values at the date of acquisition. We primarily estimate fair value of identified intangible assets using discounted cash flow analyses based on market participant based inputs. Any amount of the purchase price paid that is in excess of the estimated fair values of net assets acquired is recorded in the line item Goodwill in our Consolidated Balance Sheets. Transaction costs, as well as costs to reorganize acquired companies, are expensed as incurred in our Consolidated Statements of Income.

*Judgments and uncertainties* — We consider accounting for business combinations critical because management's judgment is used to determine the estimated fair values assigned to assets acquired and liabilities assumed and amortization periods for intangible assets which can materially affect our results of operations.

*Effect if actual results differ from assumptions* — Although management believes that the judgments and estimates discussed herein are reasonable, actual results could differ and we may be exposed to an impairment charge if we are unable to recover the value of the recorded net assets.

## **ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

In the normal course of our business, we are exposed to market risk, primarily from changes in foreign currency exchange rates and interest rates that could impact our results of operations and financial position. We manage our exposure to these market risks through our regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments, such as interest rate swaps, to hedge certain of these exposures. We use derivative financial instruments as risk management tools and not for speculative or trading purposes.

### **Foreign Currency Exchange Rate Risk**

A substantial majority of our revenue, expense and capital expenditure activities are transacted in U.S. dollars. However, we do transact business in other currencies, primarily the Australian dollar, the Canadian dollar, the British pound, the Brazilian real, the Chilean peso, the Argentine peso and the Euro. For most of these foreign currencies, we are a net recipient, and, therefore, benefit from a weaker U.S. dollar and are adversely affected by a stronger U.S. dollar relative to the foreign currencies in which we transact significant amounts of business.

We are required to translate, or express in U.S. dollars, the assets and liabilities of our foreign subsidiaries that are denominated or measured in foreign currencies at the applicable year-end rate of exchange on our Consolidated Balance Sheets and income statement items of our foreign subsidiaries at the average rates prevailing during the year. We record the resulting translation adjustment, and gains and losses resulting from the translation of intercompany balances of a long-term investment nature within other comprehensive income, as a component of our shareholders' equity. Foreign currency transaction gains and losses, which have historically been immaterial, are recorded on our Consolidated Statements of Income. We generally do not mitigate the risks associated with fluctuating exchange rates, although we may from time to time through forward contracts or other derivative instruments hedge a portion of our translational foreign currency exposure or exchange rate risks associated with material transactions which are denominated in a foreign currency.

For the year ended December 31, 2024, a 10% weaker U.S. dollar against the currencies of all foreign countries in which we had operations during 2024 would have increased our revenue by \$134.4 million and our pre-tax operating profit by \$13.3 million. For the year ended December 31, 2023, a 10% weaker U.S. dollar against the currencies of all foreign countries in which we had operations during 2023 would have increased our revenue by \$116.0 million and our pre-tax operating profit by \$9.9 million. A 10% stronger U.S. dollar would have resulted in similar decreases to our revenue and pre-tax operating profit for 2024 and 2023.

On average across our mix of international businesses, foreign currencies at December 31, 2024 were weaker against the U.S. dollar than the average foreign exchange rates that prevailed across the full year 2023. As a result, if foreign exchange rates were unchanged throughout 2024, foreign exchange translation would increase growth as reported in U.S. dollars. As foreign exchange rates change daily, there can be no assurance that foreign exchange rates will remain constant throughout 2025, and rates could go either higher or lower.

### **Interest Rate Risk**

Our exposure to market risk for changes in interest rates relates to our variable-rate commercial paper and Revolver borrowings. We attempt to achieve the lowest all-in weighted-average cost of debt while simultaneously taking into account the mix of our fixed- and variable-rate debt and the average life and scheduled maturities of our debt. At December 31, 2024, our weighted average cost of debt was 4.1% and weighted-average life of debt was 4.36 years. At December 31, 2024, 94% of our debt was fixed-rate and the remaining 6% was variable-rate. Occasionally, we use derivatives to manage our exposure to changes in interest rates by entering into interest rate swaps. A 100 basis point increase in the weighted-average interest rate on our variable-rate debt would have increased our 2024 interest expense by \$2.9 million.

Based on the amount of outstanding variable-rate debt, we have exposure to interest rate risk. In the future, if our mix of fixed-rate and variable-rate debt were to change due to additional borrowings under existing or new variable-rate debt, we could have additional exposure to interest rate risk. The nature and amount of our long-term and short-term debt, as well as the proportionate amount of fixed-rate and variable-rate debt, can be expected to vary as a result of future business requirements, market conditions and other factors.

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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| Consolidated Statements of Comprehensive Income (Loss) for each of the three years in the period ended December 31, 2024                                   | 59 |
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| Notes to Consolidated Financial Statements                                                                                                                 | 64 |

## **Report of Independent Registered Public Accounting Firm**

To the Shareholders and the Board of Directors of Equifax Inc.

### **Opinion on Internal Control Over Financial Reporting**

We have audited Equifax Inc.'s internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Equifax Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income (loss), cash flows and shareholders' equity and accumulated other comprehensive loss for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) and our report dated February 20, 2025 expressed an unqualified opinion thereon.

### **Basis for Opinion**

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### **Definition and Limitations of Internal Control Over Financial Reporting**

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

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

/s/ Ernst & Young LLP

Atlanta, Georgia  
February 20, 2025

## **Report of Independent Registered Public Accounting Firm**

To the Shareholders and the Board of Directors of Equifax Inc.

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Equifax Inc. (the Company) as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income (loss), cash flows and shareholders' equity and accumulated other comprehensive loss for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 20, 2025 expressed an unqualified opinion thereon.

### **Basis for Opinion**

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

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

### **Critical Audit Matter**

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

*Description of the Matter*

***Goodwill impairment test for the Asia Pacific reporting unit***

At December 31, 2024, the Company's goodwill was \$6.5 billion and the goodwill attributed to the Asia Pacific reporting unit was \$1.3 billion. As discussed in Note 4 of the consolidated financial statements, goodwill is tested for impairment at least annually at the reporting unit level. The Company's goodwill is initially assigned to its reporting units as of the acquisition date. The Company determined that a quantitative impairment test was required for the Asia Pacific reporting unit. Therefore, the Company determined the fair value of this reporting unit as of the annual goodwill impairment testing date.

In relation to the limited excess fair value of the Asia Pacific reporting unit over the carrying value of the net assets of the reporting unit, auditing management's annual goodwill impairment test for the Asia Pacific reporting unit required judgement due to the estimation required in determining the fair value of the reporting unit. In particular, the fair value estimate was sensitive to significant assumptions such as the revenue growth rate, projected EBITDA margins, long-term growth rate, and weighted average cost of capital, which are affected by expectations about future market or economic conditions and the economic performance of the Asia Pacific reporting unit.

*How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's process to quantitatively test the Company's Asia Pacific reporting unit's goodwill balance for impairment including among others, controls related to management's review of the significant assumptions described above and resulting fair value for the Asia Pacific reporting unit.

To test the estimated fair value of the Asia Pacific reporting unit used in the annual goodwill impairment test, we performed audit procedures that included, among others, assessing the methodologies used to determine the fair value of the Asia Pacific reporting unit, testing the significant assumptions discussed above and testing the underlying data used by the Company in its analysis. We compared the significant assumptions used by management to historical results and current industry and economic trends. We also evaluated any identified contrary evidence, assessed the historical accuracy of management's estimates and performed sensitivity analyses of significant assumptions to evaluate the changes in the fair value of the reporting unit that would result from changes in the assumptions. In addition, we utilized more experienced members of the audit team and involved our internal valuation specialists to assist in the evaluation and testing of the significant valuation assumptions discussed above.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2002.

Atlanta, Georgia  
February 20, 2025

## CONSOLIDATED STATEMENTS OF INCOME

|                                                                                                         | Twelve Months Ended<br>December 31, |            |            |
|---------------------------------------------------------------------------------------------------------|-------------------------------------|------------|------------|
|                                                                                                         | 2024                                | 2023       | 2022       |
| <i>(In millions, except per share amounts)</i>                                                          |                                     |            |            |
| Operating revenue                                                                                       | \$ 5,681.1                          | \$ 5,265.2 | \$ 5,122.2 |
| Operating expenses:                                                                                     |                                     |            |            |
| Cost of services (exclusive of depreciation and amortization below)                                     | 2,518.7                             | 2,335.1    | 2,177.2    |
| Selling, general and administrative expenses                                                            | 1,450.5                             | 1,385.7    | 1,328.9    |
| Depreciation and amortization                                                                           | 669.8                               | 610.8      | 560.1      |
| Total operating expenses                                                                                | 4,639.0                             | 4,331.6    | 4,066.2    |
| Operating income                                                                                        | 1,042.1                             | 933.6      | 1,056.0    |
| Interest expense                                                                                        | (229.1)                             | (241.4)    | (183.0)    |
| Other (expense) income, net                                                                             | (2.5)                               | 25.7       | 56.7       |
| Consolidated income before income taxes                                                                 | 810.5                               | 717.9      | 929.7      |
| Provision for income taxes                                                                              | (203.2)                             | (166.2)    | (229.5)    |
| Consolidated net income                                                                                 | 607.3                               | 551.7      | 700.2      |
| Less: Net income attributable to noncontrolling interests including redeemable noncontrolling interests | (3.2)                               | (6.4)      | (4.0)      |
| Net income attributable to Equifax                                                                      | \$ 604.1                            | \$ 545.3   | \$ 696.2   |
| Basic earnings per common share:                                                                        |                                     |            |            |
| Net income attributable to Equifax                                                                      | \$ 4.88                             | \$ 4.44    | \$ 5.69    |
| Weighted-average shares used in computing basic earnings per share                                      | 123.8                               | 122.9      | 122.4      |
| Diluted earnings per common share:                                                                      |                                     |            |            |
| Net income attributable to Equifax                                                                      | \$ 4.84                             | \$ 4.40    | \$ 5.65    |
| Weighted-average shares used in computing diluted earnings per share                                    | 124.9                               | 123.9      | 123.3      |
| Dividends per common share                                                                              | \$ 1.56                             | \$ 1.56    | \$ 1.56    |

See Notes to Consolidated Financial Statements.



# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

| Twelve Months Ended December 31,                                                                             |                          |           |          |          |                                                         |                          |          |        |          |
|--------------------------------------------------------------------------------------------------------------|--------------------------|-----------|----------|----------|---------------------------------------------------------|--------------------------|----------|--------|----------|
| 2024                                                                                                         |                          |           |          |          | 2023                                                    |                          |          |        |          |
| Noncontrolling Interests including Redeemable Interests                                                      |                          |           | Total    |          | Noncontrolling Interests including Redeemable Interests |                          |          | Total  |          |
| Equifax Shareholders                                                                                         | Noncontrolling Interests |           |          |          | Equifax Shareholders                                    | Noncontrolling Interests |          |        |          |
| (In millions)                                                                                                |                          |           |          |          |                                                         |                          |          |        |          |
| Net income                                                                                                   | \$ 604.1                 | \$ 3.2    | \$ 607.3 | \$ 545.3 | \$ 6.4                                                  | \$ 551.7                 | \$ 696.2 | \$ 4.0 | \$ 700.2 |
| Other comprehensive (loss) income:                                                                           |                          |           |          |          |                                                         |                          |          |        |          |
| Foreign currency translation adjustment                                                                      | (291.7)                  | (29.3)    | (321.0)  | 42.6     | (0.5)                                                   | 42.1                     | (176.8)  | (0.8)  | (177.6)  |
| Change in unrecognized prior service cost related to our pension and other postretirement benefit plans, net | 0.1                      | —         | 0.1      | (0.2)    | —                                                       | (0.2)                    | (1.5)    | —      | (1.5)    |
| Change in cumulative gain from cash flow hedging transactions, net                                           | 0.1                      | —         | 0.1      | 0.1      | —                                                       | 0.1                      | —        | —      | —        |
| Other comprehensive (loss) income                                                                            | (291.5)                  | (29.3)    | (320.8)  | 42.5     | (0.5)                                                   | 42.0                     | (178.3)  | (0.8)  | (179.1)  |
| Comprehensive income (loss)                                                                                  | \$ 312.6                 | \$ (26.1) | \$ 286.5 | \$ 587.8 | \$ 5.9                                                  | \$ 593.7                 | \$ 517.9 | \$ 3.2 | \$ 521.1 |

See Notes to Consolidated Financial Statements.

## CONSOLIDATED BALANCE SHEETS

|                                                                                                                                                                                                  | December 31, |             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|
|                                                                                                                                                                                                  | 2024         | 2023        |
| <i>(In millions, except par values)</i>                                                                                                                                                          |              |             |
| <b>ASSETS</b>                                                                                                                                                                                    |              |             |
| Current assets:                                                                                                                                                                                  |              |             |
| Cash and cash equivalents                                                                                                                                                                        | \$ 169.9     | \$ 216.8    |
| Trade accounts receivable, net of allowance for doubtful accounts of \$16.9 and \$16.7 at December 31, 2024 and 2023, respectively                                                               | 957.6        | 908.2       |
| Prepaid expenses                                                                                                                                                                                 | 134.9        | 142.5       |
| Other current assets                                                                                                                                                                             | 98.2         | 88.8        |
| Total current assets                                                                                                                                                                             | 1,360.6      | 1,356.3     |
| Property and equipment:                                                                                                                                                                          |              |             |
| Capitalized internal-use software and system costs                                                                                                                                               | 2,817.5      | 2,541.0     |
| Data processing equipment and furniture                                                                                                                                                          | 229.6        | 247.9       |
| Land, buildings and improvements                                                                                                                                                                 | 285.0        | 272.9       |
| Total property and equipment                                                                                                                                                                     | 3,332.1      | 3,061.8     |
| Less accumulated depreciation and amortization                                                                                                                                                   | (1,440.2)    | (1,227.8)   |
| Total property and equipment, net                                                                                                                                                                | 1,891.9      | 1,834.0     |
| Goodwill                                                                                                                                                                                         | 6,547.8      | 6,829.9     |
| Indefinite-lived intangible assets                                                                                                                                                               | 94.7         | 94.8        |
| Purchased intangible assets, net                                                                                                                                                                 | 1,521.0      | 1,858.8     |
| Other assets, net                                                                                                                                                                                | 343.4        | 306.2       |
| Total assets                                                                                                                                                                                     | \$ 11,759.4  | \$ 12,280.0 |
| <b>LIABILITIES AND EQUITY</b>                                                                                                                                                                    |              |             |
| Current liabilities:                                                                                                                                                                             |              |             |
| Short-term debt and current maturities of long-term debt                                                                                                                                         | \$ 687.7     | \$ 963.4    |
| Accounts payable                                                                                                                                                                                 | 138.2        | 197.6       |
| Accrued expenses                                                                                                                                                                                 | 251.1        | 245.1       |
| Accrued salaries and bonuses                                                                                                                                                                     | 215.8        | 168.7       |
| Deferred revenue                                                                                                                                                                                 | 115.5        | 109.5       |
| Other current liabilities                                                                                                                                                                        | 403.2        | 334.7       |
| Total current liabilities                                                                                                                                                                        | 1,811.5      | 2,019.0     |
| Long-term debt                                                                                                                                                                                   | 4,322.8      | 4,747.8     |
| Deferred income tax liabilities, net                                                                                                                                                             | 351.6        | 474.9       |
| Long-term pension and other postretirement benefit liabilities                                                                                                                                   | 106.7        | 100.1       |
| Other long-term liabilities                                                                                                                                                                      | 247.2        | 250.7       |
| Total liabilities                                                                                                                                                                                | 6,839.8      | 7,592.5     |
| Commitments and Contingencies (see Note 6)                                                                                                                                                       |              |             |
| Redeemable noncontrolling interests                                                                                                                                                              | 105.2        | 135.1       |
| Equifax shareholders' equity:                                                                                                                                                                    |              |             |
| Preferred stock, \$0.01 par value: Authorized shares - 10.0; Issued shares - none                                                                                                                | —            | —           |
| Common stock, \$1.25 par value: Authorized shares - 300.0; Issued shares - 189.3 at December 31, 2024 and 2023; Outstanding shares - 124.0 and 123.3 at December 31, 2024 and 2023, respectively | 236.6        | 236.6       |
| Paid-in capital                                                                                                                                                                                  | 1,915.2      | 1,761.3     |
| Retained earnings                                                                                                                                                                                | 6,018.6      | 5,608.6     |
| Accumulated other comprehensive loss                                                                                                                                                             | (722.7)      | (431.2)     |
| Treasury stock, at cost, 64.7 shares and 65.4 shares at December 31, 2024 and 2023, respectively                                                                                                 | (2,644.9)    | (2,635.3)   |
| Stock held by employee benefits trusts, at cost, 0.6 shares at December 31, 2024 and 2023                                                                                                        | (5.9)        | (5.9)       |
| Total Equifax shareholders' equity                                                                                                                                                               | 4,796.9      | 4,534.1     |
| Noncontrolling interests                                                                                                                                                                         | 17.5         | 18.3        |
| Total shareholders' equity                                                                                                                                                                       | 4,814.4      | 4,552.4     |
| Total liabilities, redeemable noncontrolling interests, and shareholders' equity                                                                                                                 | \$ 11,759.4  | \$ 12,280.0 |

See Notes to Consolidated Financial Statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| <i>(In millions)</i>                                                                           | Twelve Months Ended<br>December 31, |          |          |
|------------------------------------------------------------------------------------------------|-------------------------------------|----------|----------|
|                                                                                                | 2024                                | 2023     | 2022     |
| Operating activities:                                                                          |                                     |          |          |
| Consolidated net income                                                                        | \$ 607.3                            | \$ 551.7 | \$ 700.2 |
| Adjustments to reconcile consolidated net income to net cash provided by operating activities: |                                     |          |          |
| Depreciation and amortization                                                                  | 680.6                               | 619.8    | 568.6    |
| Stock-based compensation expense                                                               | 81.6                                | 71.8     | 62.6     |
| Deferred income taxes                                                                          | (66.9)                              | (70.2)   | 88.1     |
| Gain on fair market value adjustment and gain on sale of equity investments                    | —                                   | (13.8)   | (36.8)   |
| Changes in assets and liabilities, excluding effects of acquisitions:                          |                                     |          |          |
| Accounts receivable, net                                                                       | (66.3)                              | (23.3)   | (138.6)  |
| Other assets, current and long-term                                                            | (29.5)                              | (13.0)   | (22.4)   |
| Current and long-term liabilities, excluding debt                                              | 117.7                               | (6.2)    | (464.6)  |
| Cash provided by operating activities                                                          | 1,324.5                             | 1,116.8  | 757.1    |
| Investing activities:                                                                          |                                     |          |          |
| Capital expenditures                                                                           | (511.5)                             | (601.3)  | (624.5)  |
| Acquisitions, net of cash acquired                                                             | —                                   | (283.8)  | (433.8)  |
| Cash received from divestitures                                                                | —                                   | 6.9      | 98.8     |
| Cash used in investing activities                                                              | (511.5)                             | (878.2)  | (959.5)  |
| Financing activities:                                                                          |                                     |          |          |
| Net short-term borrowings (payments)                                                           | 91.2                                | (371.2)  | 242.2    |
| Payments on long-term debt                                                                     | (1,445.6)                           | (579.3)  | (500.0)  |
| Proceeds from issuance of long-term debt                                                       | 649.8                               | 872.9    | 749.3    |
| Dividends paid to Equifax shareholders                                                         | (193.2)                             | (191.8)  | (191.1)  |
| Distributions paid to noncontrolling interests                                                 | (4.6)                               | (45.6)   | (3.1)    |
| Proceeds from exercise of stock options and employee stock purchase plan                       | 78.2                                | 32.3     | 16.9     |
| Payment of taxes related to settlement of equity awards                                        | (16.8)                              | (17.3)   | (33.9)   |
| Purchase of redeemable noncontrolling interests                                                | —                                   | —        | (0.4)    |
| Debt issuance costs                                                                            | (5.4)                               | (6.2)    | (6.2)    |
| Cash (used in) provided by financing activities                                                | (846.4)                             | (306.2)  | 273.7    |
| Effect of foreign currency exchange rates on cash and cash equivalents                         | (13.5)                              | (0.8)    | (10.8)   |
| (Decrease) increase in cash and cash equivalents                                               | (46.9)                              | (68.4)   | 60.5     |
| Cash and cash equivalents, beginning of period                                                 | 216.8                               | 285.2    | 224.7    |
| Cash and cash equivalents, end of period                                                       | \$ 169.9                            | \$ 216.8 | \$ 285.2 |

See Notes to Consolidated Financial Statements.

# CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND ACCUMULATED OTHER COMPREHENSIVE LOSS

|                                                                              | Equifax Shareholders |          |                 |                   |                                      |                |                                        |                          |                            |
|------------------------------------------------------------------------------|----------------------|----------|-----------------|-------------------|--------------------------------------|----------------|----------------------------------------|--------------------------|----------------------------|
|                                                                              | Common Stock         |          | Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive Loss | Treasury Stock | Stock Held By Employee Benefits Trusts | Noncontrolling Interests | Total Shareholders' Equity |
|                                                                              | Shares Outstanding   | Amount   |                 |                   |                                      |                |                                        |                          |                            |
| <i>(In millions, except per share values)</i>                                |                      |          |                 |                   |                                      |                |                                        |                          |                            |
| Balance, December 31, 2021                                                   | 122.1                | \$ 236.6 | \$1,536.7       | \$4,751.6         | \$ (295.4)                           | \$ (2,639.2)   | \$ (5.9)                               | \$ 16.8                  | \$ 3,601.2                 |
| Net income                                                                   | —                    | —        | —               | 696.2             | —                                    | —              | —                                      | 4.0                      | 700.2                      |
| Other comprehensive loss                                                     | —                    | —        | —               | —                 | (178.3)                              | —              | —                                      | (0.8)                    | (179.1)                    |
| Shares issued under stock and benefit plans, net of minimum tax withholdings | 0.4                  | —        | (5.5)           | —                 | —                                    | (11.5)         | —                                      | —                        | (17.0)                     |
| Cash dividends (\$1.56 per share)                                            | —                    | —        | —               | (191.8)           | —                                    | —              | —                                      | —                        | (191.8)                    |
| Dividends paid to employee benefits trusts                                   | —                    | —        | 0.7             | —                 | —                                    | —              | —                                      | —                        | 0.7                        |
| Stock-based compensation expense                                             | —                    | —        | —               | 62.6              | —                                    | —              | —                                      | —                        | 62.6                       |
| Dividends paid to noncontrolling interests                                   | —                    | —        | —               | —                 | —                                    | —              | —                                      | (3.1)                    | (3.1)                      |
| Purchases of noncontrolling and redeemable noncontrolling interests          | —                    | —        | (0.3)           | —                 | —                                    | —              | —                                      | (0.1)                    | (0.4)                      |
| Balance, December 31, 2022                                                   | 122.5                | 236.6    | 1,594.2         | 5,256.0           | (473.7)                              | (2,650.7)      | (5.9)                                  | 16.8                     | 3,973.3                    |
| Net income                                                                   | —                    | —        | —               | 545.3             | —                                    | —              | —                                      | 4.9                      | 550.2                      |
| Other comprehensive income (loss)                                            | —                    | —        | —               | —                 | 42.5                                 | —              | —                                      | (0.5)                    | 42.0                       |
| Shares issued under stock and benefit plans, net of minimum tax withholdings | 0.3                  | —        | 19.1            | —                 | —                                    | (3.9)          | —                                      | —                        | 15.2                       |
| Cash dividends (\$1.56 per share)                                            | —                    | —        | —               | (192.7)           | —                                    | —              | —                                      | —                        | (192.7)                    |
| Dividends paid to employee benefits trusts                                   | —                    | —        | 0.9             | —                 | —                                    | —              | —                                      | —                        | 0.9                        |
| Stock-based compensation expense                                             | —                    | —        | 71.8            | —                 | —                                    | —              | —                                      | —                        | 71.8                       |
| Shares issued in acquisition of Boa Vista Serviços                           | 0.5                  | —        | 75.3            | —                 | —                                    | 19.3           | —                                      | —                        | 94.6                       |
| Dividends paid to noncontrolling interests                                   | —                    | —        | —               | —                 | —                                    | —              | —                                      | (2.8)                    | (2.8)                      |
| Other                                                                        | —                    | —        | —               | —                 | —                                    | —              | —                                      | (0.1)                    | (0.1)                      |
| Balance, December 31, 2023                                                   | 123.3                | 236.6    | 1,761.3         | 5,608.6           | (431.2)                              | (2,635.3)      | (5.9)                                  | 18.3                     | 4,552.4                    |
| Net income                                                                   | —                    | —        | —               | 604.1             | —                                    | —              | —                                      | 4.7                      | 608.8                      |
| Other comprehensive loss                                                     | —                    | —        | —               | —                 | (291.5)                              | —              | —                                      | (0.9)                    | (292.4)                    |
| Shares issued under stock and benefit plans, net of minimum tax withholdings | 0.7                  | —        | 71.4            | —                 | —                                    | (9.6)          | —                                      | —                        | 61.8                       |
| Cash dividends (\$1.56 per share)                                            | —                    | —        | —               | (194.1)           | —                                    | —              | —                                      | —                        | (194.1)                    |
| Dividends paid to employee benefits trusts                                   | —                    | —        | 0.9             | —                 | —                                    | —              | —                                      | —                        | 0.9                        |
| Stock-based compensation expense                                             | —                    | —        | 81.6            | —                 | —                                    | —              | —                                      | —                        | 81.6                       |
| Dividends paid to noncontrolling interests                                   | —                    | —        | —               | —                 | —                                    | —              | —                                      | (4.6)                    | (4.6)                      |
| Balance, December 31, 2024                                                   | 124.0                | \$ 236.6 | \$1,915.2       | \$6,018.6         | \$ (722.7)                           | \$ (2,644.9)   | \$ (5.9)                               | \$ 17.5                  | \$ 4,814.4                 |

\* At December 31, 2024, \$520.2 million was authorized for future repurchases of our common stock.

See Notes to Consolidated Financial Statements.

# **CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND ACCUMULATED OTHER COMPREHENSIVE LOSS**

**Accumulated Other Comprehensive Loss consists of the following components:**

|                                                                                                                                                                                      | <b>December 31,</b>  |                   |                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------|-------------------|
|                                                                                                                                                                                      | <b>2024</b>          | <b>2023</b>       | <b>2022</b>       |
|                                                                                                                                                                                      | <i>(In millions)</i> |                   |                   |
| Foreign currency translation                                                                                                                                                         | \$ (718.4)           | \$ (426.7)        | \$ (469.3)        |
| Unrecognized prior service cost related to our pension and other postretirement benefit plans, net of accumulated tax of \$1.1, \$1.2 and \$1.2 in 2024, 2023 and 2022, respectively | (3.5)                | (3.6)             | (3.4)             |
| Cash flow hedging transactions, net of tax of \$0.5, \$0.5 and \$0.6 in 2024, 2023 and 2022, respectively                                                                            | (0.8)                | (0.9)             | (1.0)             |
| Accumulated other comprehensive loss                                                                                                                                                 | <u>\$ (722.7)</u>    | <u>\$ (431.2)</u> | <u>\$ (473.7)</u> |

See Notes to Consolidated Financial Statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As used herein, the terms Equifax, the Company, we, our and us refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

**Nature of Operations.** We collect, organize and manage various types of financial, demographic, employment, criminal justice data and marketing information. Our products and services enable businesses to make credit and service decisions, manage their portfolio risk, automate or outsource certain payroll-related, tax and human resources business processes, and develop marketing strategies concerning consumers and commercial enterprises. We serve customers across a wide range of industries, including the financial services, mortgage, retail, telecommunications, utilities, automotive, brokerage, healthcare and insurance industries, as well as government agencies. We also enable consumers to manage and protect their financial health through a portfolio of products offered directly to consumers. As of December 31, 2024, we operated in the following countries: Argentina, Australia, Brazil, Canada, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, India, Ireland, Mexico, New Zealand, Paraguay, Peru, Portugal, Spain, the U.K., Uruguay, and the U.S. We also have investments in consumer and/or commercial credit information companies through joint ventures in Brazil, Cambodia, Malaysia and Singapore.

We develop, maintain and enhance secured proprietary information databases through the compilation of consumer specific data, including credit, income, employment, criminal justice data, asset, liquidity, net worth and spending activity, and business data, including credit and business demographics, that we obtain from a variety of sources, such as credit granting institutions, payroll processors, and income and tax information primarily from large to mid-sized companies in the U.S. We process this information utilizing our proprietary information management systems. We also provide information, technology and services to support debt collections and recovery management.

**Basis of Consolidation.** Our Consolidated Financial Statements and the accompanying notes, which are prepared in accordance with U.S. generally accepted accounting principles, or GAAP, include Equifax and all its subsidiaries. We consolidate all majority-owned and controlled subsidiaries as well as variable interest entities in which we are the primary beneficiary. Other parties' interests in consolidated entities are reported as redeemable noncontrolling interests or noncontrolling interests. We use the equity method of accounting for investments in which we are able to exercise significant influence. Non-consolidated equity investments are recorded at fair value when readily determinable or at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions when the fair value of the investment is not readily determinable. All intercompany transactions and balances are eliminated.

Our Consolidated Financial Statements reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the periods presented and are of a normal recurring nature.

**Segments.** We manage our business and report our financial results through the following three reportable segments, which are our operating segments:

- Workforce Solutions
- U.S. Information Solutions (USIS)
- International

Workforce Solutions is our largest reportable segment with 43% of total operating revenue for 2024. Our most significant foreign operations are located in Australia, the U.K. and Canada.

**Use of Estimates.** The preparation of our Consolidated Financial Statements requires us to make estimates and assumptions in accordance with GAAP. Accordingly, we make these estimates and assumptions after exercising judgment. We believe that the estimates and assumptions inherent in our Consolidated Financial Statements are reasonable, based upon information available to us at the time they are made, including the consideration of events that have occurred up until the point these Consolidated Financial Statements have been filed. These estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from these estimates.

**Revenue Recognition and Deferred Revenue.** In accordance with Accounting Standards Codification ("ASC") 606, "Revenue from Contracts with Customers," we recognize revenue when a performance obligation has been satisfied by

transferring a promised good or service to a customer and the customer obtains control of the good or service. In order to recognize revenue, we note that the two parties must have an agreement that creates enforceable rights, the performance obligations must be distinct and the transaction price can be determined. Our revenue is derived from the provision of information services to our customers on a transactional basis, in which distinct services are delivered over time as the customer simultaneously receives and consumes the benefits of the services delivered. To measure our performance over time, the output method is utilized to measure the value to the customer based on the transfer to date of the services promised, with no rights of return once consumed. In these cases, revenue on transactional contracts with a defined price but an undefined quantity is recognized utilizing the right to invoice expedient resulting in revenue being recognized when the service is provided and billed. Additionally, multi-year contracts with defined pricing but an undefined quantity that utilize tier pricing would be defined as a series of distinct performance obligations satisfied over time utilizing the same method of measurement, the output method, with no rights of return once consumed. This measurement method is applied on a monthly basis resulting in revenue being recognized when the service is provided and billed.

Additionally, we recognize revenue from subscription-based contracts under which a customer pays a preset fee for a predetermined or unlimited number of transactions or services provided during the subscription period, generally one year. Revenue from subscription-based contracts having a preset number of transactions is recognized as the services are provided, using an effective transaction rate as the actual transactions are delivered. Any remaining revenue related to unfulfilled units is not recognized until the end of the related contract's subscription period. Revenue from subscription-based contracts having an unlimited volume is recognized ratably during the contract term. Multi-year subscription contracts are analyzed to determine the full contract transaction price over the term of the contract and the subsequent price is ratably recognized over the full term of the contract.

Revenue is recorded net of sales taxes.

If at the outset of an arrangement, we determine that collectability is not reasonably assured, revenue is deferred until the earlier of when collectability becomes probable or the receipt of payment from the customer. If there is uncertainty as to the customer's acceptance of the performance obligation, revenue is not recognized until the earlier of receipt of customer acceptance or expiration of the acceptance period.

We sell certain offerings that contain multiple performance obligations. These obligations may include consumer or commercial information, file updates for certain solutions, services provided by our decisioning technologies personnel, training services, statistical models and other services. In order to account for each of these obligations separately, the delivered promises within our contracts must meet the criterion to be considered distinct performance obligations to our customer. If we determine that the arrangement does not contain separate distinct obligations, the performance obligations are bundled together until a distinct obligation is achieved. This may lead to the arrangement consideration being recognized as the final contract obligation is delivered to our customer or ratably over the term of the contract.

Some of our arrangements with multiple performance obligations involve the delivery of services generated by a combination of services provided by one or more of our operating segments. No individual information service impacts the value or usage of other information services included in an arrangement and each service can be sold alone or, in most cases, purchased from another vendor without affecting the quality of use or value to the customer of the other information services included in the arrangement. Some of our products require the installation of interfaces or platforms by our technology personnel that allow our customers to interact with our proprietary information databases. These installation services do not meet the requirement for being distinct, thus any related installation fees are deferred when billed and are recognized over the expected period that the customer will benefit from the related services. Revenue from the delivery of one-time files and models is recognized as the service is provided and accepted, assuming all other revenue recognition criteria are met. The direct costs of installation of a customer are capitalized and amortized over the useful life of the identifiable asset.

We record revenue on a net basis for those sales in which we have in substance acted as an agent or broker in the transaction and therefore do not have control.

In certain instances within our debt collections and recovery management services in our International operating segment and certain tax management services within our Workforce Solutions operating segment, variable consideration is constrained due to the fact that the revenue is contingent on a particular outcome. Within our debt collections and recovery management businesses, revenue is calculated as a percentage of debt collected on behalf of the customer and, as such, is primarily recognized when the debt is collected assuming all other revenue recognition criteria are met. Within our Workforce Solutions operating segment, the fees for certain of our tax credits and incentives revenue are based on a percentage of the credit delivered to our clients. Revenue for these arrangements is recognized based on the achievement of milestones, upon

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

calculation of the credit, approval from a regulatory agency or when the credit is utilized by our client, depending on the provisions of the client contract.

Certain costs incurred prior to the satisfaction of a performance obligation are deferred as contract costs and are amortized on a systematic basis consistent with the pattern of transfer of the related goods and services. These costs generally consist of labor costs directly relating to the implementation and setup of the contract.

*Judgments and Uncertainties* – Each performance obligation within a contract must be considered separately to ensure that appropriate accounting is performed for these distinct goods or services. These considerations include assessing the price at which the element is sold compared to its standalone selling price; concluding when the element will be delivered; evaluating collectability; and determining whether any contingencies exist in the related customer contract that impact the prices paid to us for the services.

*Contract Balances* – The contract balances are generated when revenue recognized varies from billing in a given period. A contract asset is created when an entity transfers a good or service to a customer and recognizes more revenue than what has been billed. As of December 31, 2024, the contract asset balance was \$18.9 million. A contract liability is created when an entity transfers a good or service to a customer and recognizes less than what has been billed. Deferred revenue is recognized when we have an obligation to transfer goods or services to a customer and have already received consideration from the customer. We generally expect to recognize our deferred revenue as revenue within twelve months of being recorded based on the terms of the contracts.

*Remaining Performance Obligation* – We have elected to disclose only the remaining performance obligations for those contracts with an expected duration of greater than 1 year and do not disclose the value of remaining performance obligations for contracts in which we recognize revenue at the amount to which we have the right to invoice. We expect to recognize as revenue the following amounts related to our remaining performance obligations as of December 31, 2024, inclusive of the foreign exchange impact:

| Performance Obligation                 | Balance       |
|----------------------------------------|---------------|
|                                        | (In millions) |
| Less than 1 year                       | \$ 32.8       |
| 1 to 3 years                           | 36.4          |
| 3 to 5 years                           | 19.3          |
| Thereafter                             | 13.4          |
| Total remaining performance obligation | \$ 101.9      |

**Cost of Services.** Cost of services consist primarily of (1) data acquisition, royalty fees and revenue share, which represents the cost of amounts owed to our partners for records utilized; (2) costs to collect information to update and maintain our proprietary databases; (3) costs to develop and maintain product application fulfillment platforms; (4) costs to provide consumer and customer support, including call centers; (5) hardware and software expense associated with transaction processing systems; (6) telecommunication, cloud computing and computer network expense; and (7) occupancy costs associated with facilities where these functions are performed by Equifax employees.

**Selling, General and Administrative Expenses.** Selling, general and administrative expenses consist primarily of personnel-related costs including sales incentives, corporate costs, fees for professional and consulting services, advertising costs, restructuring costs and other costs of administration.

**Advertising.** Advertising costs, which are expensed as incurred, totaled \$60.7 million, \$67.0 million and \$70.1 million during 2024, 2023 and 2022, respectively.

**Stock-Based Compensation.** We recognize the cost of stock-based payment transactions in the financial statements over the period services are rendered according to the fair value of the stock-based awards issued. When employees are identified as retirement eligible and are not required to render additional services to receive the award, the associated expense is recorded at the time of grant. All of our stock-based awards, which are stock options and nonvested stock, are classified as equity instruments.

**Income Taxes.** We account for income taxes under the liability method. We record deferred income taxes using enacted tax laws and rates for the years in which the taxes are expected to be paid. Deferred income tax assets and liabilities are



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

recorded based on the differences between the financial reporting and income tax bases of assets and liabilities. We assess whether it is more likely than not that we will generate sufficient taxable income to realize our deferred tax assets. We record a valuation allowance, as necessary, to reduce our deferred tax assets to the amount of future tax benefit that we estimate is more likely than not to be realized. Our accounting policy election with respect to Global Intangible Low-Taxed Income (“GILTI”) is to account for the tax in the period the tax is incurred.

We record tax benefits for positions that we believe are more likely than not of being sustained under audit examinations. We assess the potential outcome of such examinations to determine the adequacy of our income tax accruals. We recognize interest and penalties accrued related to unrecognized tax benefits in the provision for income taxes on our Consolidated Statements of Income. We adjust our income tax provision during the period in which we determine that the actual results of the examinations may differ from our estimates or when statutory terms expire. Changes in tax laws and rates are reflected in our income tax provision in the period in which they are enacted.

**Earnings Per Share.** Our basic earnings per share, or EPS, is calculated as net income attributable to Equifax divided by the weighted-average number of common shares outstanding during the reporting period. Diluted EPS is calculated to reflect the potential dilution that would occur if stock options or other contracts to issue common stock were exercised and resulted in additional common shares outstanding. The net income amounts used in both our basic and diluted EPS calculations are the same. A reconciliation of the weighted-average outstanding shares used in the two calculations is as follows:

|                                               | Twelve Months Ended<br>December 31, |       |       |
|-----------------------------------------------|-------------------------------------|-------|-------|
|                                               | 2024                                | 2023  | 2022  |
|                                               | <i>(In millions)</i>                |       |       |
| Weighted-average shares outstanding (basic)   | 123.8                               | 122.9 | 122.4 |
| Effect of dilutive securities:                |                                     |       |       |
| Stock options and restricted stock units      | 1.1                                 | 1.0   | 0.9   |
| Weighted-average shares outstanding (diluted) | 124.9                               | 123.9 | 123.3 |

For the twelve months ended December 31, 2024, stock options with an anti-dilutive effect were not material. For the twelve months ended December 31, 2023 and 2022, 0.7 million and 0.6 million stock options were anti-dilutive and therefore excluded from this calculation, respectively.

**Cash Equivalents.** We consider all highly-liquid investments with an original maturity of three months or less to be cash equivalents.

**Trade Accounts Receivable and Allowance for Doubtful Accounts.** Accounts receivable are stated at cost and are due in less than a year. Significant payment terms for customers are identified in the contract. We do not recognize interest income on our trade accounts receivable. Additionally, we generally do not require collateral from our customers related to our trade accounts receivable.

The allowance for doubtful accounts is based on management's estimate for expected credit losses for outstanding trade accounts receivables. We determine expected credit losses based on historical write-off experience, an analysis of the aging of outstanding receivables, customer payment patterns, the establishment of specific reserves for customers in an adverse financial condition and adjusted based upon our expectations of changes in macroeconomic conditions that may impact the collectability of outstanding receivables. We reassess the adequacy of the allowance for doubtful accounts each reporting period. Increases to the allowance for doubtful accounts are recorded as bad debt expense, which are included in selling, general and administrative expenses on the accompanying Consolidated Statements of Income. Below is a rollforward of our allowance for doubtful accounts for the twelve months ended December 31, 2024 and 2023:

|                                                      | Twelve Months Ended<br>December 31, |         |
|------------------------------------------------------|-------------------------------------|---------|
|                                                      | 2024                                | 2023    |
|                                                      | <i>(In millions)</i>                |         |
| Allowance for doubtful accounts, beginning of period | \$ 16.7                             | \$ 19.1 |
| Current period bad debt expense                      | 15.3                                | 11.4    |
| Write-offs, net of recoveries                        | (15.1)                              | (13.8)  |
| Allowance for doubtful accounts, end of period       | \$ 16.9                             | \$ 16.7 |

**Other Current Assets.** Other current assets on our Consolidated Balance Sheets primarily include amounts receivable from tax authorities and related to vendor rebates. As of December 31, 2024 and 2023, these assets were approximately \$39.4 million and \$40.9 million, respectively. Additionally, other current assets include amounts in specifically designated accounts that hold the funds that are due to customers from our debt collection and recovery management services. As of December 31, 2024 and 2023, these assets were approximately \$48.3 million and \$34.5 million, respectively, with a corresponding balance in other current liabilities. These amounts are restricted as to their current use and will be released according to the specific customer agreements.

**Long-Lived Assets.** Property and equipment are stated at cost less accumulated depreciation and amortization. The cost of additions is capitalized. Property and equipment are depreciated on a straight-line basis over the assets' estimated useful lives, which are generally three to seven years for data processing equipment and capitalized internal-use software and systems costs. Leasehold improvements are depreciated over the shorter of their estimated useful lives or lease terms that are reasonably assured. Buildings are depreciated over the shorter of their estimated useful lives or a forty-year period. Other fixed assets are depreciated over three to seven years. Upon sale or retirement of an asset, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is recognized and included in income from operations on the Consolidated Statements of Income with the classification of any gain or loss dependent on the characteristics of the asset sold or retired.

Certain internal-use software and system development costs are capitalized. Accordingly, the specifically identified costs incurred to develop or obtain software, which is intended for internal use, are not capitalized until the preliminary project stage is completed and management, with the relevant authority, authorizes and commits to funding a software project and it is probable that the project will be completed and the software will be used to perform the function intended. Costs incurred during a software development project's preliminary stage and post-implementation stage are expensed as incurred. Application development activities that are eligible for capitalization include software design and configuration, development of interfaces, coding, testing and installation. Capitalized internal-use software and systems costs are subsequently amortized on a straight-line basis generally over a three- to seven-year period after project completion and when the related software or system is ready for its intended use.

Depreciation and amortization expense related to property and equipment was \$408.7 million, \$360.1 million and \$323.4 million during the twelve months ended December 31, 2024, 2023 and 2022, respectively.

**Impairment of Long-Lived Assets.** We monitor the status of our long-lived assets in order to determine if conditions exist or events and circumstances indicate that an asset group may be impaired in that its carrying amount may not be recoverable. Significant factors that are considered that could be indicative of impairment include: changes in business strategy, market conditions or the manner in which an asset group is used; underperformance relative to historical or expected future operating results; and negative industry or economic trends. If potential indicators of impairment exist, we estimate recoverability based on the asset group's ability to generate cash flows greater than the carrying value of the asset group. We estimate the undiscounted future cash flows arising from the use and eventual disposition of the related long-lived asset group. If the carrying value of the long-lived asset group exceeds the estimated future undiscounted cash flows, an impairment loss is recorded based on the amount by which the asset group's carrying amount exceeds its fair value. We utilize estimates of discounted future cash flows to determine the asset group's fair value. We did not record any material impairment losses of long-lived assets in any of the periods presented.

**Goodwill and Indefinite-Lived Intangible Assets.** Goodwill represents the cost in excess of the fair value of the net assets of acquired businesses. Goodwill is not amortized. We are required to test goodwill for impairment at the reporting unit level on an annual basis and on an interim basis if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. We performed our annual goodwill impairment test as of December 1. During the fourth quarter of 2023, the Company voluntarily changed its goodwill and indefinite-lived intangible asset annual impairment test date from September 30 to December 1.

Under ASC 350, we have an option to perform a "qualitative" assessment of our reporting units to determine whether further impairment testing is necessary. For reporting units that we determine meet these criteria, we perform a qualitative assessment. In this qualitative assessment, we consider the following items for each of the reporting units: macroeconomic conditions, industry and market conditions, overall financial performance and other entity specific events. In addition, for each of these reporting units, we assess whether the most recent fair value determination results in an amount that exceeds the carrying amount of the reporting units. Based on these assessments, we determine whether the likelihood that a current fair value determination would be less than the current carrying amount of the reporting unit is not more likely than not. If it is determined it is not more likely than not, no further testing is required. If further testing is required, we continue with the quantitative impairment test.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In analyzing goodwill for potential impairment in the quantitative impairment test, we use the market approach, when available and appropriate, or a combination of the income and market approaches to estimate the reporting unit's fair value. Under the income approach, we calculate the fair value of a reporting unit based on estimated future discounted cash flows which require assumptions about short and long-term revenue growth rates, operating margins for the reporting unit, discount rates, foreign currency exchange rates and estimates of capital expenditures. The assumptions we use are based on what we believe a hypothetical marketplace participant would use in estimating fair value. Under the market approach, we estimate the fair value based on market multiples of earnings before income taxes, depreciation and amortization, for benchmark companies or guideline transactions. If the fair value of a reporting unit exceeds its carrying value, then no further testing is required. However, if a reporting unit's fair value were to be less than its carrying value, we would then determine the amount of the impairment charge, if any, which would be the amount that the carrying value of the reporting unit exceeded its fair value, limited to the amount of goodwill allocated to the reporting unit.

Indefinite-lived reacquired rights represent the value of rights which we had granted to various affiliate credit reporting agencies that were reacquired in the U.S. and Canada. A portion of our reacquired rights are perpetual in nature and, therefore, the useful lives are considered indefinite in accordance with the accounting guidance in place at the time of the acquisitions. Indefinite-lived intangible assets are not amortized. We are required to test indefinite-lived intangible assets for impairment annually and whenever events and circumstances indicate that there may be an impairment of the asset value. We performed our annual indefinite-lived intangible asset impairment test as of December 1. We perform the impairment test for our indefinite-lived intangible assets by first assessing qualitative factors to determine whether it is necessary to perform a quantitative impairment test. If the qualitative assessment indicates that we need to perform a quantitative impairment test, we compare the asset's fair value to its carrying value. We estimate the fair value based on projected discounted future cash flows. An impairment charge is recognized if the asset's estimated fair value is less than its carrying value.

We completed our annual impairment testing for goodwill and indefinite-lived intangible assets during the twelve months ended December 31, 2024, 2023 and 2022 and we determined that there was no impairment in any of these years.

**Purchased Intangible Assets.** Purchased intangible assets represent the estimated acquisition date fair value of acquired intangible assets used in our business. Purchased data files represent the estimated fair value of consumer and commercial data files acquired through our acquisitions of various companies, including a fraud and identity solutions provider and independent credit reporting agencies in the U.S., Australia, Brazil, Canada, and Dominican Republic. We expense the cost of modifying and updating credit files in the period such costs are incurred. We amortize purchased data files, which primarily consist of acquired credit files, on a straight-line basis. All of our other purchased intangible assets are also amortized on a straight-line basis.

| <b>Asset</b>                     | <b>Useful Life</b><br>(In years) |
|----------------------------------|----------------------------------|
| Purchased data files             | 5 to 15                          |
| Acquired software and technology | 3 to 8                           |
| Non-compete agreements           | 3 to 15                          |
| Proprietary database             | 6 to 15                          |
| Customer relationships           | 3 to 25                          |
| Trade names                      | 2 to 17                          |

**Other Assets.** Other assets on our Consolidated Balance Sheets primarily represent our investments in unconsolidated affiliates, the Company's operating lease right-of-use assets, employee benefit trust assets, assets related to life insurance policies covering certain officers of the Company and long-term deferred tax assets.

**Equity Investment.** On August 7, 2023, we purchased the remaining interest of our equity investment in Boa Vista Serviços S.A. ("BVS"), a consumer and commercial credit information bureau in Brazil. Up until the date of acquisition, we recorded this equity investment within Other Assets at fair value, using observable Level 1 inputs. The carrying value of the investment was adjusted to \$88.9 million as of the close date, August 7, 2023 based on quoted market prices, resulting in a gain of \$7.0 million for the twelve months December 31, 2023. The carrying value of the investment was \$74.5 million as of December 31, 2022, resulting in an unrealized gain of \$13.3 million for the twelve months ended December 31, 2022. All gains or losses on this investment were recorded in Other Income (Expense), Net within the Consolidated Statements of Income.

During the second quarter of 2023, in addition to the BVS activity mentioned above, we sold our interest in a separate equity investment. The overall sale proceeds exceeded the total carrying value of the investment, and we recorded a gain of

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

\$6.2 million in Other Income (Expense), Net within the Consolidated Statements of Income. During the second quarter of 2022, we sold our interest in two other equity investments. The overall sale proceeds exceeded the total carrying value of the investments, and we recorded a total gain of \$27.5 million recorded in Other Income (Expense), Net within the Consolidated Statements of Income. We previously had a joint venture in Russia that offered consumer credit services; however, during the third quarter of 2022, we completed the sale of this equity method investment. All unrealized gains or losses on these investments were recorded in Other Income (Expense), Net within the Consolidated Statements of Income.

**Other Current Liabilities.** Other current liabilities on our Consolidated Balance Sheets consist of the current portion of our operating lease liabilities and various accrued liabilities such as accrued employee benefits, interest expense, insurance expense, and income taxes. Other current liabilities also include accrued revenue share of \$99.4 million and \$79.6 million as of December 31, 2024 and 2023, respectively, which represents accruals for royalty costs associated with records utilized. Other current liabilities also include the offset to other current assets related to amounts in specifically designated accounts that hold the funds that are due to customers from our debt collection and recovery management services. These funds were approximately \$48.3 million and \$34.5 million as of December 31, 2024 and 2023, respectively. These amounts are restricted as to their current use and will be released according to the specific customer agreements.

**Benefit Plans.** We sponsor various pension and defined contribution plans. We also maintain certain healthcare and life insurance benefit plans for eligible retired U.S. employees. Benefits under the pension and other postretirement benefit plans are generally based on age at retirement and years of service and for some pension plans, benefits are also based on the employee's annual earnings. The net periodic cost of our pension and other postretirement plans is determined using several actuarial assumptions, the most significant of which are the discount rate and the expected return on plan assets. The expected rate of return on plan assets is based on both our historical returns and forecasted future investment returns by asset class, as provided by our external investment advisor. We use a mark-to-market approach to recognize actuarial gains and losses and expected return on plan assets for our defined benefit pension and other postretirement benefit plans. Under this accounting principle, the expected returns on plan assets are used to estimate pension expense throughout the year and remeasurement of the projected benefit obligation and plan assets are immediately recognized in earnings through net periodic benefit cost within Other (expense) income, net on the Consolidated Statements of Income with pension and postretirement plans remeasured annually in the fourth quarter. Our Consolidated Balance Sheets reflect the funded status of the pension and other postretirement plans.

**Foreign Currency Translation.** The functional currency of each of our foreign operating subsidiaries is that subsidiary's local currency except for Costa Rica and Argentina. Argentina has experienced multiple periods of increasing inflation rates, devaluation of the peso and increasing borrowing rates. As such, Argentina was deemed a highly inflationary economy by accounting policymakers. Beginning in the third quarter of 2018, we accounted for Argentina as a highly inflationary economy by remeasuring the peso denominated monetary assets and liabilities which resulted in the recognition of foreign currency losses of \$1.1 million and \$3.8 million during the twelve months ended December 31, 2024 and 2023, respectively, and a foreign currency gain of \$0.2 million during the twelve months ended December 31, 2022. Foreign currency gains and losses are recorded in Other Income (Expense), Net in our Consolidated Statements of Income.

Other than Argentina and Costa Rica, we translate the assets and liabilities of foreign subsidiaries at the year-end rate of exchange and revenue and expenses at the monthly average rates during the year. We record the resulting translation adjustment in other comprehensive loss, included in accumulated other comprehensive loss, a component of shareholders' equity. We also record gains and losses resulting from the translation of intercompany balances of a long-term investment nature in foreign currency translation in other comprehensive income (loss) and accumulated other comprehensive loss. For the year ended December 31, 2024, 2023 and 2022, we recorded foreign currency transaction losses of \$4.5 million, \$3.6 million and \$1.8 million, respectively, in our Consolidated Statements of Income.

**Financial Instruments.** Our financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable and short and long-term debt. The carrying amounts of these items, other than long-term debt, approximate their fair market values due to the short-term nature of these instruments. The fair value of our fixed-rate debt is determined using Level 2 inputs such as quoted market prices for publicly traded instruments, and for non-publicly traded instruments, through valuation techniques depending on the specific characteristics of the debt instrument, taking into account credit risk. As of December 31, 2024 and 2023, the fair value of our long-term debt, including the current portion, based on observable inputs was \$4.5 billion and \$5.3 billion, respectively, compared to its carrying value of \$4.8 billion and \$5.5 billion, respectively.

**Fair Value Measurements.** Fair value is determined based on the assumptions marketplace participants use in pricing an asset or liability. We use a three level fair value hierarchy to prioritize the inputs used in valuation techniques between observable inputs that reflect quoted prices in active markets, inputs other than quoted prices with observable market data and unobservable data (e.g., a company's own data).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents assets and liabilities measured at fair value on a recurring basis:

| Description                                         | Fair Value at<br>December 31, 2024 | Fair Value Measurements at Reporting Date Using:                        |                                                        |                                                    |
|-----------------------------------------------------|------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------|
|                                                     |                                    | Quoted Prices in<br>Active Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs (Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <i>(In millions)</i>                                |                                    |                                                                         |                                                        |                                                    |
| Assets and Liabilities:                             |                                    |                                                                         |                                                        |                                                    |
| Deferred Compensation Plan Assets <sup>(1)</sup>    | \$ 53.0                            | \$ 53.0                                                                 | \$ —                                                   | \$ —                                               |
| Deferred Compensation Plan Liability <sup>(1)</sup> | (53.0)                             | —                                                                       | (53.0)                                                 | —                                                  |
| Total assets and liabilities                        | \$ —                               | \$ 53.0                                                                 | \$ (53.0)                                              | \$ —                                               |

- (1) We maintain deferred compensation plans that allow for certain management employees to defer the receipt of compensation (such as salary and incentive compensation) until a later date based on the terms of the plans. The liability representing benefits accrued for plan participants is valued at the quoted market prices of the participants' investment elections. The asset consists of mutual funds reflective of the participants investment selections and is valued at daily quoted market prices.

*Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis.* As disclosed in Note 3, we completed various acquisitions during the years ended December 31, 2023 and 2022. The values of net assets acquired were recorded at fair value using Level 3 inputs. The majority of the related current assets acquired and liabilities assumed were recorded at their carrying values as of the date of acquisition, as their carrying values approximated their fair values due to their short-term nature. The fair values of definite-lived intangible assets acquired in these acquisitions were estimated primarily based on the income and cost approaches. The income approach estimates fair value based on the present value of the cash flows that the assets are expected to generate in the future. We developed internal estimates for the expected cash flows and discount rates in the present value calculations. The cost approach estimates fair value based on determining the amount of money required to replace the asset with another asset with equivalent utility or future service capability.

**Variable Interest Entities.** We hold interests in certain entities, including credit data and information solutions companies, that are considered variable interest entities, or VIEs. These variable interests relate to ownership interests that require financial support for these entities. Our investments related to these VIEs totaled \$0.3 million at both December 31, 2024 and 2023, representing our maximum exposure to loss, with the exception of the guarantees referenced in Note 6. We are not the primary beneficiary and are not required to consolidate any of these VIEs.

In evaluating whether we have the power to direct the activities of a VIE that most significantly impact its economic performance, we consider the purpose for which the VIE was created, the importance of each of the activities in which it is engaged and our decision-making role, if any, in those activities that significantly determine the entity's economic performance as compared to other economic interest holders. This evaluation requires consideration of all facts and circumstances relevant to decision-making that affects the entity's future performance and the exercise of professional judgment in deciding which decision-making rights are most important.

In determining whether we have the right to receive benefits or the obligation to absorb losses that could potentially be significant to the VIE, we evaluate all of our economic interests in the entity, regardless of form (debt, equity, management and servicing fees, and other contractual arrangements). This evaluation considers all relevant factors of the entity's design, including: the entity's capital structure, contractual rights to earnings (losses), subordination of our interests relative to those of other investors, contingent payments, as well as other contractual arrangements that have the potential to be economically significant. The evaluation of each of these factors in reaching a conclusion about the potential significance of our economic interests is a matter that requires the exercise of professional judgment.

**Redeemable Noncontrolling Interest.** As part of the merger consideration issued to complete the acquisition of BVS, we issued shares of one of our subsidiaries, Equifax do Brasil S.A. ("Equifax do Brasil"), thus resulting in a noncontrolling interest. We recognized the noncontrolling interest at fair value at the date of acquisition. These shares were issued with specific rights allowing the holders to sell the shares back to Equifax, at fair value during specified future time periods starting at the fifth anniversary and only when certain conditions exist. Additionally, the shareholder agreements provide Equifax the right to buy the shares back at fair value at future dates beginning after the tenth anniversary of the acquisition, however Equifax is not required to exercise this right at any point.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

We determined that the noncontrolling interest shareholder rights meet the requirements to be considered redeemable. Therefore, we have classified the noncontrolling interest outside of permanent equity within our Consolidated Balance Sheet. Currently, the noncontrolling interest is not redeemable but it is probable that it will become redeemable in the future. The redeemable noncontrolling interest is reflected using the redemption method as of the balance sheet date. Redeemable noncontrolling interest adjustments to the redemption values are reflected in retained earnings. The adjustment of redemption value at the period end that reflects a redemption value to an amount other than fair value is included as an adjustment to net income attributable to Equifax stockholders for the purposes of the calculation of earnings per share. None of the current period adjustments reflect a redemption value in excess of fair value.

The Company's redeemable noncontrolling interests activities for the years ended December 31, 2024 and 2023 are summarized as follows:

|                                                                                           | Twelve Months Ended<br>December 31, |                 |
|-------------------------------------------------------------------------------------------|-------------------------------------|-----------------|
|                                                                                           | 2024                                | 2023            |
|                                                                                           | (In millions)                       |                 |
| Redeemable noncontrolling interests, beginning of period                                  | \$ 135.1                            | \$ —            |
| Fair value of the redeemable noncontrolling interest at the acquisition date              | —                                   | 176.4           |
| Net (loss) income attributable to redeemable noncontrolling interest                      | (1.5)                               | 1.5             |
| Return of capital to redeemable noncontrolling interest                                   | —                                   | (42.8)          |
| Effect of foreign currency translation attributable to redeemable noncontrolling interest | (28.4)                              | —               |
| Redeemable noncontrolling interests, end of period                                        | <u>\$ 105.2</u>                     | <u>\$ 135.1</u> |

**Adoption of New Accounting Standards. Segment Reporting.** In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." The amendments in this update address the requirement for a public entity to disclose its significant segment expense categories and amounts for each reportable segment. A significant segment expense is any significant expense incurred by the segment, including direct expenses, shared expenses, allocated corporate overhead, or interest expense that is regularly reported to the chief operating decision maker and is included in the measure of segment profit or loss. The disclosure of significant segment expenses is in addition to the current specifically-enumerated segment expenses required to be disclosed, such as depreciation and interest expense. The ASU is effective for public entities for fiscal years beginning after December 15, 2023, and interim periods in fiscal years beginning after December 15, 2024. We have updated our financial statement disclosures in Note 13 to conform with the standard.

**Business Combinations.** In October 2021, the Financial Accounting Standards Board ("FASB") issued ASU No. 2021-08 "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers." The update provides clarifying guidance to reduce diversity in practice stating that contract assets, contract liabilities and deferred revenue acquired in business combinations should be measured in accordance with Accounting Standards Topic 606, rather than the fair value principles of Accounting Standards topic 805. ASU 2021-08 is effective for all public business entities for annual periods beginning after December 15, 2022. As of January 1, 2023, we have adopted this standard as it relates to our business combinations. The adoption of this guidance did not have a material impact on our financial position, results of operations or cash flows.

**Reference Rate Reform.** In March 2020, the FASB issued ASU No. 2020-04 "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." The update provides optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) contract modifications on financial reporting, caused by reference rate reform. ASU 2020-04 is effective for all entities as of March 12, 2020 through December 31, 2022. In December 2022, the FASB issued ASU No. 2022-06 "Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848." The update extends the sunset date from ASU No. 2020-04 from December 31, 2022 to December 31, 2024. After this date, entities will no longer be permitted to apply the relief in Topic 848. The adoption of the standard did not have a material impact on our Consolidated Financial Statements.

**Recent Accounting Pronouncements. Income Statement — Reporting Comprehensive Income.** In November 2024, the FASB issued ASU No. 2024-03 "Disaggregation of Income Statement Expenses." The update requires public business entities to disclose in a tabular format, on an annual and interim basis, purchases of inventory, employee compensation, depreciation, intangible asset amortization and depletion for each income statement line item that contains those expenses.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Specified expenses, gains and losses that are already disclosed under existing US GAAP are also required to be included in the disaggregated income statement expense line-item disclosures, and any remaining amounts need to be described qualitatively. Separate disclosures of total selling expenses and an entity's definition of those expenses are also required. The ASU is effective for public entities for annual periods with fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after 15 December 2027. We are still evaluating the impact on our financial statement disclosures.

*Stock Compensation.* In March 2024, the FASB issued ASU No. 2024-01 "Compensation—Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards." The amendments in this update clarify how an entity determines whether a profits interest or similar award ("profits interest award") is (1) within the scope of ASC 718 or (2) not a share-based payment arrangement and should be accounted for in a manner similar to a cash bonus or profit-sharing arrangement under ASC 710 or other ASC topics. The amendments specifically add an illustrative example that includes four fact patterns to demonstrate how an entity should apply the scope guidance in paragraph 718-10-15-3 to determine whether a profits interest award should be accounted for in accordance with Topic 718. The fact patterns in the illustrative example focus on the scope conditions in paragraph 718-10-15-3. The illustrative example is intended to reduce (1) complexity in determining whether a profits interest award is subject to the guidance in Topic 718 and (2) existing diversity in practice. The amendments in this update are effective for annual periods beginning after December 15, 2024, and interim periods within those annual periods. We are still evaluating the impact, but do not expect the adoption of the standard to have a material impact on our Consolidated Financial Statements.

*Income Taxes.* In December 2023, the FASB issued ASU No. 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." The new ASU requires public business entities, on an annual basis, to provide a tabular rate reconciliation (using both percentages and reporting currency amounts) of (1) the reported income tax expense (or benefit) from continuing operations, to (2) the product of the income (or loss) from continuing operations before income taxes and the applicable statutory federal (national) income tax rate of the jurisdiction (country) of domicile using specific categories and separate disclosure for any reconciling items within certain categories that are equal to or greater than a specified quantitative threshold. A public business entity is required to provide an explanation, if not otherwise evident, of the individual reconciling items disclosed, such as the nature, effect, and underlying causes of the reconciling items and the judgment used in categorizing the reconciling items. For each annual period presented, the ASU requires all reporting entities to disclose the year-to-date amount of income taxes paid (net of refunds received) disaggregated by federal (national), state, and foreign. It also requires additional disaggregated information on income taxes paid (net of refunds received) to an individual jurisdiction equal to or greater than 5% of total income taxes paid (net of refunds received). The ASU requires that all reporting entities disclose income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign, and income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign. The ASU is effective for public entities for annual periods beginning after December 15, 2024. We are still evaluating the impact on our financial statement disclosures.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 2. REVENUE

**Revenue Recognition.** Based on the information that management reviews internally for evaluating operating segment performance and nature, amount, timing, and uncertainty of revenue and cash flows affected by economic factors, we disaggregate revenue as follows:

| Consolidated Operating Revenue   | Twelve Months Ended<br>December 31, |            |            | Change   |       | Change    |       |
|----------------------------------|-------------------------------------|------------|------------|----------|-------|-----------|-------|
|                                  |                                     |            |            | 2024     | 2023  | 2023      | 2022  |
|                                  |                                     |            |            |          |       |           |       |
|                                  | 2024                                | 2023       | 2022       | \$       | %     | \$        | %     |
|                                  | (In millions)                       |            |            |          |       |           |       |
| Verification Services            | \$ 2,021.9                          | \$ 1,846.2 | \$ 1,871.0 | \$ 175.7 | 10 %  | \$ (24.8) | (1)%  |
| Employer Services                | 411.9                               | 469.6      | 454.4      | (57.7)   | (12)% | 15.2      | 3 %   |
| Total Workforce Solutions        | 2,433.8                             | 2,315.8    | 2,325.4    | 118.0    | 5 %   | (9.6)     | — %   |
| Online Information Solutions     | 1,501.2                             | 1,375.2    | 1,295.4    | 126.0    | 9 %   | 79.8      | 6 %   |
| Mortgage Solutions               | 149.4                               | 113.7      | 138.3      | 35.7     | 31 %  | (24.6)    | (18)% |
| Financial Marketing Services     | 242.4                               | 231.5      | 224.0      | 10.9     | 5 %   | 7.5       | 3 %   |
| Total U.S. Information Solutions | 1,893.0                             | 1,720.4    | 1,657.7    | 172.6    | 10 %  | 62.7      | 4 %   |
| Latin America                    | 384.9                               | 290.9      | 206.8      | 94.0     | 32 %  | 84.1      | 41 %  |
| Europe                           | 369.2                               | 333.2      | 327.8      | 36.0     | 11 %  | 5.4       | 2 %   |
| Asia Pacific                     | 335.4                               | 345.3      | 348.4      | (9.9)    | (3)%  | (3.1)     | (1)%  |
| Canada                           | 264.8                               | 259.6      | 256.1      | 5.2      | 2 %   | 3.5       | 1 %   |
| Total International              | 1,354.3                             | 1,229.0    | 1,139.1    | 125.3    | 10 %  | 89.9      | 8 %   |
| Total operating revenue          | \$ 5,681.1                          | \$ 5,265.2 | \$ 5,122.2 | \$ 415.9 | 8 %   | \$ 143.0  | 3 %   |

### 3. ACQUISITIONS AND INVESTMENTS

**2023 Acquisitions and Investments.** In the first quarter of 2023, the Company acquired a company in Canada within the International operating segment. On August 7, 2023, we acquired the remaining interest of our investment in BVS, a consumer and commercial credit information company in Brazil, within the International operating segment for total consideration of approximately \$870 million consisting of approximately \$510 million in cash, 2,171,615 shares of Equifax do Brasil with a fair value of approximately \$176 million, and 479,725 shares of Equifax Inc. common stock with a fair value of approximately \$95 million. Additionally, we previously owned a 10% investment in BVS with a fair value of approximately \$89 million. We have completed the allocation of the purchase prices for the 2023 acquisitions.

**2022 Acquisitions and Investments.** In the first quarter of 2022, the Company acquired 100% of Efficient Hire, a provider of cloud recruiting, onboarding and human resources management solutions, within the Workforce Solutions operating segment, and Data Crédito, a consumer credit reporting agency in the Dominican Republic, within the International operating segment. In the third quarter of 2022, the Company acquired 100% of LawLogix, a provider of cloud-based I-9 software and immigration case management software, within the Workforce Solutions operating segment, and Midigator, a provider of post-transaction fraud mitigation solutions, within the USIS business segment. We have completed the allocation of the purchase prices for the 2022 acquisitions.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Purchase Price Allocation.** The following table summarizes the final fair value of the net assets acquired and the liabilities assumed for the acquisitions occurring in 2023.

|                                              | <i>(In millions)</i> |
|----------------------------------------------|----------------------|
| Cash                                         | \$ 239.6             |
| Accounts receivable and other current assets | 35.2                 |
| Other assets                                 | 51.0                 |
| Purchased intangible assets <sup>(1)</sup>   | 242.7                |
| Goodwill <sup>(2)</sup>                      | 335.3                |
| Total assets acquired                        | 903.8                |
| Total liabilities assumed                    | (30.5)               |
| Net assets acquired                          | <u>\$ 873.3</u>      |

(1) Purchased intangible assets are further disaggregated in the following table.

(2) The goodwill related to the 2023 acquisitions was recognized in the International operating segments. As of December 31, 2023, an immaterial amount of the goodwill related to the 2023 acquisitions was tax deductible.

The primary reasons the purchase price of these acquisitions exceeded the fair value of the net assets acquired, which resulted in the recognition of goodwill, were expanded growth opportunities from new or enhanced product offerings and geographies, cost savings from the elimination of duplicative activities and the acquisition of an assembled workforce that are not recognized as assets apart from goodwill.

| Intangible asset category               | Fair Value<br><i>(in millions)</i> | Weighted-<br>average<br>useful life<br><i>(in years)</i> |
|-----------------------------------------|------------------------------------|----------------------------------------------------------|
| Purchased data files                    | \$ 64.3                            | 5.6                                                      |
| Customer relationships                  | 172.9                              | 10.0                                                     |
| Acquired software and technology        | 0.5                                | 5.0                                                      |
| Trade names and other intangible assets | 4.8                                | 2.0                                                      |
| Non-compete agreements                  | 0.2                                | 5.0                                                      |
| Total acquired intangibles              | <u>\$ 242.7</u>                    |                                                          |

## 4. GOODWILL AND INTANGIBLE ASSETS

**Goodwill.** Goodwill represents the cost in excess of the fair value of the net assets acquired in a business combination. As discussed in Note 1, goodwill is tested for impairment at the reporting unit level on an annual basis and on an interim basis if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. We perform our annual goodwill impairment tests as of December 1 each year. The fair value estimates for our reporting units were determined using a combination of the income and market approaches in accordance with the Company's methodology. Our annual impairment tests as of December 1, 2024, December 1, 2023 and September 30, 2022 resulted in no impairment of goodwill.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Changes in the amount of goodwill for the twelve months ended December 31, 2024 and 2023, are as follows:

|                                                  | Workforce<br>Solutions | U.S.<br>Information<br>Solutions | International     | Total             |
|--------------------------------------------------|------------------------|----------------------------------|-------------------|-------------------|
|                                                  | <i>(In millions)</i>   |                                  |                   |                   |
| Balance, December 31, 2022                       | \$ 2,520.8             | \$ 2,004.8                       | \$ 1,858.3        | \$ 6,383.9        |
| Acquisitions                                     | —                      | —                                | 410.4             | 410.4             |
| Adjustments to initial purchase price allocation | (0.7)                  | 1.4                              | 2.1               | 2.8               |
| Foreign currency translation                     | 0.1                    | —                                | 32.7              | 32.8              |
| Balance, December 31, 2023                       | 2,520.2                | 2,006.2                          | 2,303.5           | 6,829.9           |
| Adjustments to initial purchase price allocation | —                      | —                                | (68.7)            | (68.7)            |
| Foreign currency translation                     | (0.4)                  | —                                | (213.0)           | (213.4)           |
| Balance, December 31, 2024                       | <u>\$ 2,519.8</u>      | <u>\$ 2,006.2</u>                | <u>\$ 2,021.8</u> | <u>\$ 6,547.8</u> |

Refer to Note 3 for the acquisitions during the periods presented.

***Indefinite-Lived Intangible Assets.*** Indefinite-lived intangible assets consist of indefinite-lived reacquired rights representing the value of rights which we had granted to various affiliate credit reporting agencies that were reacquired in the U.S. and Canada. At the time we acquired these agreements, they were considered perpetual in nature under the accounting guidance in place at that time and, therefore, the useful lives are considered indefinite. Indefinite-lived intangible assets are not amortized. We are required to test indefinite-lived intangible assets for impairment annually and whenever events or circumstances indicate that there may be an impairment of the asset value. We perform our annual indefinite-lived intangible asset impairment test as of December 1. Our 2024 annual impairment test completed during the fourth quarter of 2024 did not identify any impairment charges.

As of December 31, 2024 and 2023, indefinite-lived intangible assets were approximately \$94.7 million and \$94.8 million, respectively.

***Purchased Intangible Assets.*** Purchased intangible assets, net, recorded on our Consolidated Balance Sheets at December 31, 2024 and 2023 consisted of the following:

|                                                                 | December 31, 2024    |                             |                   | December 31, 2023 |                             |                   |
|-----------------------------------------------------------------|----------------------|-----------------------------|-------------------|-------------------|-----------------------------|-------------------|
|                                                                 | Gross                | Accumulated<br>Amortization | Net               | Gross             | Accumulated<br>Amortization | Net               |
| <b>Definite-lived intangible assets:</b>                        | <i>(In millions)</i> |                             |                   |                   |                             |                   |
| Purchased data files                                            | \$ 1,111.9           | \$ (669.5)                  | \$ 442.4          | \$ 1,158.5        | \$ (604.2)                  | \$ 554.3          |
| Customer relationships                                          | 937.7                | (484.2)                     | 453.5             | 1,053.5           | (484.2)                     | 569.3             |
| Proprietary database                                            | 704.9                | (227.6)                     | 477.3             | 705.8             | (171.5)                     | 534.3             |
| Acquired software and technology                                | 217.6                | (106.3)                     | 111.3             | 222.5             | (75.4)                      | 147.1             |
| Trade names, non-compete agreements and other intangible assets | 49.7                 | (13.2)                      | 36.5              | 79.6              | (25.8)                      | 53.8              |
| Total definite-lived intangible assets                          | <u>\$ 3,021.8</u>    | <u>\$ (1,500.8)</u>         | <u>\$ 1,521.0</u> | <u>\$ 3,219.9</u> | <u>\$ (1,361.1)</u>         | <u>\$ 1,858.8</u> |

Amortization expense related to purchased intangible assets was \$261.1 million, \$250.7 million, and \$236.7 million during the twelve months ended December 31, 2024, 2023, and 2022, respectively.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Estimated future amortization expense related to definite-lived purchased intangible assets at December 31, 2024 is as follows:

| <b>Years ending December 31,</b> | <b>Amount</b>        |
|----------------------------------|----------------------|
|                                  | <i>(In millions)</i> |
| 2025                             | \$ 245.6             |
| 2026                             | 232.1                |
| 2027                             | 219.0                |
| 2028                             | 158.7                |
| 2029                             | 147.9                |
| Thereafter                       | 517.7                |
|                                  | <u>\$ 1,521.0</u>    |

### 5. DEBT

Debt outstanding at December 31, 2024 and 2023 was as follows:

|                                                    | <b>December 31,</b>  |                   |
|----------------------------------------------------|----------------------|-------------------|
|                                                    | <b>2024</b>          | <b>2023</b>       |
|                                                    | <i>(In millions)</i> |                   |
| Commercial paper ("CP")                            | \$ 286.5             | \$ 196.0          |
| Notes, 2.60%, due December 2024                    | —                    | 750.0             |
| Notes, 2.60%, due December 2025                    | 400.0                | 400.0             |
| Notes, 3.25%, due June 2026                        | 275.0                | 275.0             |
| Term loan, due August 2026                         | —                    | 695.6             |
| Notes, 5.10%, due December 2027                    | 750.0                | 750.0             |
| Notes, 5.10%, due June 2028                        | 700.0                | 700.0             |
| Debentures, 6.90%, due July 2028                   | 125.0                | 125.0             |
| Notes, 4.80%, due September 2029                   | 650.0                | —                 |
| Notes, 3.10%, due May 2030                         | 600.0                | 600.0             |
| Notes, 2.35%, due September 2031                   | 1,000.0              | 1,000.0           |
| Notes, 7.00%, due July 2037                        | 250.0                | 250.0             |
| Other                                              | 1.2                  | —                 |
| Total debt                                         | 5,037.7              | 5,741.6           |
| Less short-term debt and current maturities        | (687.7)              | (963.4)           |
| Less unamortized discounts and debt issuance costs | (27.2)               | (30.4)            |
| Total long-term debt, net                          | <u>\$ 4,322.8</u>    | <u>\$ 4,747.8</u> |

Scheduled future maturities of debt at December 31, 2024 are as follows:

| <b>Years ending December 31,</b> | <b>Amount</b>        |
|----------------------------------|----------------------|
|                                  | <i>(In millions)</i> |
| 2025                             | \$ 687.7             |
| 2026                             | 275.0                |
| 2027                             | 750.0                |
| 2028                             | 825.0                |
| 2029                             | 650.0                |
| Thereafter                       | 1,850.0              |
| Total debt                       | <u>\$ 5,037.7</u>    |

**4.8% Senior Notes.** In August 2024, we issued \$650.0 million in aggregate principal amount of 4.8% five-year Senior Notes due 2029 (the "2029 Notes") in an underwritten public offering. Interest on the 2029 Notes accrues at a rate of 4.8% per year and is payable semi-annually in arrears on March 15 and September 15 of each year. The net proceeds of the sale of the 2029 Notes were ultimately used for general corporate purposes, including the repayment of borrowings under our then-outstanding delayed draw term loan (the "Term Loan") prior to the August 2026 maturity. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2029 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

**5.1% Senior Notes.** In May 2023, we issued \$700.0 million aggregate principal amount of 5.1% five-year Senior Notes due 2028 (the "2028 Notes") in an underwritten public offering. Interest on the 2028 Notes accrues at a rate of 5.1% per year and is payable semi-annually in arrears on June 1 and December 1 of each year. The net proceeds of the sale of the 2028 Notes were ultimately used to repay our then-outstanding \$400.0 million 3.95% Senior Notes due June 2023 at maturity. The remaining proceeds were used for general corporate purposes, including the repayment of borrowings under our CP program. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2028 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

**5.1% Senior Notes.** In September 2022, we issued \$750.0 million aggregate principal amount of 5.1% five-year Senior Notes due 2027 (the "2027 Notes") in an underwritten public offering. Interest on the 2027 Notes accrues at a rate of 5.1% per year and is payable semi-annually in arrears on June 15 and December 15 of each year. The net proceeds of the sale of the 2027 Notes were ultimately used to repay our then-outstanding \$500.0 million 3.30% Senior Notes due December 2022. The remaining proceeds were used for general corporate purposes, including the repayment of borrowings under our CP program. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2027 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

**2.35% Senior Notes.** On August 11, 2021, we issued \$1.0 billion aggregate principal amount of 2.35% ten-year Senior Notes due 2031 (the "2031 Notes") in an underwritten public offering. Interest on the 2031 Notes accrues at a rate of 2.35% per year and is payable semi-annually in arrears on March 15 and September 15 of each year. The net proceeds of the sale of the 2031 Notes were used to repay the then-outstanding \$300.0 million 3.6% Senior Notes due 2021 and \$300.0 million Floating Rate Notes due 2021. The remaining proceeds were used for general corporate purposes, including the repayment of borrowings under our CP program and the funding of acquisitions, including the Company's \$1.825 billion acquisition of Appriss Insights. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2031 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

**2.6% and 3.1% Senior Notes.** On April 22, 2020, we issued \$400.0 million aggregate principal amount of 2.6% five-year Senior Notes due 2025 (the "2025 Notes") and \$600.0 million aggregate principal amount of 3.1% ten-year Senior Notes due 2030 (the "2030 Notes") in an underwritten public offering. Interest on the 2025 Notes accrues at a rate of 2.6% per year and is payable semi-annually in arrears on June 15 and December 15 of each year. Interest on the 2030 Notes accrues at a rate of 3.1% per year and is payable semi-annually in arrears on May 15 and November 15 of each year. The net proceeds of the sale of the notes were used to repay borrowings under our Receivables Facility and our \$1.5 billion five-year unsecured revolving credit facility (the "Revolver"), while the remaining funds were used for general corporate purposes, including the repayment of a portion of the 2021 debt maturities. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2025 Notes and 2030 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

**2.6% Senior Notes.** On November 15, 2019, we issued \$750.0 million aggregate principal amount of 2.6% five-year Senior Notes due 2024 (the "2024 Notes") in an underwritten public offering. Interest on the 2024 Notes accrues at a rate of 2.6% per year and is payable semi-annually in arrears on June 1 and December 1 of each year of each year. The net proceeds of the sale of the notes were used to repay borrowings under our Receivables Facility and our CP program and for general corporate purposes. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2024 Notes were unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness. In December 2024, we repaid the 2.6% Senior Notes with cash on hand and CP outstanding.

**Senior Credit Facility.** We have access to a \$1.5 billion five-year unsecured revolving credit facility (the Revolver), which matures in August 2027. In March 2023, we amended the Revolver (as well as our then-outstanding Term Loan) to adjust our debt covenant requirements and incorporate the Secured Overnight Financing Rate (SOFR) into our agreement, among other changes. Borrowings under the Revolver may be used for working capital, for capital expenditures, to refinance existing debt, to finance acquisitions and for other general corporate purposes. The Revolver includes an option to request a maximum of three one-year extensions of the maturity date any time after the first anniversary of the closing date of the Revolver. In May 2024, we exercised our first option to extend the maturity date by one year, from August 2026 to August 2027, and amended the Revolver agreement to replace a discontinued reference rate for Canadian Dollar-denominated commitments. Availability of the Revolver is reduced by the outstanding principal balance of our CP notes and by any letters of credit issued under the Revolver. As of December 31, 2024, there were \$286.5 million of outstanding CP notes, \$1.4 million of letters of credit outstanding, and no outstanding borrowings under the Revolver. Availability under the Revolver was \$1,212.1 million at December 31, 2024.

Under the Revolver, the Company must comply with various financial and non-financial covenants. The Revolver requires a maximum leverage ratio, defined as consolidated funded debt divided by consolidated EBITDA, of 3.75 to 1.0. We may also elect to increase the maximum leverage ratio by 0.5 to 1.0 (subject to a maximum leverage ratio of 4.25 to 1.0) in connection with certain material acquisitions if we satisfy certain requirements. The Revolver also permits cash in excess of \$175 million to be netted against debt in the calculation of the leverage ratio, subject to certain restrictions. Compliance with this financial covenant is tested quarterly. The non-financial covenants include limitations on liens, subsidiary debt, mergers, liquidations, asset dispositions and certain government regulations. As of December 31, 2024, we were in compliance with our covenants under the Revolver. Our borrowings under these facilities, which have not been guaranteed by any of our subsidiaries, are unsecured and will rank on parity in right of payment with all of our other unsecured and unsubordinated indebtedness from time to time outstanding.

At December 31, 2024, interest was payable on borrowings under the Revolver at the base rate or Secured Overnight Financing Rate, or SOFR, plus a specified margin. The Company is required to pay on a quarterly basis a commitment fee with respect to our Revolver, which is calculated based upon the amount of daily usage of the Revolver over the available aggregate lender commitments thereunder during the applicable quarterly period. Both the applicable interest rate and the commitment fee are subject to adjustment based on the Company's debt ratings.

**Commercial Paper Program.** Our \$1.5 billion CP program has been established through the private placement of CP notes from time-to-time, in which borrowings may bear interest at either a variable or a fixed rate, plus the applicable margin. Maturities of CP can range from overnight to 397 days. Because the CP is backstopped by our Revolver, the amount of CP which may be issued under the program is reduced by the outstanding face amount of any letters of credit issued and by the outstanding borrowings under our Revolver. At December 31, 2024, there were \$286.5 million of outstanding CP notes. We have disclosed the net short-term borrowing activity for the year ended December 31, 2024 in the Consolidated Statements of Cash Flows. There were no CP borrowings or payments with a maturity date greater than 90 days and less than 365 days for the twelve months ended December 31, 2024 and 2023.

**3.25% Senior Notes.** On May 12, 2016, we issued \$275.0 million principal amount of 3.25% ten-year senior notes in an underwritten public offering. Interest is payable semi-annually in arrears on June 1 and December 1 of each year. The net proceeds of the sale of the notes were used to repay borrowings under our prior revolving credit facility and a portion of the borrowings under our CP incurred to finance the acquisition of Veda. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The senior notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

**7.0% Senior Notes.** On June 28, 2007, we issued \$250.0 million principal amount of 7.0% thirty-year senior notes in underwritten public offerings. Interest is payable semi-annually in arrears on January 1 and July 1 of each year. The net proceeds of the financing were used to repay short-term indebtedness, a substantial portion of which was incurred in connection with an acquisition. We must comply with various non-financial covenants, including certain limitations on liens, additional debt and mortgages, mergers, asset dispositions and sale-leaseback arrangements. The senior notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

**6.9% Debentures.** We have \$125.0 million of debentures outstanding with a maturity date of 2028. The debentures are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

Cash paid for interest was \$214.9 million, \$231.5 million and \$161.7 million during the twelve months ended December 31, 2024, 2023 and 2022, respectively.

## 6. COMMITMENTS AND CONTINGENCIES

### Remaining Matters Related to 2017 Cybersecurity Incident

*Canadian Class Actions.* Five putative Canadian class actions, four of which are on behalf of a national class of approximately 19,000 Canadian consumers, are pending against us in Ontario, British Columbia and Alberta. Each of the proposed Canadian class actions asserts a number of common law and statutory claims seeking monetary damages and other related relief in connection with a material cybersecurity incident in 2017. In addition to seeking class certification on behalf of Canadian consumers whose personal information was allegedly impacted by the 2017 cybersecurity incident, in some cases, plaintiffs also seek class certification on behalf of a larger group of Canadian consumers who had contracts for subscription products with Equifax around the time of the incident or earlier and were not impacted by the incident. The Ontario class action has been certified in part but is otherwise at a preliminary stage. All other purported class actions are at preliminary stages or stayed.

### CFPB Matters

In December 2021, we received a Civil Investigative Demand (a “CID”) from the Consumer Financial Protection Bureau (“CFPB”) as part of its investigation into our consumer disputes process at our USIS business unit in order to determine whether we have followed Fair Credit Reporting Act (“FCRA”) requirements for the proper handling of consumer disputes. The CID requested the production of documents and answers to written questions. In January 2023, the CFPB informed us that its enforcement division would be investigating our previously-disclosed coding issue identified within a legacy server environment in the U.S. that impacted how some credit scores were calculated during a three-week period in 2022. In January 2025, we entered into a consent order with the CFPB to settle the investigation into our consumer disputes process at our USIS business unit and the investigation into our previously-disclosed coding issue. The consent order resolves these investigations and requires the payment of a civil money penalty of \$15 million. As part of the settlement, the Company has agreed to modify certain business practices.

### Data Processing, Outsourcing Services and Other Agreements

We have separate agreements with Google and others to outsource portions of our network and security infrastructure, computer data processing operations, applications development, business continuity and recovery services, help desk service and desktop support functions, operation of our voice and data networks, maintenance and related functions and to provide certain other administrative and operational services. The agreements expire between 2025 and 2030. The estimated aggregate minimum contractual obligation remaining under these agreements is approximately \$1.4 billion as of December 31, 2024, with no future year’s minimum contractual obligation expected to exceed approximately \$521 million. Annual payment obligations in regard to these agreements vary due to factors such as the volume of data processed; changes in our servicing needs as a result of new product offerings, acquisitions or divestitures; the introduction of significant new technologies; foreign currency; or the general rate of inflation. In certain circumstances (e.g., a change in control or for our convenience), we may terminate these agreements, and, in doing so, certain of these agreements require us to pay significant termination fees.

Under our agreement with Google, we have agreed to purchase cloud platform services and cloud marketplace software and we have outsourced certain areas of our network and security infrastructure. The estimated future minimum contractual obligation under the agreement is approximately \$840 million for the remaining term, with no individual year’s minimum expected to exceed approximately \$228 million. We may terminate certain portions of this agreement without penalty in the event that Google is in material breach of the terms of the agreement. During 2024, 2023 and 2022, we paid approximately \$198 million, \$171 million and \$152 million, respectively, for these services.

### Change in Control Agreements

In February 2019, we adopted the Equifax Inc. Change in Control Severance Plan (the “CIC Plan”) for certain key executives. The CIC Plan does not apply to Mark W. Begor, our Chief Executive Officer, whose severance benefits in a change of control are contained in his employment agreement with the Company. The CIC Plan and Mr. Begor’s agreement provide for, among other things, certain payments and benefits in the event of a qualifying termination of employment (i.e., termination of employment by the executive for “good reason” or termination of employment by the Company without “cause,” each as defined in the applicable document) following a change in control of the Company. In the event of a qualifying termination, the executive will become entitled to continuation of certain employee benefits for two years, as well as a lump sum severance payment, all of which differs by executive.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Change in control events potentially triggering benefits under the CIC Plan and Mr. Begor's agreement would occur, subject to certain exceptions, if (1) any person acquires 20% or more of our voting stock; (2) upon a merger or other business combination, our shareholders receive less than two-thirds of the common stock and combined voting power of the new company; (3) members of the current Board of Directors ceasing to constitute a majority of the Board of Directors, except for new directors that are regularly elected; (4) we sell or otherwise dispose of all or substantially all of our assets; or (5) we liquidate or dissolve. If these change in control benefits had been triggered as of December 31, 2024, payments of approximately \$37.1 million would have been made.

Under the Company's existing employee stock benefit plans, upon a change in control, outstanding awards will continue to vest in accordance with the terms. However, if outstanding awards are not assumed or continued in the change in control transaction or if the executive incurs a qualifying termination in connection with the change in control, then all outstanding stock options and nonvested stock awards will vest. With respect to unvested performance based share awards dependent upon the Company's three-year relative total shareholder return, if at least one calendar year of performance during the performance period has been completed prior to the change in control event, the awards will be paid out based on the Company's performance at that time; otherwise the payout of shares will be at 100% of the target award. Under the Company's existing director stock benefit plans, upon a change in control, all outstanding nonvested stock awards will vest.

### Guarantees

We will from time to time issue standby letters of credit, performance or surety bonds or other guarantees in the normal course of business. The aggregate notional amount of all standby letters of credit, performance bonds and surety bonds is not material at December 31, 2024 and these instruments generally have a remaining maturity of one year or less. We may issue other guarantees in the ordinary course of business. The maximum potential future payments we could be required to make under the guarantees is not material at December 31, 2024. We have agreed to guarantee the liabilities and performance obligations (some of which have limitations) of a certain debt collections and recovery management subsidiary under its commercial agreements. We cannot reasonably estimate our potential future payments under the guarantees and related provisions described above because we cannot predict when and under what circumstances these provisions may be triggered. We had no accruals related to guarantees on our Consolidated Balance Sheets at December 31, 2024.

### General Indemnifications

Many of our commercial agreements contain commercially standard indemnification obligations related to tort, material breach or other liabilities that arise during the course of performance under the agreement. These indemnification obligations are typically mutual.

We are the lessee under many real estate leases. It is common in these commercial lease transactions for us, as the lessee, to agree to indemnify the lessor and other related third parties for tort, environmental and other liabilities that arise out of or relate to our use or occupancy of the leased premises. This type of indemnity would typically make us responsible to indemnified parties for liabilities arising out of the conduct of, among others, contractors, licensees and invitees at or in connection with the use or occupancy of the leased premises. This indemnity often extends to related liabilities arising from the negligence of the indemnified parties, but usually excludes any liabilities caused by either their sole or gross negligence and their willful misconduct.

Certain of our credit agreements include provisions which require us to make payments to preserve an expected economic return to the lenders if that economic return is diminished due to certain changes in law or regulations. In certain of these credit agreements, we also bear the risk of certain changes in tax laws that would be subject to payments to non-U.S. lenders to withholding taxes.

In conjunction with certain transactions, such as sales or purchases of operating assets or services in the ordinary course of business, or the disposition of certain assets or businesses, we sometimes provide routine indemnifications, the terms of which range in duration and sometimes are not limited.

The Company has entered into indemnification agreements with its directors and executive officers. Under these agreements, the Company has agreed to indemnify such individuals to the fullest extent permitted by law against liabilities that arise by reason of their status as directors or officers and to advance expenses incurred by such individuals in connection with the related legal proceedings. The Company maintains directors and officers liability insurance coverage to reduce its exposure to such obligations.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

We cannot reasonably estimate our potential future payments under the indemnities and related provisions described above because we cannot predict when and under what circumstances these provisions may be triggered. We have no accrual related to indemnifications on our Consolidated Balance Sheets at December 31, 2024 and 2023.

### Subsidiary Dividend and Fund Transfer Limitations

The ability of some of our subsidiaries and associated companies to transfer funds to us is limited, in some cases, by certain restrictions imposed by foreign governments, which do not, individually or in the aggregate, materially limit our ability to service our indebtedness, meet our current obligations or pay dividends.

### Contingencies

In addition to the matters set forth above, we are involved in legal and regulatory matters, government investigations, claims and litigation arising in the ordinary course of business. We periodically assess our exposure related to these matters based on the information which is available. We have recorded accruals in our Consolidated Financial Statements for those matters in which it is probable that we have incurred a loss and the amount of the loss, or range of loss, can be reasonably estimated. For certain of these matters, it is reasonably possible that we will incur losses, however it is not possible at this time to estimate the amount of loss or range of possible losses that might result from their resolution. The Company will continue to evaluate information as it becomes known and will record an estimate for losses at the time when it is both probable that a loss has been incurred and the amount of the loss is reasonably estimable.

We accrue for unpaid legal fees for services performed to date.

## 7. INCOME TAXES

The provision for income taxes consisted of the following:

|                            | Twelve Months Ended December 31, |                 |                 |
|----------------------------|----------------------------------|-----------------|-----------------|
|                            | 2024                             | 2023            | 2022            |
|                            | <i>(In millions)</i>             |                 |                 |
| Current:                   |                                  |                 |                 |
| Federal                    | \$ 169.9                         | \$ 155.5        | \$ 73.4         |
| State                      | 38.3                             | 24.2            | 27.7            |
| Foreign                    | 61.9                             | 56.7            | 40.3            |
|                            | <u>270.1</u>                     | <u>236.4</u>    | <u>141.4</u>    |
| Deferred:                  |                                  |                 |                 |
| Federal                    | (47.7)                           | (50.2)          | 68.6            |
| State                      | (0.3)                            | 12.4            | 19.0            |
| Foreign                    | (18.9)                           | (32.4)          | 0.5             |
|                            | <u>(66.9)</u>                    | <u>(70.2)</u>   | <u>88.1</u>     |
| Provision for income taxes | <u>\$ 203.2</u>                  | <u>\$ 166.2</u> | <u>\$ 229.5</u> |

Domestic and foreign income before income taxes was as follows:

|         | Twelve Months Ended December 31, |                 |                 |
|---------|----------------------------------|-----------------|-----------------|
|         | 2024                             | 2023            | 2022            |
|         | <i>(In millions)</i>             |                 |                 |
| U.S.    | \$ 651.9                         | \$ 573.2        | \$ 794.7        |
| Foreign | 158.6                            | 144.7           | 135.0           |
|         | <u>\$ 810.5</u>                  | <u>\$ 717.9</u> | <u>\$ 929.7</u> |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The provision for income taxes reconciles with the U.S. federal statutory rate, as follows:

|                                                   | Twelve Months Ended December 31, |                 |                 |
|---------------------------------------------------|----------------------------------|-----------------|-----------------|
|                                                   | 2024                             | 2023            | 2022            |
|                                                   | <i>(In millions)</i>             |                 |                 |
| Federal statutory rate                            | 21.0 %                           | 21.0 %          | 21.0 %          |
| Provision computed at federal statutory rate      | \$ 170.2                         | \$ 150.8        | \$ 195.2        |
| State and local taxes, net of federal tax benefit | 30.1                             | 30.0            | 34.7            |
| Foreign differential                              | 27.1                             | 20.5            | 14.8            |
| Federal research & development credit             | (17.6)                           | (24.2)          | (28.5)          |
| Equity compensation                               | (8.2)                            | (3.2)           | (6.8)           |
| Tax reserves                                      | (5.7)                            | 5.8             | 4.9             |
| Reversal of BVS deferred tax liability            | —                                | (27.3)          | —               |
| Excess officer's compensation                     | 9.2                              | 8.4             | 6.1             |
| Valuation allowance                               | (7.2)                            | 1.9             | 3.8             |
| Other                                             | 5.3                              | 3.5             | 5.3             |
| Provision for income taxes                        | <u>\$ 203.2</u>                  | <u>\$ 166.2</u> | <u>\$ 229.5</u> |
| Effective income tax rate                         | <u>25.1 %</u>                    | <u>23.2 %</u>   | <u>24.7 %</u>   |

We record deferred income taxes using enacted tax laws and rates for the years in which the taxes are expected to be paid. Deferred income tax assets and liabilities are recorded based on the differences between the financial reporting and income tax bases of assets and liabilities. For additional information about our income tax policy see Note 1 of the Notes to Consolidated Financial Statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Components of the deferred income tax assets and liabilities at December 31, 2024 and 2023 were as follows:

|                                                | December 31,         |            |
|------------------------------------------------|----------------------|------------|
|                                                | 2024                 | 2023       |
|                                                | <i>(In millions)</i> |            |
| Deferred income tax assets:                    |                      |            |
| Net operating and capital loss carryforwards   | \$ 83.9              | \$ 101.2   |
| Goodwill and intangible assets                 | 106.2                | 116.0      |
| Employee compensation programs                 | 71.2                 | 59.8       |
| Foreign tax credits                            | 17.2                 | 17.2       |
| Employee pension benefits                      | 27.7                 | 26.6       |
| Reserves and accrued expenses                  | 8.1                  | 6.4        |
| Accrued legal expense                          | 8.6                  | 9.1        |
| Research and development costs                 | 27.2                 | 22.3       |
| Operating lease asset                          | 29.8                 | 25.0       |
| Other                                          | 30.8                 | 24.3       |
| Gross deferred income tax assets               | 410.7                | 407.9      |
| Valuation allowance                            | (170.8)              | (178.5)    |
| Total deferred income tax assets, net          | 239.9                | 229.4      |
| Deferred income tax liabilities:               |                      |            |
| Goodwill and intangible assets                 | (471.1)              | (615.9)    |
| Undistributed earnings of foreign subsidiaries | (8.3)                | (6.2)      |
| Depreciation                                   | (27.4)               | (29.8)     |
| Operating lease liability                      | (29.8)               | (25.0)     |
| Prepaid expenses                               | (16.0)               | (15.0)     |
| Other                                          | (5.1)                | (2.2)      |
| Total deferred income tax liability            | (557.7)              | (694.1)    |
| Net deferred income tax liability              | \$ (317.8)           | \$ (464.7) |

Our deferred income tax assets and deferred income tax liabilities at December 31, 2024 and 2023 are included in the accompanying Consolidated Balance Sheets as follows:

|                                                                | December 31,         |            |
|----------------------------------------------------------------|----------------------|------------|
|                                                                | 2024                 | 2023       |
|                                                                | <i>(In millions)</i> |            |
| Long-term deferred income tax assets, included in other assets | \$ 33.8              | \$ 10.2    |
| Long-term deferred income tax liabilities                      | (351.6)              | (474.9)    |
| Net deferred income tax liability                              | \$ (317.8)           | \$ (464.7) |

We record deferred income taxes on the temporary differences of our foreign subsidiaries, except for the temporary differences related to undistributed earnings of subsidiaries which we consider indefinitely invested. As of December 31, 2024, we have indefinitely invested \$323.9 million attributable to undistributed earnings of our Canadian and Chilean subsidiaries. If these earnings were not considered indefinitely invested, we estimate that \$26.1 million of deferred withholding tax liability would have been provided. Further, we are indefinitely invested with respect to the original investment in foreign subsidiaries. We have not recorded a deferred tax asset on the outside basis of foreign subsidiaries as we have no intent to sell or divest of them. However, we have provided for local country withholding taxes related to the outside basis of our foreign subsidiaries.

At December 31, 2024, we had U.S. federal and state net operating loss carryforwards of \$7.0 million and \$280.3 million, respectively, which will expire at various times between 2028 and 2044. We also had foreign net operating loss carryforwards totaling \$241.1 million of which \$8.6 million will expire between 2025 and 2041 and the remaining \$232.5 million will carryforward indefinitely. Foreign capital loss carryforwards of \$16.6 million may be carried forward indefinitely.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

We had foreign tax credit carryforwards of \$17.3 million which will expire in the years 2025 through 2028. Additionally, we had state and foreign research and development credit carryforwards of \$27.1 million. The state credits expire between 2027 and 2034 and the foreign credits have an indefinite expiration period. We have state §163(j) interest limitation carryovers of \$569.1 million which have an indefinite expiration period. The tax effected amount of the state §163(j) interest limitation carryovers is \$5.0 million. The deferred tax asset related to the net operating loss, capital loss carryforwards, foreign tax credit carryforwards, §163(j) carryforwards and research and development credit is \$133.4 million of which \$60.4 million has been fully reserved in the deferred tax valuation allowance.

Cash paid for income taxes, net of amounts refunded, was \$268.1 million, \$203.2 million and \$152.4 million during the twelve months ended December 31, 2024, 2023 and 2022, respectively.

We recognize interest and penalties accrued related to unrecognized tax benefits in the provision for income taxes on our Consolidated Statements of Income.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

|                                                                      | <b>2024</b>          | <b>2023</b>    |
|----------------------------------------------------------------------|----------------------|----------------|
|                                                                      | <i>(In millions)</i> |                |
| Beginning balance (January 1)                                        | \$ 55.5              | \$ 56.2        |
| Increases related to prior year tax positions                        | 1.7                  | 3.1            |
| Decreases related to prior year tax positions                        | (0.7)                | (2.0)          |
| Increases related to current year tax positions                      | 8.5                  | 10.6           |
| Decreases related to settlements                                     | —                    | (0.3)          |
| Expiration of the statute of limitations for the assessment of taxes | (20.1)               | (12.0)         |
| Currency translation adjustment                                      | (0.2)                | (0.1)          |
| Ending balance (December 31)                                         | <u>\$ 44.7</u>       | <u>\$ 55.5</u> |

We recorded liabilities of \$42.9 million and \$48.9 million for unrecognized tax benefits as of December 31, 2024 and 2023, respectively, which included interest and penalties of \$6.0 million and \$8.2 million, respectively. As of December 31, 2024 and 2023, the total amount of unrecognized benefits that, if recognized, would have affected the effective tax rate was \$41.3 million and \$47.5 million, respectively, which included interest and penalties of \$5.1 million and \$7.5 million, respectively. During 2024 and 2023, gross interest and penalties of \$2.4 million and \$2.7 million, respectively, were accrued.

As of December 31, 2024 and 2023, the gross amount of unrecognized tax benefits was \$44.7 million and \$55.5 million, respectively. Of the total, \$7.8 million in 2024 and \$14.8 million in 2023 relate to unrecognized tax benefits for which no liability has been recorded associated with the carryforward of certain state and foreign attributes. If we were to prevail on all uncertain tax positions, the net effect would be a benefit of \$36.8 million and \$40.7 million in 2024 and 2023, respectively, exclusive of any benefits related to interest and penalties.

Equifax and its subsidiaries are subject to U.S. federal, state and international income taxes. We are generally no longer subject to federal, state or international income tax examinations by tax authorities for years before 2017 with a few exceptions. Due to the potential for resolution of state and foreign examinations, and the expiration of various statutes of limitations, it is reasonably possible that Equifax's gross unrecognized tax benefit balance may change within the next twelve months by a range of zero to \$15.8 million.

**8. STOCK-BASED COMPENSATION**

We have two active share-based award plans, the amended and restated 2008 Omnibus Incentive Plan (the "2008 Plan") and the 2023 Omnibus Incentive Plan (the "2023 Plan" and, together with the 2008 Plan, the "Omnibus Plans"). The 2008 Plan was originally approved by our shareholders in 2008 and was amended and restated with shareholder approval in May 2013 to, among other things, increase the reserve for awards under the 2008 Plan by 11 million shares. The 2023 Plan was approved by our shareholders on May 4, 2023, at which time the 2008 Plan was terminated other than with respect to then-outstanding awards under the 2008 Plan. The Omnibus Plans provide our directors, officers and certain key employees (and, in the case of the 2023 Plan, certain consultants and advisors) with stock options, restricted stock units and performance share awards. The Omnibus Plans are described below. We expect to issue common shares held as either treasury stock or new issue shares upon the exercise of stock options or once shares vest pursuant to restricted stock units or performance share awards. Total stock-based compensation expense in our Consolidated Statements of Income during the twelve months ended December 31, 2024, 2023 and 2022 was as follows:

|                                                       | <b>Twelve Months Ended December 31,</b> |                |                |
|-------------------------------------------------------|-----------------------------------------|----------------|----------------|
|                                                       | <b>2024</b>                             | <b>2023</b>    | <b>2022</b>    |
|                                                       | <i>(In millions)</i>                    |                |                |
| Cost of services                                      | \$ 13.4                                 | \$ 14.5        | \$ 12.4        |
| Selling, general and administrative expenses          | 68.2                                    | 57.3           | 50.2           |
| Stock-based compensation expense, before income taxes | <u>\$ 81.6</u>                          | <u>\$ 71.8</u> | <u>\$ 62.6</u> |

The total income tax benefit recognized for stock-based compensation expense was \$19.6 million, \$17.3 million and \$14.8 million for the twelve months ended December 31, 2024, 2023 and 2022, respectively.

**Stock Options.** The Omnibus Plans provide that qualified and nonqualified stock options may be granted to officers and other employees. The Omnibus Plans require that stock options be granted at exercise prices not less than market value on the date of grant. Generally, stock options are subject to ratable vesting for periods of up to three years based on service, with 33.3% vesting for each year of completed service, and expire ten years from the grant date.

We use the binomial model to calculate the fair value of stock options granted. The binomial model incorporates assumptions regarding anticipated employee exercise behavior, expected stock price volatility, dividend yield and risk-free interest rate. Anticipated employee exercise behavior and expected post-vesting cancellations over the contractual term used in the binomial model were primarily based on historical exercise patterns. These historical exercise patterns indicated there was not significantly different exercise behavior between employee groups. For our expected stock price volatility assumption, we weighted historical volatility and implied volatility. We used daily observations for historical volatility, while our implied volatility assumption was based on actively traded options related to our common stock. The expected term is derived from the binomial model based on assumptions incorporated into the binomial model as described above.

The fair value for stock options granted during the twelve months ended December 31, 2024, 2023 and 2022 was estimated at the date of grant using the binomial model with the following weighted-average assumptions:

|                                                      | <b>Twelve Months Ended December 31,</b> |             |             |
|------------------------------------------------------|-----------------------------------------|-------------|-------------|
|                                                      | <b>2024</b>                             | <b>2023</b> | <b>2022</b> |
| Dividend yield                                       | 0.8 %                                   | 0.8 %       | 0.7 %       |
| Expected volatility                                  | 31.9 %                                  | 33.1 %      | 31.5 %      |
| Risk-free interest rate                              | 4.1 %                                   | 3.9 %       | 2.4 %       |
| Expected term (in years)                             | 4.8                                     | 4.8         | 5.0         |
| Weighted-average fair value of stock options granted | \$ 75.97                                | \$ 63.70    | \$ 59.70    |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes changes in outstanding stock options during the twelve months ended December 31, 2024, as well as stock options that are vested and expected to vest and stock options exercisable at December 31, 2024:

|                                                  | Shares<br>(In thousands) | Weighted-Average<br>Exercise<br>Price | Weighted-Average<br>Remaining<br>Contractual<br>Term<br>(In years) | Aggregate<br>Intrinsic<br>Value<br>(In millions) |
|--------------------------------------------------|--------------------------|---------------------------------------|--------------------------------------------------------------------|--------------------------------------------------|
| Outstanding at December 31, 2023                 | 1,961                    | \$ 171.93                             |                                                                    |                                                  |
| Granted (all at market price)                    | 233                      | \$ 253.10                             |                                                                    |                                                  |
| Exercised                                        | (665)                    | \$ 151.56                             |                                                                    |                                                  |
| Forfeited and canceled                           | (132)                    | \$ 183.23                             |                                                                    |                                                  |
| Outstanding at December 31, 2024                 | 1,397                    | \$ 194.36                             | 5.2                                                                | \$ 85.8                                          |
| Vested and expected to vest at December 31, 2024 | 1,386                    | \$ 194.01                             | 5.2                                                                | \$ 85.6                                          |
| Exercisable at December 31, 2024                 | 776                      | \$ 162.29                             | 3.9                                                                | \$ 71.9                                          |

The aggregate intrinsic value amounts in the table above represent the difference between the closing price of Equifax's common stock on December 31, 2024 and the exercise price, multiplied by the number of in-the-money stock options as of the same date. This represents the value that would have been received by the stock option holders if they had all exercised their stock options on December 31, 2024. In future periods, this amount will change depending on fluctuations in Equifax's stock price. The total intrinsic value of stock options exercised during the twelve months ended December 31, 2024, 2023 and 2022 was \$74.2 million, \$14.0 million and \$5.9 million, respectively. At December 31, 2024, our total unrecognized compensation cost related to stock options was \$6.6 million with a weighted-average recognition period of 1.2 years.

The following table summarizes changes in outstanding options and the related weighted-average exercise price per share for the twelve months ended December 31, 2023 and 2022:

|                                          | December 31,             |                                       |                          |                                       |
|------------------------------------------|--------------------------|---------------------------------------|--------------------------|---------------------------------------|
|                                          | 2023                     |                                       | 2022                     |                                       |
|                                          | Shares<br>(In thousands) | Weighted-Average<br>Exercise<br>Price | Shares<br>(In thousands) | Weighted-Average<br>Exercise<br>Price |
| Outstanding at the beginning of the year | 1,964                    | \$ 164.72                             | 1,710                    | \$ 149.67                             |
| Granted (all at market price)            | 259                      | \$ 210.37                             | 369                      | \$ 232.28                             |
| Exercised                                | (218)                    | \$ 143.98                             | (76)                     | \$ 136.84                             |
| Forfeited and canceled                   | (44)                     | \$ 205.81                             | (39)                     | \$ 198.34                             |
| Outstanding at the end of the year       | 1,961                    | \$ 171.93                             | 1,964                    | \$ 164.72                             |
| Exercisable at end of year               | 1,326                    | \$ 150.58                             | 1,268                    | \$ 141.40                             |

**Other Stock Awards.** The Omnibus Plans also provide for awards of restricted stock units and performance shares or units that are settled in shares of our common stock. Such stock awards are generally subject to cliff vesting over a period of one to three years based on service and may also have vesting conditions based on meeting specified performance goals, as further described below.

The fair value of these stock awards is based on the fair market value of our common stock on the date of grant and include the right to dividends or dividend equivalents, which are accrued and payable only if and when the underlying stock vests and is payable.

Pursuant to the Omnibus Plans, certain executives have been granted performance shares pursuant to which the number of shares earned is dependent upon the Company's three-year total shareholder return relative to the three-year total shareholder return of the companies in the S&P 500 stock index, as comprised on the grant date, subject to adjustment. In addition, certain executives have been granted performance shares pursuant to which the number of shares earned is dependent upon the Company's adjusted EBITDA growth over the three-year performance period.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The number of shares that could potentially be issued under these performance share awards ranges from zero to 200% of the target award. The grants outstanding subject to market performance as of December 31, 2024 would result in 356,211 shares outstanding at 100% of target and 712,422 at 200% of target at the end of the vesting period. Compensation expense for shares earned based on the Company's three-year total shareholder return is recognized on a straight-line basis over the measurement period and is based upon the fair market value of the shares estimated to be earned at the date of grant using a Monte-Carlo simulation. Compensation expense for shares earned based on the Company's adjusted EBITDA is recognized on a straight-line basis over the measurement period and is based upon the fair market value.

The following table summarizes changes in these other stock awards during the twelve months ended December 31, 2024, 2023 and 2022 and the related weighted-average grant date fair value:

|                                | Shares         | Weighted-Average Grant Date Fair Value |
|--------------------------------|----------------|----------------------------------------|
|                                | (In thousands) |                                        |
| Nonvested at December 31, 2021 | 779            | \$ 159.73                              |
| Granted                        | 483            | \$ 196.97                              |
| Vested                         | (406)          | \$ 133.26                              |
| Forfeited                      | (72)           | \$ 202.70                              |
| Nonvested at December 31, 2022 | 784            | \$ 192.47                              |
| Granted                        | 373            | \$ 205.98                              |
| Vested                         | (215)          | \$ 172.62                              |
| Forfeited                      | (86)           | \$ 194.11                              |
| Nonvested at December 31, 2023 | 856            | \$ 203.17                              |
| Granted                        | 334            | \$ 250.64                              |
| Vested                         | (231)          | \$ 178.51                              |
| Forfeited                      | (88)           | \$ 217.04                              |
| Nonvested at December 31, 2024 | 871            | \$ 226.50                              |

The total fair value of stock awards that vested during the twelve months ended December 31, 2024, 2023 and 2022 was \$59.1 million, \$43.7 million and \$85.9 million, respectively, based on the weighted-average fair value on the vesting date, and \$41.2 million, \$37.1 million and \$54.2 million, respectively, based on the weighted-average fair value on the date of grant. At December 31, 2024, our total unrecognized compensation cost related to these nonvested stock awards was \$52.2 million with a weighted-average recognition period of 1.7 years.

**Employee Stock Purchase Plan.** Effective July 1, 2020, the Equifax Board of Directors approved the 2020 Employee Stock Purchase Plan ("ESPP"). Under the ESPP, participating employees have the option to withhold 1% to 10% of their annual salary, up to \$25,000 annually, to purchase Equifax stock at a 5% discount based on the closing stock price of the final day of the offering period. The ESPP is noncompensatory in nature and is treated as any other sale of the Company's equity instruments.

## 9. BENEFIT PLANS

We have defined benefit pension plans and defined contribution plans. We also maintain certain healthcare and life insurance benefit plans for eligible retired employees. The measurement date for our defined benefit pension plans and other postretirement benefit plans is December 31 of each year.

**Pension Benefits.** Pension benefits are provided through U.S., and previously, Canadian defined benefit pension plans that were settled in 2022 and three supplemental executive defined benefit pension plans.

**U.S. Retirement Plans.** We sponsor a qualified defined benefit retirement plan, the U.S. Retirement Income Plan ("USRIP"), that covers approximately 5% of current U.S. salaried employees who were hired on or before June 30, 2007, the last date on which an individual could be hired and enter the plan before the USRIP was closed to new participation at December 31, 2008. This plan also covers retirees as well as certain terminated but vested individuals not yet in retirement status. Effective December 31, 2014, the USRIP plan was frozen for all participants eligible to accrue benefits. Accordingly, pension plan participants earn no new benefits under the plan formula.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In 2023, the Company announced a program to offer a voluntary lump-sum pension payout to certain eligible active employees and former employees in the USRIP which would settle the Company's obligation to them. The program provided participants with a limited time opportunity to elect to receive a lump-sum settlement of their pension benefit or begin to receive their benefit in the form of a monthly annuity in December 2023. As a result, the Company paid \$31.8 million from plan assets and was relieved of the corresponding pension obligation of \$33.4 million. The remaining activity was recorded through net periodic benefit cost related to the annual mark-to-market remeasurement.

During the twelve months ended December 31, 2024 and 2023, we made no voluntary contributions to the USRIP. At December 31, 2024, the USRIP met or exceeded ERISA's minimum funding requirements.

The annual report produced by our consulting actuaries specifies the funding requirements for our plans based on projected benefits for plan participants, historical investment results on plan assets, current discount rates for liabilities, assumptions for future demographic developments and recent changes in statutory requirements. We may elect to make additional discretionary contributions to our plans in excess of minimum funding requirements, subject to statutory limitations.

**Supplemental Retirement Plans.** We maintain three supplemental executive retirement programs for certain key employees. The plans, which are unfunded, provide supplemental retirement payments based on salary and years of service.

**Other Benefits.** We maintain certain healthcare and life insurance benefit plans for eligible retired employees. Substantially all of our U.S. employees may become eligible for the retiree healthcare benefits if they reach retirement age while working for us and satisfy certain years of service requirements. Employees hired on or after January 1, 2009 are required to pay the full cost of coverage after retirement. The retiree life insurance program covers employees who retired on or before December 31, 2003. We accrue the cost of providing healthcare benefits over the active service period of the employee.

**Obligations and Funded Status.** A reconciliation of the projected benefit obligations, plan assets and funded status of the plans is as follows:

|                                               | Pension Benefits     |            | Other Benefits |          |
|-----------------------------------------------|----------------------|------------|----------------|----------|
|                                               | 2024                 | 2023       | 2024           | 2023     |
|                                               | <i>(In millions)</i> |            |                |          |
| <b>Change in projected benefit obligation</b> |                      |            |                |          |
| Benefit obligation at January 1,              | \$ 466.1             | \$ 501.1   | \$ 11.1        | \$ 12.8  |
| Service cost                                  | 0.8                  | 1.2        | 0.1            | 0.1      |
| Interest cost                                 | 24.2                 | 27.4       | 0.6            | 0.7      |
| Amendments                                    | —                    | —          | —              | 0.3      |
| Actuarial (gain) loss                         | (9.5)                | 11.3       | (0.7)          | (1.5)    |
| Foreign currency exchange rate changes        | —                    | —          | (0.1)          | —        |
| Settlements                                   | —                    | (34.5)     | —              | —        |
| Benefits paid                                 | (39.8)               | (40.4)     | (1.3)          | (1.3)    |
| Projected benefit obligation at December 31,  | 441.8                | 466.1      | 9.7            | 11.1     |
| <b>Change in plan assets</b>                  |                      |            |                |          |
| Fair value of plan assets at January 1,       | 363.5                | 399.0      | 10.7           | 10.7     |
| Actual return on plan assets                  | 1.3                  | 30.6       | —              | 1.0      |
| Employer contributions                        | 6.9                  | 7.0        | 0.2            | 0.2      |
| Other disbursements                           | —                    | (0.9)      | —              | —        |
| Settlements                                   | —                    | (31.8)     | —              | —        |
| Benefits paid                                 | (39.8)               | (40.4)     | (0.2)          | (1.2)    |
| Fair value of plan assets at December 31,     | 331.9                | 363.5      | 10.7           | 10.7     |
| <b>Funded status of plan</b>                  | \$ (109.9)           | \$ (102.6) | \$ 1.0         | \$ (0.4) |

The accumulated benefit obligation for the USRIP and supplemental retirement plans was \$441.8 million at December 31, 2024. The accumulated benefit obligation for the USRIP and supplemental retirement plans was \$466.1 million at December 31, 2023.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

At December 31, 2024, the USRIP had projected benefit obligations and accumulated benefit obligations in excess of the plan's respective assets. The fair value of plan assets for this plan were \$331.9 million and the projected benefit obligation and accumulated benefit obligation were \$357.4 million at December 31, 2024.

At December 31, 2024, our supplemental retirement plans had projected benefit obligations and accumulated benefit obligations in excess of those plans' respective assets. The projected benefit obligation and accumulated benefit obligation for these plans in the aggregate were \$84.4 million and these plans did not have any plan assets at December 31, 2024.

At December 31, 2023, the USRIP had projected benefit obligations and accumulated benefit obligations in excess of the plan's respective assets. The fair value of plan assets for this plan were \$363.5 million and the projected benefit obligation and accumulated benefit obligation were \$377.9 million at December 31, 2023.

At December 31, 2023, our supplemental retirement plans had projected benefit obligations and accumulated benefit obligations in excess of those plans' respective assets. The projected benefit obligation and accumulated benefit obligation for these plans in the aggregate were \$88.2 million and these plans did not have any plan assets at December 31, 2023.

The following table represents the net amounts recognized, or the funded status of our pension and other postretirement benefit plans, in our Consolidated Balance Sheets at December 31, 2024 and 2023:

|                                                                               | Pension Benefits     |                   | Other Benefits |                 |
|-------------------------------------------------------------------------------|----------------------|-------------------|----------------|-----------------|
|                                                                               | 2024                 | 2023              | 2024           | 2023            |
| <b>Amounts recognized in the statements of financial position consist of:</b> | <i>(In millions)</i> |                   |                |                 |
| Noncurrent assets                                                             | \$ —                 | \$ —              | \$ 2.2         | \$ 0.9          |
| Current liabilities                                                           | (7.1)                | (6.7)             | (0.1)          | (0.1)           |
| Long-term liabilities                                                         | (102.8)              | (95.9)            | (1.1)          | (1.2)           |
| Net amount recognized                                                         | <u>\$ (109.9)</u>    | <u>\$ (102.6)</u> | <u>\$ 1.0</u>  | <u>\$ (0.4)</u> |

At December 31, 2024 and 2023 amounts included in accumulated other comprehensive loss related to pension benefit plans consisted of prior service cost of \$3.5 million and \$3.6 million, net of accumulated taxes of \$1.1 million and \$1.2 million, respectively. For the twelve months ended December 31, 2024 and 2023, we recognized a loss of \$11.6 million and \$0.1 million, respectively, through net periodic benefit cost related to the annual mark-to-market remeasurement of our pension and postretirement plans. For the twelve months ended December 31, 2024 and 2023, amounts recognized through net periodic benefit cost related to prior service cost, curtailments and settlements were not material.

### Components of Net Periodic Benefit Cost

|                                                   | Pension Benefits     |               |                 | Other Benefits  |                 |             |
|---------------------------------------------------|----------------------|---------------|-----------------|-----------------|-----------------|-------------|
|                                                   | 2024                 | 2023          | 2022            | 2024            | 2023            | 2022        |
|                                                   | <i>(In millions)</i> |               |                 |                 |                 |             |
| Service cost                                      | \$ 0.8               | \$ 1.2        | \$ 1.5          | \$ 0.1          | \$ 0.1          | \$ 0.2      |
| Interest cost                                     | 24.2                 | 27.4          | 20.1            | 0.6             | 0.7             | 0.5         |
| Expected return on plan assets                    | (22.5)               | (22.8)        | (24.8)          | (0.7)           | (0.6)           | (0.7)       |
| Amortization of prior service cost                | 0.6                  | 0.4           | (1.7)           | (0.5)           | (0.5)           | (0.5)       |
| Recognized actuarial loss (gain) - mark to market | 11.7                 | 1.9           | (2.7)           | (0.1)           | (1.8)           | 0.5         |
| Settlements                                       | —                    | —             | (1.0)           | —               | —               | —           |
| Total net periodic benefit cost (income)          | <u>\$ 14.8</u>       | <u>\$ 8.1</u> | <u>\$ (8.6)</u> | <u>\$ (0.6)</u> | <u>\$ (2.1)</u> | <u>\$ —</u> |



**Weighted-Average Assumptions**

| Weighted-average assumptions used to determine benefit obligations at December 31, | Pension Benefits |        | Other Benefits |        |
|------------------------------------------------------------------------------------|------------------|--------|----------------|--------|
|                                                                                    | 2024             | 2023   | 2024           | 2023   |
| Discount rate                                                                      | 5.79 %           | 5.44 % | 5.57 %         | 5.37 % |
| Rate of compensation increase                                                      | 6.00 %           | 6.00 % | N/A            | N/A    |

| Weighted-average assumptions used to determine net periodic benefit cost at December 31, | Pension Benefits |        |        | Other Benefits |        |        |
|------------------------------------------------------------------------------------------|------------------|--------|--------|----------------|--------|--------|
|                                                                                          | 2024             | 2023   | 2022   | 2024           | 2023   | 2022   |
| Discount rate                                                                            | 5.44 %           | 5.71 % | 2.85 % | 5.37 %         | 5.65 % | 2.86 % |
| Expected return on plan assets                                                           | 6.50 %           | 6.00 % | 4.27 % | 6.50 %         | 6.00 % | 4.60 % |
| Rate of compensation increase                                                            | 6.00 %           | 6.00 % | 6.00 % | N/A            | N/A    | N/A    |

*Mortality Rates.* During 2021, we adopted the MP-2021 mortality improvement projections in determining the liability for the U.S. plans. During 2022, 2023 and 2024, we continued to use the MP-2021 mortality projection scale as a new version has not been issued since 2021.

*Discount Rates.* We determine our discount rates primarily based on high-quality, fixed-income investments and yield-to-maturity analyses specific to our estimated future benefit payments available as of the measurement date. Discount rates are reset annually on the measurement date to reflect current market conditions. To determine the discount rate for our U.S. pension and postretirement benefit plans, we use a bond matching approach to select specific bonds that would satisfy our projected benefit payments. We believe the bond matching approach reflects the process we would employ to settle our pension and postretirement benefit obligations.

*Expected and Actual Return on Plan Assets.* We use a mark-to-market approach to recognize actuarial gains and losses and expected return on plan assets for our defined benefit pension and other postretirement benefit plans. Under this accounting principle, the expected returns on plan assets are used to estimate pension expense throughout the year and remeasurement of the projected benefit obligation and plan assets are immediately recognized in earnings through net periodic benefit cost within Other (expense) income, net on the Consolidated Statements of Income with pension and postretirement plans remeasured annually in the fourth quarter.

We estimate that the future benefits payable for our retirement and postretirement plans are as follows at December 31, 2024:

| Years ending December 31,                   | U.S. Defined Benefit Plans | Other Benefit Plans |
|---------------------------------------------|----------------------------|---------------------|
|                                             | <i>(In millions)</i>       |                     |
| 2025                                        | \$ 40.8                    | \$ 1.2              |
| 2026                                        | \$ 40.4                    | \$ 1.2              |
| 2027                                        | \$ 39.9                    | \$ 1.1              |
| 2028                                        | \$ 39.0                    | \$ 1.1              |
| 2029                                        | \$ 38.0                    | \$ 1.0              |
| Next five fiscal years to December 31, 2034 | \$ 173.1                   | \$ 4.3              |

**Fair Value of Plan Assets.** The fair value of the pension assets at December 31, 2024 and 2023 are as follows:

| Description                                   |     | Fair Value at<br>December 31,<br>2024 | Fair Value Measurements at Reporting Date Using:                           |                                                        |                                                 |
|-----------------------------------------------|-----|---------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------|
|                                               |     |                                       | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs (Level 2) | Significant<br>Unobservable<br>Inputs (Level 3) |
| <i>(In millions)</i>                          |     |                                       |                                                                            |                                                        |                                                 |
| U.S. Equity                                   | (2) | \$ 34.2                               | \$ —                                                                       | \$ 34.2                                                | \$ —                                            |
| International Equity                          | (2) | 14.3                                  | —                                                                          | 14.3                                                   | —                                               |
| Fixed Income                                  | (2) | 193.0                                 | —                                                                          | 193.0                                                  | —                                               |
| Private Equity                                | (3) | 13.3                                  | —                                                                          | —                                                      | 13.3                                            |
| Real Assets                                   | (4) | 4.5                                   | —                                                                          | —                                                      | 4.5                                             |
| Cash                                          | (1) | 3.8                                   | 3.8                                                                        | —                                                      | —                                               |
| Total plan assets in the fair value hierarchy |     | \$ 263.1                              | \$ 3.8                                                                     | \$ 241.5                                               | \$ 17.8                                         |
| Investments measured at net asset value       | (5) | 68.8                                  |                                                                            |                                                        |                                                 |
| Total plan assets                             |     | \$ 331.9                              |                                                                            |                                                        |                                                 |

| Description          |     | Fair Value at<br>December 31,<br>2023 | Fair Value Measurements at Reporting Date Using:                           |                                                        |                                                 |
|----------------------|-----|---------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------|
|                      |     |                                       | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs (Level 2) | Significant<br>Unobservable<br>Inputs (Level 3) |
|                      |     |                                       | <i>(In millions)</i>                                                       |                                                        |                                                 |
| U.S. Equity          | (2) | \$ 40.9                               | \$ —                                                                       | \$ 40.9                                                | \$ —                                            |
| International Equity | (2) | 35.6                                  | —                                                                          | 35.6                                                   | —                                               |
| Fixed Income         | (2) | 243.3                                 | —                                                                          | 243.3                                                  | —                                               |
| Private Equity       | (3) | 13.8                                  | —                                                                          | —                                                      | 13.8                                            |
| Real Assets          | (4) | 4.8                                   | —                                                                          | —                                                      | 4.8                                             |
| Cash                 | (1) | 25.1                                  | 25.1                                                                       | —                                                      | —                                               |
| Total plan assets    |     | \$ 363.5                              | \$ 25.1                                                                    | \$ 319.8                                               | \$ 18.6                                         |

(1) Fair value is based on observable market prices for the assets.

(2) For the portion of this asset class categorized as Level 2, fair value is determined using dealer and broker quotations, certain pricing models, bid prices, quoted prices for similar assets and liabilities in active markets, or other inputs that are observable or can be corroborated by observable market data.

(3) Private equity investments are initially valued at cost. Fund managers periodically review the valuations utilizing subsequent company-specific transactions or deterioration in the company's financial performance to determine if fair value adjustments are necessary. Private equity investments are typically viewed as long term, less liquid investments with return of capital coming via cash distributions from the sale of underlying fund assets. The Plan intends to hold these investments through each fund's normal life cycle and wind down period. As of both December 31, 2024 and 2023, we had \$10.0 million of remaining commitments related to these private equity investments.

(4) The fair value of Real Assets are reported by the fund manager based on a combination of the following valuation approaches: current replacement cost less deterioration and obsolescence, a discounted cash flow model of income streams and comparable market sales. As of both December 31, 2024 and 2023, we had \$0.2 million of remaining commitments related to the real asset investments.

(5) In accordance with FASB ASC Subtopic 820-10, certain investments measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

table are intended to permit reconciliation of the fair value hierarchy to the total fair value of plan assets presented in the funded status reconciliation. Investments measured at net asset value include Diversified Credit and Real Assets.

The following table shows a reconciliation of the beginning and ending balances for assets valued using significant unobservable inputs for the years ended December 31, 2024 and 2023:

|                              | <b>Private<br/>Equity</b> | <b>Real Assets</b> |
|------------------------------|---------------------------|--------------------|
|                              | <i>(In millions)</i>      |                    |
| Balance at December 31, 2022 | \$ 13.1                   | \$ 4.8             |
| Return on plan assets:       |                           |                    |
| Unrealized                   | 0.7                       | —                  |
| Realized                     | (0.3)                     | —                  |
| Purchases                    | 1.7                       | —                  |
| Sales                        | (1.4)                     | —                  |
| Balance at December 31, 2023 | <u>\$ 13.8</u>            | <u>\$ 4.8</u>      |
| Return on plan assets:       |                           |                    |
| Unrealized                   | \$ —                      | \$ (0.1)           |
| Realized                     | 0.4                       | 0.1                |
| Purchases                    | 0.5                       | —                  |
| Sales                        | (1.4)                     | (0.3)              |
| Balance at December 31, 2024 | <u>\$ 13.3</u>            | <u>\$ 4.5</u>      |

The fair value of the postretirement assets at December 31, 2024 and 2023 are as follows:

|                                               |     | <b>Fair Value Measurements at Reporting Date Using:</b> |                                                                                       |                                                                  |                                                          |
|-----------------------------------------------|-----|---------------------------------------------------------|---------------------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------|
| <b>Description</b>                            |     | <b>Fair Value at<br/>December 31,<br/>2024</b>          | <b>Quoted Prices<br/>in Active<br/>Markets for<br/>Identical Assets<br/>(Level 1)</b> | <b>Significant<br/>Other<br/>Observable<br/>Inputs (Level 2)</b> | <b>Significant<br/>Unobservable<br/>Inputs (Level 3)</b> |
|                                               |     |                                                         | <i>(In millions)</i>                                                                  |                                                                  |                                                          |
| U.S. Equity                                   | (2) | \$ 1.1                                                  | \$ —                                                                                  | \$ 1.1                                                           | \$ —                                                     |
| International Equity                          | (2) | 0.5                                                     | —                                                                                     | 0.5                                                              | —                                                        |
| Fixed Income                                  | (2) | 6.2                                                     | —                                                                                     | 6.2                                                              | —                                                        |
| Private Equity                                | (3) | 0.4                                                     | —                                                                                     | —                                                                | 0.4                                                      |
| Real Assets                                   | (4) | 0.2                                                     | —                                                                                     | —                                                                | 0.2                                                      |
| Cash                                          | (1) | 0.1                                                     | 0.1                                                                                   | —                                                                | —                                                        |
| Total plan assets in the fair value hierarchy |     | <u>\$ 8.5</u>                                           | <u>\$ 0.1</u>                                                                         | <u>\$ 7.8</u>                                                    | <u>\$ 0.6</u>                                            |
| Investments measured at net asset value       | (5) | 2.2                                                     |                                                                                       |                                                                  |                                                          |
| Total plan assets                             |     | <u>\$ 10.7</u>                                          |                                                                                       |                                                                  |                                                          |

|                      |     | Fair Value Measurements at Reporting Date Using: |                                                                            |                                                        |                                                 |
|----------------------|-----|--------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------|
| Description          |     | Fair Value at<br>December 31,<br>2023            | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs (Level 2) | Significant<br>Unobservable<br>Inputs (Level 3) |
|                      |     |                                                  | (In millions)                                                              |                                                        |                                                 |
| U.S. Equity          | (2) | \$ 1.2                                           | \$ —                                                                       | \$ 1.2                                                 | \$ —                                            |
| International Equity | (2) | 1.0                                              | —                                                                          | 1.0                                                    | —                                               |
| Fixed Income         | (2) | 7.2                                              | —                                                                          | 7.2                                                    | —                                               |
| Private Equity       | (3) | 0.4                                              | —                                                                          | —                                                      | 0.4                                             |
| Real Assets          | (4) | 0.1                                              | —                                                                          | —                                                      | 0.1                                             |
| Cash                 | (1) | 0.8                                              | 0.8                                                                        | —                                                      | —                                               |
| Total plan assets    |     | \$ 10.7                                          | \$ 0.8                                                                     | \$ 9.4                                                 | \$ 0.5                                          |

- (1) Fair value is based on observable market prices for the assets.
- (2) For the portion of this asset class categorized as Level 2, fair value is determined using dealer and broker quotations, certain pricing models, bid prices, quoted prices for similar assets and liabilities in active markets, or other inputs that are observable or can be corroborated by observable market data.
- (3) Private equity investments are initially valued at cost. Fund managers periodically review the valuations utilizing subsequent company-specific transactions or deterioration in the company's financial performance to determine if fair value adjustments are necessary. Private equity investments are typically viewed as long term, less liquid investments with return of capital coming via cash distributions from the sale of underlying fund assets. The Plan intends to hold these investments through each fund's normal life cycle and wind down period.
- (4) The fair value of Real Assets are reported by the fund manager based on a combination of the following valuation approaches: current replacement cost less deterioration and obsolescence, a discounted cash flow model of income streams and comparable market sales.
- (5) In accordance with FASB ASC Subtopic 820-10, certain investments measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total fair value of plan assets presented in the funded status reconciliation. Investments measured at net asset value include Diversified Credit and Real Assets.

Gross realized and unrealized gains and losses, purchases and sales for Level 3 postretirement assets were not material for the twelve months ended December 31, 2024.

**USRIP Investment and Asset Allocation Strategies.** The primary goal of the asset allocation strategy of the USRIP is to produce a total investment return which will satisfy future annual cash benefit payments to participants and minimize future contributions from the Company. Additionally, this strategy will diversify the plan assets to minimize nonsystemic risk and provide reasonable assurance that no single security or class of security will have a disproportionate negative impact on the USRIP. Investment managers are required to abide by the provisions of ERISA. Standards of performance for each manager include an expected return versus an assigned benchmark, a measure of volatility and a time period of evaluation.

The asset allocation strategy and investment manager recommendations are determined by the Investment Committee, with the advice of our external advisor. The asset allocation and ranges are approved by our in-house Investment Committee and plan Administrators, who are Named Fiduciaries under ERISA.

In an effort to meet asset allocation and funded status objectives of the USRIP, assets are categorized as Liability-Hedging Assets and Return-Seeking Assets. As of December 31, 2024, the approved allocation ranges are set forth in the table below, with a 60% targeted allocation to Liability-Hedging Assets and a 40% targeted allocation to Return-Seeking Assets. Liability-Hedging Assets represent investments which are meant to provide a hedge relative to the USRIP's liabilities and consist primarily of fixed income securities. Return-Seeking Assets include any asset class not intended to hedge the USRIP's liabilities. At December 31, 2024, these assets included domestic and international equities, private equity (including secondary

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

private equity), real assets and diversified credit. The diversified credit strategy invests in a diversified portfolio of credit assets, including securitized, corporate, high yield, and emerging market debt, among others. Additionally, the USRIP allows certain of their managers, subject to specific risk constraints, to utilize derivative instruments in order to enhance asset return, reduce volatility or both. Derivatives are primarily employed by the USRIP in their fixed income portfolios and in the hedge fund-of-funds area. Derivatives can be used for hedging purposes to reduce risk.

No shares of Equifax common stock were directly owned by the USRIP at December 31, 2024 or 2023. Not more than 5% of the portfolio (at cost), and 10% of the equity portfolio's market value, shall be invested in the securities of any one issuer, except the U.S. Government and U.S. Government Agencies.

The following asset allocation ranges and actual allocations were in effect as of December 31, 2024 and 2023:

| USRIP                | Range     |            | Actual |        |
|----------------------|-----------|------------|--------|--------|
|                      | 2024      | 2023       | 2024   | 2023   |
| U.S. Equity          | 0% - 20%  | 0% - 20%   | 10.3 % | 11.3 % |
| International Equity | 0% - 10%  | 0% - 10%   | 4.3 %  | 9.8 %  |
| Private Equity       | 0% - 10%  | 0% - 10%   | 4.0 %  | 3.8 %  |
| Hedge Funds          | 0% - 10%  | 0% - 10%   | — %    | — %    |
| Real Assets          | 5% - 20%  | 0% - 10%   | 11.7 % | 1.3 %  |
| Diversified Credit   | 5% - 20%  | 0% - 0%    | 10.4 % | — %    |
| Fixed Income         | 45% - 90% | 65% - 100% | 58.1 % | 67.0 % |
| Cash                 | 0% - 15%  | 0% - 15%   | 1.2 %  | 6.8 %  |

**Equifax Retirement Savings Plans.** Equifax sponsors a U.S. tax qualified defined contribution plan, the Equifax Inc. 401(k) Plan. Beginning with the 2019 plan year, we provide a discretionary match of participants' contributions, up to five or six percent of employees' eligible pay depending on certain eligibility rules under the 401(k) Plan. Company contributions for the 401(k) Plan during the twelve months ended December 31, 2024, 2023 and 2022 were \$37.8 million, \$38.3 million and \$38.1 million, respectively.

**Foreign Retirement Plans.** We also maintain defined contribution plans for certain employees in Canada and meet certain compulsory contribution requirements to retirement funds for employees in Australia, the U.K. and Ireland. For the years ended December 31, 2024, 2023 and 2022, our contributions related to these plans were \$14.8 million, \$15.2 million and \$15.0 million, respectively.

**Deferred Compensation Plans.** We maintain deferred compensation plans that allow for certain management employees and the Equifax Board of Directors to defer the receipt of compensation (such as salary, incentive compensation or shares payable under vested restricted stock units and performance shares) until a later date based on the terms of the plans. The Company also makes contributions to the accounts of certain executives who are not eligible to participate in either of these supplemental retirement plans. The benefits under our deferred compensation plans are guaranteed by the assets of a grantor trust which, through our funding, make investments in certain mutual funds. The purpose of this trust is to ensure, subject to the claims of the Company's creditors in the event of the Company's insolvency, the distribution of benefits accrued by participants of the deferred compensation plans, and to ensure full funding, upon a change in control, of the present value of accrued benefits payable to participants or beneficiaries under the plans.

**Annual Incentive Plan.** We have a shareholder-approved Annual Incentive Plan, which is a component of the Omnibus Plans, for certain key officers that provides for annual or long-term cash awards at the end of various measurement periods, based on the earnings per share, revenue and/or various other criteria over the measurement period. Our total accrued incentive compensation for all incentive plans included in accrued salaries and bonuses on our Consolidated Balance Sheets was \$123.3 million and \$88.0 million at December 31, 2024 and 2023, respectively.

**Employee Benefit Trusts.** We maintain two employee benefit trusts for the purpose of satisfying obligations under our supplemental retirement plans. One of these trusts held 0.6 million shares of Equifax stock with a value, at cost, of \$5.9 million at both December 31, 2024 and December 31, 2023, as well as cash, which was not material for both periods presented. These employee benefits trust assets are dedicated to ensure the payment of benefits accrued under our supplemental retirement plans, and to ensure full funding of the accrued benefits in case of a change in control, as defined in the trust agreements. The

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

assets in these plan trusts which are recorded on our Consolidated Balance Sheets are subject to creditor's claims in case of insolvency of Equifax Inc.

### 10. ACCUMULATED OTHER COMPREHENSIVE LOSS

Changes in accumulated other comprehensive loss by component, after tax, for the twelve months ended December 31, 2024 and 2023 are as follows:

|                                                                | Foreign<br>currency<br>translation<br>adjustment | Pension and<br>other<br>postretirement<br>benefit plans | Cash flow<br>hedging<br>transactions | Total             |
|----------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------------|--------------------------------------|-------------------|
|                                                                | <i>(In millions)</i>                             |                                                         |                                      |                   |
| Balance, December 31, 2022                                     | \$ (469.3)                                       | \$ (3.4)                                                | \$ (1.0)                             | \$ (473.7)        |
| Other comprehensive income before reclassifications            | 42.6                                             | —                                                       | 0.1                                  | 42.7              |
| Amounts reclassified from accumulated other comprehensive loss | —                                                | (0.2)                                                   | —                                    | (0.2)             |
| Balance, December 31, 2023                                     | (426.7)                                          | (3.6)                                                   | (0.9)                                | (431.2)           |
| Other comprehensive (loss) income before reclassifications     | (291.7)                                          | —                                                       | 0.1                                  | (291.6)           |
| Amounts reclassified from accumulated other comprehensive loss | —                                                | 0.1                                                     | —                                    | 0.1               |
| Balance, December 31, 2024                                     | <u>\$ (718.4)</u>                                | <u>\$ (3.5)</u>                                         | <u>\$ (0.8)</u>                      | <u>\$ (722.7)</u> |

The change in accumulated other comprehensive loss related to noncontrolling interests including redeemable noncontrolling interests for the twelve months ended December 31, 2024 was \$29.3 million, primarily related to foreign currency translation adjustment. Changes in accumulated other comprehensive loss related to noncontrolling interests including redeemable noncontrolling interests were not material for the twelve months ended December 31, 2023.

### 11. RESTRUCTURING CHARGES

Restructuring costs consist of severance costs, contract termination and associated costs, and other exit and disposal costs. Severance costs relate to a reduction in headcount, contract termination costs primarily relate to penalties for early termination of contracts and associated costs of transition, and other exit and disposal costs primarily relate to real estate exit costs.

During the twelve months ended December 31, 2024, we recorded \$48.0 million of restructuring charges for the realignment of resources and other costs, all of which were recorded in selling, general and administrative expenses within our Consolidated Statements of Income. These charges were recorded to general corporate expense and predominantly relate to our efforts to complete our technology transformation in order to support the Company's strategic objectives. As of December 31, 2024, \$31.8 million of the 2024 restructuring charges have been paid.

During the twelve months ended December 31, 2023, we recorded \$37.6 million of restructuring charges, all of which were recorded in selling, general and administrative expenses on our Consolidated Statements of Income. These charges were recorded to general corporate expense and resulted from our continuing efforts to realign our internal resources to support the Company's strategic objectives and primarily relate to a reduction in headcount and contract termination and associated costs. As of December 31, 2024, payments for the 2023 restructuring charge were substantially completed.

In the fourth quarter of 2022, we recorded \$24.0 million of restructuring charges, all of which were recorded in selling, general and administrative expenses on our Consolidated Statements of Income. These charges were recorded to general corporate expense and resulted from our continuing efforts to realign our internal resources to support the Company's strategic objectives and primarily relate to a reduction in headcount. As of December 31, 2024, payments for the 2022 restructuring charge were substantially completed.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The changes during the twelve months ended December 31, 2024 in the liabilities associated with the restructuring charges recorded during 2023 and 2024, including expenses incurred and cash payments, are as follows:

| <b>Restructuring charges:</b>                    | <b>Liability<br/>balance as of<br/>12/31/2023</b> | <b>Expenses Incurred</b> | <b>Cash Payments</b> | <b>Liability<br/>balance as of<br/>12/31/2024</b> |
|--------------------------------------------------|---------------------------------------------------|--------------------------|----------------------|---------------------------------------------------|
|                                                  | <i>(In millions)</i>                              |                          |                      |                                                   |
| Severance costs                                  | \$ 13.4                                           | \$ 32.4                  | \$ (30.2)            | \$ 15.6                                           |
| Contract terminations and other associated costs | 4.9                                               | 14.2                     | (17.1)               | 2.0                                               |
| Other exit and disposal costs                    | —                                                 | 1.4                      | (1.4)                | —                                                 |
| Total                                            | <u>\$ 18.3</u>                                    | <u>\$ 48.0</u>           | <u>\$ (48.7)</u>     | <u>\$ 17.6</u>                                    |

The changes during the twelve months ended December 31, 2023 in the liabilities associated with the restructuring charges recorded during 2023, including expenses incurred and cash payments, are as follows:

| <b>Restructuring charges:</b>                    | <b>Liability<br/>balance as of<br/>12/31/2022</b> | <b>Expenses Incurred</b> | <b>Cash Payments</b> | <b>Liability<br/>balance as of<br/>12/31/2023</b> |
|--------------------------------------------------|---------------------------------------------------|--------------------------|----------------------|---------------------------------------------------|
|                                                  | <i>(In millions)</i>                              |                          |                      |                                                   |
| Severance costs                                  | \$ 24.1                                           | \$ 26.8                  | \$ (37.5)            | \$ 13.4                                           |
| Contract terminations and other associated costs | —                                                 | 9.0                      | (4.1)                | 4.9                                               |
| Other exit and disposal costs                    | —                                                 | 1.8                      | (1.8)                | —                                                 |
| Total                                            | <u>\$ 24.1</u>                                    | <u>\$ 37.6</u>           | <u>\$ (43.4)</u>     | <u>\$ 18.3</u>                                    |

## 12. LEASES

We determine if an arrangement is a lease at inception. Operating lease right-of-use (“ROU”) assets and liabilities are included in other assets, net and other current and long-term liabilities, respectively, in our Consolidated Balance Sheets.

Operating lease ROU assets and lease liabilities are recognized based on the present value of the future fixed lease payments over the lease term at the commencement date. As most of our leases do not provide an implicit rate, we use our quarterly incremental borrowing rate based on the information available that corresponds to each lease commencement date and lease term when determining the present value of future payments.

Our operating leases principally involve office space. These operating leases may contain variable non-lease components consisting of common area maintenance, operating expenses, insurance and similar costs of the office space that we occupy. We have adopted the practical expedient to not separate these non-lease components from the lease components and instead account for them as a single lease component for all of our leases. The operating lease ROU assets include future fixed lease payments made as well as any initial direct costs incurred and exclude lease incentives. Variable lease payments are not included within the operating lease ROU assets or lease liabilities and are expensed in the period in which they are incurred. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

Lease expense for operating leases was \$50.0 million, \$40.7 million and \$42.2 million for the twelve months ended December 31, 2024, 2023 and 2022, respectively. Our leases have remaining lease terms of one year to ten years, some of which may include options to extend the lease term up to five years and some of which may include options to terminate leases within one year. We have elected to not record operating lease ROU assets and liabilities for short-term leases that have a term of twelve months or less. Our lease expense includes our short-term lease cost which is not material to our Consolidated Financial Statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Other information related to our operating leases was as follows:

| <b>Twelve Months Ended December 31, 2024</b>                               | <b>Amount</b> |
|----------------------------------------------------------------------------|---------------|
| <i>(in millions, except lease term and discount rate)</i>                  |               |
| <b>Supplemental Cash Flows Information</b>                                 |               |
| Cash paid for amounts included in the measurement of lease liabilities:    |               |
| Operating cash flows used by operating leases                              | \$ 31.7       |
| Right-of-use assets obtained in exchange for lease obligations (non-cash): |               |
| Operating leases                                                           | \$ 53.8       |
| Weighted Average Remaining Lease Term                                      | 5.7           |
| Weighted Average Discount Rate                                             | 5.0 %         |

Estimated future minimum payment obligations for non-cancelable operating leases are as follows as of December 31, 2024:

| <b>Years ending December 31,</b> | <b>Amount</b>        |
|----------------------------------|----------------------|
|                                  | <i>(In millions)</i> |
| 2025                             | \$ 36.6              |
| 2026                             | 32.1                 |
| 2027                             | 24.6                 |
| 2028                             | 17.7                 |
| 2029                             | 13.0                 |
| Thereafter                       | 33.0                 |
|                                  | <u>\$ 157.0</u>      |

We do not have any significant sublease agreements and, as a result, expected sublease income is not reflected as a reduction in the total minimum rental obligations under operating leases in the table above.

### 13. SEGMENT INFORMATION

**Reportable Segments.** We manage our business and report our financial results through the following three reportable segments, which are the same as our operating segments:

- Workforce Solutions
- U.S. Information Solutions
- International

The accounting policies of the reportable segments are the same as those described in our summary of significant accounting policies (see Note 1). We evaluate the performance of these reportable segments based on their operating revenue, operating income and operating margins, excluding any unusual or infrequent items, if any. The measurement criteria for segment profit or loss and segment assets are substantially the same for each reportable segment. Inter-segment sales, expenses and transfers are not material for all periods presented. All transactions between segments are accounted for at fair market value or cost depending on the nature of the transaction and no timing differences occur between segments.

Resources are allocated and performance is assessed by our CEO, whom we have determined to be our Chief Operating Decision Maker ("CODM"). The Company prepares a budget of expected financial performance for each of its operating segments on an annual basis. The CODM considers actual results of operating income to those budgeted for each of the operating segments to assess segment performance and decide how to allocate resources.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A summary of segment products and services is as follows:

**Workforce Solutions.** This segment provides services enabling customers to verify income, employment, educational history, criminal justice data, healthcare professional licensure and sanctions of people in the U.S., as well as providing our employer customers with services that assist them in complying with and automating certain payroll-related and human resource management processes throughout the entire cycle of the employment relationship, including unemployment cost management, employee screening, employee onboarding, tax credits and incentives, I-9 management and compliance, immigration case management, tax form management services and Affordable Care Act management services.

**U.S. Information Solutions.** This segment includes consumer and commercial information services (such as credit information and credit scoring, credit modeling services and portfolio analytics, locate services, fraud detection and prevention services, identity verification services and other consulting services); mortgage services; financial marketing services; identity management; and credit monitoring products sold to resellers or directly to consumers.

**International.** We operate in the following regions: Latin America, Europe, Asia Pacific, and Canada. The International segment includes information services products, which includes consumer and commercial services (such as credit and financial information, credit scoring and credit modeling services), credit and other marketing products and services. In Asia Pacific, Europe and Latin America, we also provide information, technology and services to support debt collections and recovery management. In Europe and Canada, we also provide credit monitoring products to resellers or directly to consumers.

Segment information for the twelve months ended December 31, 2024, 2023 and 2022 and as of December 31, 2024 and 2023 is as follows:

|                                                                                               | Twelve Months Ended December 31, 2024 |                            |               |                 |
|-----------------------------------------------------------------------------------------------|---------------------------------------|----------------------------|---------------|-----------------|
|                                                                                               | Workforce Solutions                   | U.S. Information Solutions | International | Total           |
|                                                                                               | <i>(In millions)</i>                  |                            |               |                 |
| Operating Revenue                                                                             | \$ 2,433.8                            | \$ 1,893.0                 | \$ 1,354.3    | \$ 5,681.1      |
| Less: <sup>(1)</sup>                                                                          |                                       |                            |               |                 |
| Cost of services                                                                              | 883.4                                 | 861.1                      | 637.4         | 2,381.9         |
| Selling, general and administrative expenses                                                  | 318.7                                 | 390.2                      | 359.7         | 1,068.6         |
| Depreciation and amortization expenses                                                        | 178.4                                 | 237.3                      | 176.0         | 591.7           |
| Operating Income                                                                              | \$ 1,053.3                            | \$ 404.4                   | \$ 181.2      | \$ 1,638.9      |
| <i>Reconciliation of segment operating income to consolidated income before income taxes:</i> |                                       |                            |               |                 |
| Unallocated amounts:                                                                          |                                       |                            |               |                 |
| General corporate expense <sup>(2)</sup>                                                      |                                       |                            |               | \$ (596.8)      |
| Other expense, net                                                                            |                                       |                            |               | (2.5)           |
| Interest expense <sup>(3)</sup>                                                               |                                       |                            |               | (229.1)         |
| Consolidated income before income taxes                                                       |                                       |                            |               | <u>\$ 810.5</u> |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Twelve Months Ended December 31, 2023

|                                              | Workforce<br>Solutions | U.S. Information<br>Solutions | International | Total      |
|----------------------------------------------|------------------------|-------------------------------|---------------|------------|
|                                              | (In millions)          |                               |               |            |
| Operating Revenue                            | \$ 2,315.8             | \$ 1,720.4                    | \$ 1,229.0    | \$ 5,265.2 |
| Less: <sup>(1)</sup>                         |                        |                               |               |            |
| Cost of services                             | 830.9                  | 751.5                         | 579.0         | 2,161.4    |
| Selling, general and administrative expenses | 339.1                  | 398.1                         | 334.6         | 1,071.8    |
| Depreciation and amortization expenses       | 176.5                  | 205.8                         | 147.6         | 529.9      |
| Operating Income                             | \$ 969.3               | \$ 365.0                      | \$ 167.8      | \$ 1,502.1 |

#### Reconciliation of segment operating income to consolidated income before income taxes:

Unallocated amounts:

|                                          |  |  |  |                 |
|------------------------------------------|--|--|--|-----------------|
| General corporate expense <sup>(2)</sup> |  |  |  | \$ (568.5)      |
| Other income, net                        |  |  |  | 25.7            |
| Interest expense <sup>(3)</sup>          |  |  |  | (241.4)         |
| Consolidated income before income taxes  |  |  |  | <u>\$ 717.9</u> |

### Twelve Months Ended December 31, 2022

|                                              | Workforce<br>Solutions | U.S. Information<br>Solutions | International | Total      |
|----------------------------------------------|------------------------|-------------------------------|---------------|------------|
|                                              | (In millions)          |                               |               |            |
| Operating Revenue                            | \$ 2,325.4             | \$ 1,657.7                    | \$ 1,139.1    | \$ 5,122.2 |
| Less: <sup>(1)</sup>                         |                        |                               |               |            |
| Cost of services                             | 794.9                  | 668.0                         | 557.0         | 2,019.9    |
| Selling, general and administrative expenses | 362.3                  | 396.2                         | 303.1         | 1,061.6    |
| Depreciation and amortization expenses       | 162.2                  | 191.4                         | 132.0         | 485.6      |
| Operating Income                             | \$ 1,006.0             | \$ 402.1                      | \$ 147.0      | \$ 1,555.1 |

#### Reconciliation of segment operating income to consolidated income before income taxes:

Unallocated amounts:

|                                          |  |  |  |                 |
|------------------------------------------|--|--|--|-----------------|
| General corporate expense <sup>(2)</sup> |  |  |  | \$ (499.1)      |
| Other income, net                        |  |  |  | 56.7            |
| Interest expense <sup>(3)</sup>          |  |  |  | (183.0)         |
| Consolidated income before income taxes  |  |  |  | <u>\$ 929.7</u> |

(1) The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM.

(2) General corporate expenses include corporate depreciation and amortization expenses that are not related to a specific business unit and are incurred at the corporate level, as well as unallocated costs incurred at the corporate level and those expenses impacted by the overall management and strategic choices of the company, including shared services overhead, technology, security, data and analytics, administrative, legal, restructuring charges to the extent reported in the period, and the portion of management incentive compensation determined by total company-wide performance.

(3) Interest expense includes interest incurred on our outstanding debt agreements.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

| <b>Total assets:</b>       | <b>December 31,</b>  |                    |
|----------------------------|----------------------|--------------------|
|                            | <b>2024</b>          | <b>2023</b>        |
|                            | <i>(In millions)</i> |                    |
| Workforce Solutions        | \$ 4,104.9           | \$ 4,144.7         |
| U.S. Information Solutions | 3,386.2              | 3,296.1            |
| International              | 3,451.6              | 3,909.0            |
| General Corporate          | 816.7                | 930.2              |
| Total assets               | <u>\$ 11,759.4</u>   | <u>\$ 12,280.0</u> |

| <b>Capital expenditures:</b> | <b>Twelve Months Ended<br/>December 31,</b> |                 |                 |
|------------------------------|---------------------------------------------|-----------------|-----------------|
|                              | <b>2024</b>                                 | <b>2023</b>     | <b>2022</b>     |
|                              | <i>(In millions)</i>                        |                 |                 |
| Workforce Solutions          | \$ 96.0                                     | \$ 127.5        | \$ 113.5        |
| U.S. Information Solutions   | 161.2                                       | 131.3           | 125.7           |
| International                | 127.5                                       | 121.5           | 144.8           |
| General Corporate            | 111.2                                       | 205.5           | 233.4           |
| Total capital expenditures*  | <u>\$ 495.9</u>                             | <u>\$ 585.8</u> | <u>\$ 617.4</u> |

\*Amounts above include accruals for capital expenditures.

Financial information by geographic area is as follows:

|                           | <b>Twelve Months Ended<br/>December 31,</b> |              |                   |              |                   |              |
|---------------------------|---------------------------------------------|--------------|-------------------|--------------|-------------------|--------------|
|                           | <b>2024</b>                                 |              | <b>2023</b>       |              | <b>2022</b>       |              |
|                           | <i>(In millions)</i>                        |              |                   |              |                   |              |
| <b>Operating revenue:</b> | <b>Amount</b>                               | <b>%</b>     | <b>Amount</b>     | <b>%</b>     | <b>Amount</b>     | <b>%</b>     |
| U.S.                      | \$ 4,326.8                                  | 76 %         | \$ 4,036.2        | 77 %         | \$ 3,983.1        | 78 %         |
| Australia                 | 309.1                                       | 5 %          | 317.6             | 6 %          | 325.2             | 6 %          |
| U.K.                      | 302.8                                       | 5 %          | 265.8             | 5 %          | 265.5             | 5 %          |
| Canada                    | 264.9                                       | 5 %          | 259.6             | 5 %          | 256.1             | 5 %          |
| Other                     | 477.5                                       | 9 %          | 386.0             | 7 %          | 292.3             | 6 %          |
| Total operating revenue   | <u>\$ 5,681.1</u>                           | <u>100 %</u> | <u>\$ 5,265.2</u> | <u>100 %</u> | <u>\$ 5,122.2</u> | <u>100 %</u> |

|                           | <b>December 31,</b>  |              |                    |              |
|---------------------------|----------------------|--------------|--------------------|--------------|
|                           | <b>2024</b>          |              | <b>2023</b>        |              |
|                           | <i>(In millions)</i> |              |                    |              |
| <b>Long-lived assets:</b> | <b>Amount</b>        | <b>%</b>     | <b>Amount</b>      | <b>%</b>     |
| U.S.                      | \$ 7,378.9           | 71 %         | \$ 7,460.9         | 68 %         |
| Australia                 | 1,546.1              | 15 %         | 1,732.3            | 16 %         |
| Brazil                    | 513.1                | 5 %          | 743.9              | 7 %          |
| U.K.                      | 281.7                | 3 %          | 283.9              | 3 %          |
| Canada                    | 210.6                | 2 %          | 224.2              | 2 %          |
| Other                     | 468.4                | 4 %          | 478.5              | 4 %          |
| Total long-lived assets   | <u>\$ 10,398.8</u>   | <u>100 %</u> | <u>\$ 10,923.7</u> | <u>100 %</u> |

## **ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

### **ITEM 9A. CONTROLS AND PROCEDURES**

#### **Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of Equifax's disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report (i) were appropriately designed to provide reasonable assurance of achieving their objectives and (ii) were effective and provided reasonable assurance that the information required to be disclosed by Equifax in reports filed under the Exchange Act is (a) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (b) accumulated and communicated to Equifax's management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

#### **Management's Annual Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act as a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer and effected by our Board of Directors, management and other personnel, 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 and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

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

Our management assessed the effectiveness of Equifax's internal control over financial reporting as of December 31, 2024 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013 Framework). Based on this assessment using those criteria, our management concluded that, as of December 31, 2024, Equifax's internal control over financial reporting was effective. Management reviewed the results of its assessment with the Audit Committee of its Board of Directors. The effectiveness of Equifax's internal control over financial reporting as of December 31, 2024 has been audited by Ernst & Young LLP, Equifax's independent registered public accounting firm, as stated in their report, which appears in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K on page 55.

#### **Changes in Internal Control Over Financial Reporting**

There have been no changes in internal control over financial reporting identified in connection with the foregoing that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## ITEM 9B. OTHER INFORMATION

### Rule 10b5-1 Trading Plans of Directors and Executive Officers

The following table describes any contracts, instructions or written plans for the sale or purchase of Equifax securities and intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act that were adopted by our directors and executive officers during the quarter ended December 31, 2024:

| Name and Title                                                                                               | Date of Adoption of Rule 10b5-1 Trading Plan | Scheduled Expiration Date of Rule 10b5-1 Trading Plan(1) | Aggregate Number of Securities to Be Purchased or Sold                |
|--------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------|
| Sunil Bindal,<br>Executive Vice President,<br>Chief Corporate Development<br>Officer                         | 11/7/2024                                    | 11/28/2025                                               | Sale of up to 5,233 shares of common stock in multiple transactions   |
| Julia A. Houston,<br>Executive Vice President,<br>Chief Strategy and Marketing<br>Officer                    | 11/13/2024                                   | 5/30/2025                                                | Sale of up to 5,000 shares of common stock in multiple transactions   |
| Mark W. Begor,<br>Chief Executive Officer                                                                    | 11/14/2024                                   | 10/28/2025                                               | Sale of up to 181,105 shares of common stock in multiple transactions |
| John W. Gamble, Jr.,<br>Executive Vice President,<br>Chief Financial Officer and<br>Chief Operations Officer | 11/25/2024                                   | 5/7/2025                                                 | Sale of up to 5,500 shares of common stock in multiple transactions   |

(1) A trading plan may also expire on such earlier date that all transactions under the trading plan are completed.

During the quarter ended December 31, 2024, none of our directors or executive officers terminated a Rule 10b5-1 trading plan or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

## PART III

### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Except for the information about our executive officers shown below, the information required by this Item 10 is incorporated herein by reference from the information contained in our Proxy Statement to be filed with the SEC in connection with the solicitation of proxies for our 2025 Annual Meeting of Shareholders (the “2025 Proxy Statement”) under the sections entitled “Proposal 1, Election of Directors,” “Section 16(a) Beneficial Ownership Reporting Compliance,” “Board Leadership and Corporate Governance—Committees of the Board of Directors” and “Insider Trading Policy.”

We have adopted a written Code of Ethics and Business Conduct applicable to all our employees, including our principal executive officer, principal financial officer, and principal accounting officer and controller, and to members of our Board of Directors. Our Code of Ethics and Business Conduct is available on our investor relations website: [www.equifax.com/about-equifax/corporate-governance](http://www.equifax.com/about-equifax/corporate-governance). We will disclose amendments to certain provisions of our Code of Ethics and Business Conduct, or waivers of such provisions granted to executive officers and directors, on this website.

#### *Executive Officers*

Information regarding the executive officers of Equifax Inc. is set forth below.

*Mark W. Begor (66)* has been our Chief Executive Officer and a member of the Board of Directors since April 2018. Prior thereto, he was a Managing Director in the Industrial and Business Services group at Warburg Pincus, a global private equity investment firm, since June 2016. Prior to Warburg Pincus, Mr. Begor spent 35 years at General Electric Company (“GE”), a global industrial and financial services company, in a variety of operating and financial roles. During his career at GE, Mr. Begor served in a variety of roles leading multibillion dollar units of the company, including President and CEO of GE Energy Management from 2014 to 2016, President and CEO of GE Capital Real Estate from 2011 to 2014, and President and CEO of GE Capital Retail Finance (Synchrony Financial) from 2002 to 2011. Mr. Begor served on the Fair Isaac Corporation (FICO) board of directors from 2016 to 2018. He currently serves on the board of directors of NCR Atleos Corp.

*Sunil Bindal (50)* has been our Executive Vice President, Chief Corporate Development Officer since October 2020. Prior to joining Equifax, Mr. Bindal served as Senior Vice President, Global Head of Mergers and Acquisitions and Corporate Development, at Total System Services since July 2018. Prior thereto, he served as Vice President of Corporate Development at Broadridge Financial Solutions since August 2015. Prior thereto, he served as Director, Technology Mergers and Acquisitions, of Credit Suisse since July 2006.

*Chad M. Borton (54)* has been our Executive Vice President, President, Workforce Solutions since May 2024. Prior to joining Equifax, Mr. Borton served as President of SoFi Bank at SoFi Technologies, Inc. from September 2021 to April 2024. Prior thereto, he was President of USAA Bank and Vice Chairman of USAA Federal Savings Bank Board of Directors, from May 2017 to March 2021. Prior thereto, he held a variety of leadership roles with Fifth Third Bank, JPMorgan Chase and Wachovia Corporation, since 2001. He is also an active duty U.S. army veteran.

*Carla Chaney (54)* has been our Executive Vice President, Chief Human Resources Officer since April 2019. Prior thereto, she served as Executive Vice President, Human Resources and Communications of Graphic Packaging Holding Company and Graphic Packaging International, since February 2012. Prior thereto, she held a variety of leadership roles with Exide Technologies and Newell Rubbermaid, Inc., since 2004.

*Jamil Farshchi (47)* has been our Executive Vice President, Chief Information Security Officer and Chief Technology Officer since December 2024. Prior thereto, he was our Executive Vice President, Chief Information Security Officer since February 2018. Prior to joining Equifax, Mr. Farshchi served as Chief Information Security Officer at The Home Depot since April 2015. Prior thereto, he was the first Global Chief Information Security Officer at Time Warner Inc., from August 2014 to March 2015. Prior thereto, he was the Vice President of Global Information Security at Visa Inc. from August 2011 to August 2014. Mr. Farshchi has also held senior roles at Los Alamos National Laboratory, Sitel Corporation, Nextwave Broadband and NASA. He currently serves on the board of directors of UKG Inc., is a strategic advisor for the FBI and serves on the board of directors for the National Technology Security Coalition.

*John W. Gamble, Jr. (62)* has been our Executive Vice President, Chief Financial Officer and Chief Operations Officer since February 2021. Prior thereto, he was Corporate Vice President and Chief Financial Officer since May 2014. Prior to that, Mr. Gamble was Executive Vice President and Chief Financial Officer of Lexmark International, Inc., a global provider of

document solutions, enterprise content management software and services, printers and multifunction printers, from September 2005 until May 2014.

*Todd Horvath (51)* has been our Executive Vice President, President, U.S. Information Solutions since March 2023. Prior to joining Equifax, Mr. Horvath served in roles of increasing responsibility at Fiserv from 2017-2023, most recently serving as Co-Head of the Fiserv Banking Organization. Prior to that, Mr. Horvath served in various international leadership roles at Automatic Data Processing from 2001-2017. Prior thereto, he was General Director, Venezuela Operations at Sharp Image Gaming in 2001.

*Julia A. Houston (54)* has been our Executive Vice President, Chief Strategy and Marketing Officer since March 2021. Prior thereto, she was our Chief Transformation Officer since October 2017. Prior thereto, she was Senior Vice President, U.S. Legal, since October 2013. Prior to joining Equifax, Ms. Houston was Senior Vice President, General Counsel and Corporate Secretary at Convergys Corporation, from 2011 to 2013. Prior thereto, she served in roles of increasing responsibility at Mirant Corporation from 2004 to 2010, ultimately serving as Senior Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary.

*John J. Kelley III (64)* has been our Executive Vice President, Chief Legal Officer and Corporate Secretary since January 2013. Prior to joining Equifax, Mr. Kelley was a senior partner in the Corporate Practice Group of the law firm of King & Spalding LLP. Mr. Kelley currently serves on the board of directors of Beazer Homes USA, Inc.

*Cecilia H. Mao (50)* has been our Executive Vice President, Chief Product Officer since February 2024. Prior thereto, she was our Chief Product Officer since May 2020. Prior to joining Equifax, Ms. Mao served as Vice President of Product at Oracle Data Cloud from December 2016 to May 2020, where she led teams in business strategy, product management and delivery for identity, data management platform and digital data products. Prior thereto, she held various product management roles on decision and analytics for over a decade at FICO and Verisk Analytics, Inc. Ms. Mao currently serves on the board of directors of Cboe Global Markets, Inc.

*Lisa M. Nelson (61)* has been our Executive Vice President, President, International since June 2021. Prior thereto, she served as Group Managing Director, Equifax Australia and New Zealand, since August 2019. Prior thereto, she served as President and General Manager, Equifax Canada, since January 2015. Prior thereto, she served as Senior Vice President, Enterprise Alliance Leader of Equifax U.S. Information Solutions, since November 2011. Prior to joining Equifax, she served as Vice President, Global Scoring Solutions of FICO, since August 2004. Ms. Nelson currently serves on the board of directors of Jack Henry & Associates, Inc.

*Harald Schneider (51)* has been our Executive Vice President, Chief Data & Analytics Officer since February 2024. Prior thereto, he was our Chief Data & Analytics Officer since May 2022. Prior to joining Equifax, Mr. Schneider served as Global Head of Data Products at Visa Inc. from August 2018 to May 2022. Prior thereto, he served as Chief Analytics Officer at Tandem Bank in the U.K. from September 2016 to April 2018. Prior thereto, he held various international data and business leadership roles at Capital One Financial Corporation, Citigroup Inc. and Pardus Capital Management.

## **ITEM 11. EXECUTIVE COMPENSATION**

The information required by this Item 11 is incorporated herein by reference from the information that will be contained in our 2025 Proxy Statement under the sections entitled “Executive Compensation” and “Director Compensation.”

## **ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The information required by this Item 12 is incorporated herein by reference from the information that will be contained in our 2025 Proxy Statement under the sections entitled “Security Ownership of Management and Certain Beneficial Owners” and “Executive Compensation Equity Compensation Plan Information.”

## **ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE**

The information required by this Item 13 is incorporated herein by reference from the information that will be contained in our 2025 Proxy Statement under the sections entitled “Board Leadership & Corporate Governance—Director

Independence,” “Related Person Transaction Policy” and “Certain Relationships and Related Person Transactions of Directors, Executive Officers, and 5 Percent Shareholders.”

#### **ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The information required by this Item 14 is incorporated herein by reference from the information that will be contained in our 2025 Proxy Statement under the section entitled “Proposal 3, Ratification of Appointment of Ernst & Young LLP as Independent Registered Public Accounting Firm for 2025.”



## PART IV

### ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

#### (a) List of Documents Filed as a Part of This Report:

- (1) *Financial Statements.* The following financial statements are included in Item 8 of Part II:
- Consolidated Balance Sheets — December 31, 2024 and 2023;
  - Consolidated Statements of Income for the Years Ended December 31, 2024, 2023 and 2022;
  - Consolidated Statements of Comprehensive Income (Loss) for the Years Ended December 31, 2024, 2023 and 2022;
  - Consolidated Statements of Cash Flows for the Years Ended December 31, 2024, 2023 and 2022;
  - Consolidated Statements of Shareholders' Equity and Accumulated Other Comprehensive Loss for the Years Ended December 31, 2024, 2023 and 2022; and
  - Notes to Consolidated Financial Statements.
- (2) *Financial Statement Schedules.*
- Schedule II — Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulation of the SEC are not required under the related instructions or are inapplicable and, therefore, have been omitted.

- (3) *Exhibits.* See exhibits listed under Part (b) below.

#### (b) Exhibits:

| Exhibit Number                                                                   | Description                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Articles of Incorporation and Bylaws</i>                                      |                                                                                                                                                                                                                                                                                                         |
| 3.1                                                                              | Amended and Restated Articles of Incorporation of Equifax Inc. (incorporated by reference to Exhibit 3.1 to Equifax's Form 8-K filed May 14, 2009).                                                                                                                                                     |
| 3.2                                                                              | Amended and Restated Bylaws of Equifax Inc. (incorporated by reference to Exhibit 3.2 to Equifax's Form 8-K filed February 9, 2021).                                                                                                                                                                    |
| <i>Instruments Defining the Rights of Security Holders, Including Indentures</i> |                                                                                                                                                                                                                                                                                                         |
| 4.1                                                                              | Indenture dated as of June 29, 1998, between Equifax Inc. and The First National Bank of Chicago, Trustee (the "1998 Indenture") (under which Equifax's 6.9% Debentures due 2028 were issued) (incorporated by reference to Exhibit 4.4 to Equifax's Form 10-K filed March 31, 1999).                   |
| 4.2                                                                              | Second Supplemental Indenture dated as of June 28, 2007, between Equifax Inc. and The Bank of New York Trust Company, N.A. (under which Equifax's 7.00% Senior Notes due 2037 were issued), to the 1998 Indenture (incorporated by reference to Exhibit 4.3 to Equifax's Form 8-K filed June 29, 2007). |
| 4.3                                                                              | Indenture, dated as of May 12, 2016, between Equifax Inc. and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed May 12, 2016).                                                                                                           |
| 4.4                                                                              | Second Supplemental Indenture, dated as of May 12, 2016, between Equifax Inc. and U.S. Bank National Association, as Trustee, including the form of 2026 Note as Exhibit A (incorporated by reference to Exhibit 4.3 to Equifax's Form 8-K filed May 12, 2016).                                         |
| 4.5                                                                              | Sixth Supplemental Indenture, dated as of November 19, 2019, between Equifax Inc. and the Trustee, including the form of 2024 Note as Exhibit A (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed November 19, 2019).                                                               |
| 4.6                                                                              | Seventh Supplemental Indenture, dated as of April 27, 2020, between Equifax Inc. and the Trustee, including the form of 2025 Note as Exhibit A (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed April 27, 2020).                                                                   |
| 4.7                                                                              | Eighth Supplemental Indenture, dated as of April 27, 2020, between Equifax Inc. and the Trustee, including the form of 2030 Note as Exhibit A (incorporated by reference to Exhibit 4.2 to Equifax's Form 8-K filed April 27, 2020).                                                                    |
| 4.8                                                                              | Ninth Supplemental Indenture, dated as of August 13, 2021, between Equifax Inc. and the Trustee, including the form of Note as Exhibit A (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed August 16, 2021).                                                                        |

- 4.9 Tenth Supplemental Indenture, dated as of September 12, 2022, between Equifax Inc. and the Trustee, including the form of Note as Exhibit A (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed September 12, 2022).
- 4.10 Eleventh Supplemental Indenture, dated as of May 16, 2023, between Equifax Inc. and the Trustee, including the form of Note as Exhibit A (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed May 16, 2023).
- 4.11 Twelfth Supplemental Indenture, dated as of August 15, 2024, between Equifax Inc. and the Trustee, including the form of Note as Exhibit A (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed August 15, 2024)
- 4.12 Credit Agreement, dated as of August 25, 2021, by and among Equifax Inc., Equifax Limited, Equifax Canada Co., Equifax International Treasury Services Unlimited Company and Equifax Australia Holdings Pty Limited, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed August 31, 2021).
- 4.13 First Amendment to Credit Agreement, dated as of March 21, 2023, by and among Equifax Inc., Equifax Limited, Equifax Canada Co., Equifax International Treasury Services Unlimited Company and Equifax Australia Holdings Pty Limited, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed April 20, 2023).
- 4.14 Second Amendment to Credit Agreement, dated as of May 24, 2024, by and between Equifax Inc. and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed July 22, 2024).

- 4.15 Description of the Company's Securities Registered under Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.14 to Equifax's Form 10-K filed February 20, 2020).

Except as set forth in the preceding Exhibits 4.1 through 4.15, instruments defining the rights of holders of long-term debt securities of Equifax have been omitted where the total amount of securities authorized does not exceed 10% of the total assets of Equifax and its subsidiaries on a consolidated basis. Equifax agrees to furnish to the SEC, upon request, a copy of such instruments with respect to issuances of long-term debt of Equifax and its subsidiaries.

***Management Contracts and Compensatory Plans or Arrangements***

- 10.1 Form of Director/Executive Officer Indemnification Agreement (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed May 14, 2009).
- 10.2 Supplemental Retirement Plan for Executives of Equifax Inc. (incorporated by reference to Exhibit 10.6(a) to Equifax's Form 10-K filed February 24, 2016).
- 10.3 Amendment No. 1 to Supplemental Retirement Plan for Executives of Equifax Inc., effective January 1, 2020 (incorporated by reference to Exhibit 10.3 to Equifax's Form 10-K filed February 25, 2021).
- 10.4 Amendment No. 2 to Supplemental Retirement Plan for Executives of Equifax Inc., effective November 4, 2020 (incorporated by reference to Exhibit 10.4 to Equifax's Form 10-K filed February 25, 2021).
- 10.5 Trust Agreement for Supplemental Retirement Plan for Executives of Equifax Inc. dated as of September 16, 2011, between Equifax Inc. and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.6(b) to Equifax's Form 10-K filed February 23, 2012).
- 10.6 Equifax Inc. Executive Life and Supplemental Retirement Benefit Plan (incorporated by reference to Exhibit 10.8 to Equifax's Form 10-K filed March 29, 2001).
- 10.7 Equifax Inc. 2008 Omnibus Incentive Plan, as amended and restated effective May 2, 2013 (incorporated by reference to Appendix C to Equifax's definitive proxy statement on Schedule 14A filed March 20, 2013).
- 10.8 Amendment No. 1 to Equifax Inc. 2008 Omnibus Incentive Plan, effective February 6, 2017 (incorporated by reference to Exhibit 10.8 to Equifax's Form 10-K filed February 25, 2021).
- 10.9 Amendment No. 2 to Equifax Inc. 2008 Omnibus Incentive Plan, effective November 4, 2020 (incorporated by reference to Exhibit 10.9 to Equifax's Form 10-K filed February 25, 2021).
- 10.10 Equifax Inc. 2023 Omnibus Incentive Plan (incorporated by reference to Annex C to Equifax's definitive proxy statement on Schedule 14A filed March 23, 2023).
- 10.11\* Amendment No. 1 to Equifax Inc. 2023 Omnibus Incentive Plan, effective November 20, 2024.
- 10.12 Form of Non-Qualified Stock Option Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.9 to Equifax's form 10-K filed February 22, 2013).
- 10.13 Form of Non-Employee Director Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.11 to Equifax's Form 10-K filed February 25, 2021).

- 10.14 Equifax Inc. Director Deferred Compensation Plan, as amended through November 5, 2020. (incorporated by reference to Exhibit 10.12 to Equifax's Form 10-K filed February 25, 2021).
- 10.15 Equifax Grantor Trust dated as of January 23, 2014, between Equifax Inc. and Principal Trust Company, Trustee, relating to supplemental deferred compensation and phantom stock benefits (incorporated by reference to Exhibit 10.13 to Equifax's Form 10-K filed February 25, 2021).
- 10.16 Equifax Inc. Director and Executive Stock Deferral Plan, as amended and restated effective January 1, 2019 (incorporated by reference to Exhibit 10.14 to Equifax's Form 10-K filed February 25, 2021).
- 10.17 Amendment No. 1 to Equifax Inc. Director and Executive Stock Deferral Plan, effective as of November 4, 2020 (incorporated by reference to Exhibit 10.15 to Equifax's Form 10-K filed February 25, 2021).
- 10.18 Amendment No. 2 to Equifax Inc. Director and Executive Stock Deferral Plan, effective as of December 2, 2021 (incorporated by reference to Exhibit 10.16 to Equifax's Form 10-K filed February 24, 2022).
- 10.19 Equifax 2005 Executive Deferred Compensation Plan, as amended and restated effective January 1, 2015 (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed July 28, 2016).
- 10.20 Amendment No. 1 to Equifax 2005 Executive Deferred Compensation Plan, effective January 1, 2016 (incorporated by reference to Exhibit 10.2 to Equifax's Form 10-Q filed July 28, 2016).
- 10.21 Amendment No. 2 to Equifax 2005 Executive Deferred Compensation plan, effective January 1, 2016 (incorporated by reference to Exhibit 10.27 to Equifax's Form 10-K filed March 1, 2018).
- 10.22 Amendment No. 3 to Equifax 2005 Executive Deferred Compensation Plan, effective as of November 4, 2020 (incorporated by reference to Exhibit 10.19 to Equifax's Form 10-K filed February 25, 2021).
- 10.23 Amendment No. 4 to Equifax 2005 Executive Deferred Compensation Plan, effective as of May 5, 2021 (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed July 22, 2021).
- 10.24 Equifax Inc. Employee Deferred Compensation Plan (incorporated by reference to Exhibit 4.1 to Equifax's Form S-8 filed November 24, 2021).
- 10.25 Equifax Inc. Board of Directors Deferred Compensation Plan (incorporated by reference to Exhibit 10.23 to Equifax's Form 10-K filed February 24, 2022).
- 10.26 Form of Non-Qualified Stock Option Award Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2017) (incorporated by reference to Exhibit 10.4 to Equifax's Form 10-Q filed April 27, 2017).
- 10.27 Employment Agreement, dated March 27, 2018, between the Company and Mark W. Begor (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed March 28, 2018).
- 10.28 Letter Agreement, dated February 4, 2021, between the Company and Mark W. Begor (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed February 9, 2021).
- 10.29 Letter Agreement, dated November 7, 2024, between the Company and Mark W. Begor (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed November 8, 2024).
- 10.30 Form of Non-Qualified Stock Option Award Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in March 2018 to January 2021) (incorporated by reference to Exhibit 10.3 to Equifax's Form 10-Q filed April 26, 2018).
- 10.31 Form of Restricted Stock Unit Award Agreement (CEO) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2021) (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed April 22, 2021).
- 10.32 Form of Premium-Priced Stock Option Award Agreement (CEO) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2021) (incorporated by reference to Exhibit 10.2 to Equifax's Form 10-Q filed April 22, 2021).
- 10.33 Form of Performance Share Award Agreement (TSR) (CEO) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2021) (incorporated by reference to Exhibit 10.3 to Equifax's Form 10-Q filed April 22, 2021).
- 10.34 Form of Restricted Stock Unit Award Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2021) (incorporated by reference to Exhibit 10.4 to Equifax's Form 10-Q filed April 22, 2021).
- 10.35 Form of Non-Qualified Stock Option Award Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2021) (incorporated by reference to Exhibit 10.5 to Equifax's Form 10-Q filed April 22, 2021).
- 10.36 Form of Performance Share Award Agreement (TSR) (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2021) (incorporated by reference to Exhibit 10.6 to Equifax's Form 10-Q filed April 22, 2021).
- 10.37 Equifax Inc. Change in Control Severance Plan (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed February 27, 2019).

- 10.38 Equifax Inc. 2020 Employee Stock Purchase Plan (incorporated by reference to 10.1 to Equifax's Form 10-Q filed October 21, 2024).
- 10.39 Amendment No. 1 to the Equifax Inc. 2020 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.2 to Equifax's Form 10-Q filed October 21, 2024).
- 10.40 Form of Performance Share Award Agreement (Adjusted EBITDA) (CEO) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in or after February 2022) (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed April 21, 2022).
- 10.41 Form of Performance Share Award Agreement (Adjusted EBITDA) (SLT) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2022) (incorporated by reference to Exhibit 10.2 to Equifax's Form 10-Q filed April 21, 2022).
- 10.42 Performance Share Award Agreement (TSR) between Equifax Inc. and Mark Begor under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for award granted on July 29, 2022) (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed October 20, 2022).
- 10.43 Premium-Priced Stock Option Award Agreement between Equifax Inc. and Mark Begor under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for award granted on July 29, 2022) (incorporated by reference to Exhibit 10.2 to Equifax's Form 10-Q filed October 20, 2022).
- 10.44 Restricted Stock Unit Award Agreement between Equifax Inc. and Mark Begor under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for award granted on July 29, 2022) (incorporated by reference to Exhibit 10.3 to Equifax's Form 10-Q filed October 20, 2022).

#### ***Material Contracts***

- 10.45\*\* Settlement Agreement and Release dated July 22, 2019 between the Company and the Settlement Class Representatives (as defined therein) (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed July 22, 2019).
- 10.46\*\* Stipulated Order for Permanent Injunction and Monetary Judgment dated July 19, 2019 between the Company and the Federal Trade Commission (incorporated by reference to Exhibit 10.2 to Equifax's Form 8-K filed July 22, 2019).
- 10.47\*\* Stipulated Order for Permanent Injunction and Monetary Judgment dated July 19, 2019 between the Company and the Bureau of Consumer Financial Protection (incorporated by reference to Exhibit 10.3 to Equifax's Form 8-K filed July 22, 2019).
- 10.48\*\* Final Judgment and Consent Decree dated July 19, 2019 between the Company and the State of Alabama, with a schedule of the additional jurisdictions in which such agreement (consent decrees) have been approved that are substantially identical in all material respects (incorporated by reference to Exhibit 10.4 to Equifax's Form 8-K filed July 22, 2019).

#### ***Other Exhibits and Certifications***

- 19\* Equifax Inc. Insider Trading Policy
- 21.1\* Subsidiaries of Equifax Inc.
- 23.1\* Consent of Independent Registered Public Accounting Firm.
- 24.1\* Powers of Attorney (included on signature page).
- 31.1\* Rule 13a-14(a) Certification of Chief Executive Officer.
- 31.2\* Rule 13a-14(a) Certification of Chief Financial Officer.
- 32.1\* Section 1350 Certification of Chief Executive Officer.
- 32.2\* Section 1350 Certification of Chief Financial Officer.
- 97.1\* Equifax Inc. Dodd-Frank Compensation Recovery Policy (incorporated by reference to Exhibit 97.1 to Equifax's Form 10-K filed February 22, 2024).
- 101.INS Inline XBRL Instance Document.
- 101.SCH Inline XBRL Taxonomy Extension Schema Document.
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase.
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase.
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase.
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase.
- 104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Filed herewith

\*\*Schedules and exhibits to this agreement have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished as a supplement to the Securities and Exchange Commission upon request.

(c) **Financial Statement Schedules.** See Item 15(a)(2).

## ITEM 16. FORM 10-K SUMMARY

None.

### SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 20, 2025.

EQUIFAX INC.

(Registrant)

By: /s/ Mark W. Begor

Mark W. Begor

*Chief Executive Officer*

We, the undersigned directors and executive officers of Equifax Inc., hereby severally constitute and appoint John W. Gamble, Jr. and James M. Griggs, and each of them singly, our true and lawful attorneys with full power to them and each of them to sign for us, and in our names in the capacities indicated below, any and all amendments to this Annual Report on Form 10-K filed with the SEC, hereby ratifying and confirming our signatures as they may be signed by our said attorneys to any and all amendments to said Annual Report on Form 10-K.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 20, 2025.

/s/ Mark W. Begor

Mark W. Begor

*Chief Executive Officer*

*(Principal Executive Officer)*

/s/ John W. Gamble, Jr.

John W. Gamble, Jr.

*Executive Vice President, Chief Financial Officer and Chief Operations Officer*

*(Principal Financial Officer)*

/s/ James M. Griggs

James M. Griggs

*Chief Accounting Officer and Corporate Controller*

*(Principal Accounting Officer)*

/s/ Mark L. Feidler

Mark L. Feidler

*Director and Non-Executive Chairman*

/s/ Karen L. Fichuk

Karen L. Fichuk

*Director*

/s/ G. Thomas Hough

G. Thomas Hough

*Director*

/s/ Barbara A. Larson

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Barbara A. Larson

*Director*

/s/ Robert D. Marcus

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Robert D. Marcus

*Director*

/s/ Scott A. McGregor

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Scott A. McGregor

*Director*

/s/ John A. McKinley

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John A. McKinley

*Director*

/s/ Melissa D. Smith

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Melissa D. Smith

*Director*

/s/ Audrey Boone Tillman

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Audrey Boone Tillman

*Director*

## SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

2024

| Column A                                      | Column B                       | Column C                                                                    |                           | Column D   | Column E                 |
|-----------------------------------------------|--------------------------------|-----------------------------------------------------------------------------|---------------------------|------------|--------------------------|
| Description                                   | Balance at Beginning of Period | Additions                                                                   |                           | Deductions | Balance at End of Period |
|                                               |                                | Charged to Costs and Expenses                                               | Charged to Other Accounts |            |                          |
|                                               |                                | (In millions)                                                               |                           |            |                          |
|                                               |                                | Reserves deducted in the balance sheet from the assets to which they apply: |                           |            |                          |
| Trade accounts receivable                     | \$ 16.7                        | \$ 15.3                                                                     | \$ —                      | \$ (15.1)  | \$ 16.9                  |
| Deferred income tax asset valuation allowance | 178.5                          | 20.1                                                                        | (18.0)                    | (9.8)      | 170.8                    |
|                                               | \$ 195.2                       | \$ 35.4                                                                     | \$ (18.0)                 | \$ (24.9)  | \$ 187.7                 |

2023

| Column A                                      | Column B                       | Column C                                                                    |                           | Column D   | Column E                 |
|-----------------------------------------------|--------------------------------|-----------------------------------------------------------------------------|---------------------------|------------|--------------------------|
| Description                                   | Balance at Beginning of Period | Additions                                                                   |                           | Deductions | Balance at End of Period |
|                                               |                                | Charged to Costs and Expenses                                               | Charged to Other Accounts |            |                          |
|                                               |                                | (In millions)                                                               |                           |            |                          |
|                                               |                                | Reserves deducted in the balance sheet from the assets to which they apply: |                           |            |                          |
| Trade accounts receivable                     | \$ 19.1                        | \$ 11.4                                                                     | \$ —                      | \$ (13.8)  | \$ 16.7                  |
| Deferred income tax asset valuation allowance | 185.1                          | (26.9)                                                                      | 2.7                       | 17.6       | 178.5                    |
|                                               | \$ 204.2                       | \$ (15.5)                                                                   | \$ 2.7                    | \$ 3.8     | \$ 195.2                 |

2022

| Column A                                      | Column B                       | Column C                                                                    |                           | Column D   | Column E                 |
|-----------------------------------------------|--------------------------------|-----------------------------------------------------------------------------|---------------------------|------------|--------------------------|
| Description                                   | Balance at Beginning of Period | Additions                                                                   |                           | Deductions | Balance at End of Period |
|                                               |                                | Charged to Costs and Expenses                                               | Charged to Other Accounts |            |                          |
|                                               |                                | (In millions)                                                               |                           |            |                          |
|                                               |                                | Reserves deducted in the balance sheet from the assets to which they apply: |                           |            |                          |
| Trade accounts receivable                     | \$ 13.9                        | \$ 8.5                                                                      | \$ —                      | \$ (3.3)   | \$ 19.1                  |
| Deferred income tax asset valuation allowance | 192.0                          | (15.4)                                                                      | (9.7)                     | 18.2       | 185.1                    |
|                                               | \$ 205.9                       | \$ (6.9)                                                                    | \$ (9.7)                  | \$ 14.9    | \$ 204.2                 |

# Board of Directors



**Mark W. Begor**  
Chief Executive Officer,  
Equifax Inc.



**Mark L. Feidler**  
Independent Chairman,  
Equifax Inc. and Founding  
Partner, MSouth Equity Partners



**Karen L. Fichuk**  
Former Chief Executive  
Officer, Randstad North  
America



**G. Thomas Hough**  
Retired Americas Vice Chair,  
Ernst & Young LLP



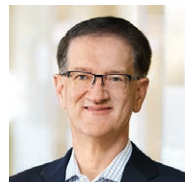
**Barbara A. Larson**  
Chief Financial Officer,  
SentinelOne, Inc.



**Robert D. Marcus**  
Former Chairman and Chief  
Executive Officer, Time  
Warner Cable Inc.



**Scott A. McGregor**  
Former President and Chief  
Executive Officer, Broadcom  
Corporation



**John A. McKinley**  
Founder, Great Falls Ventures

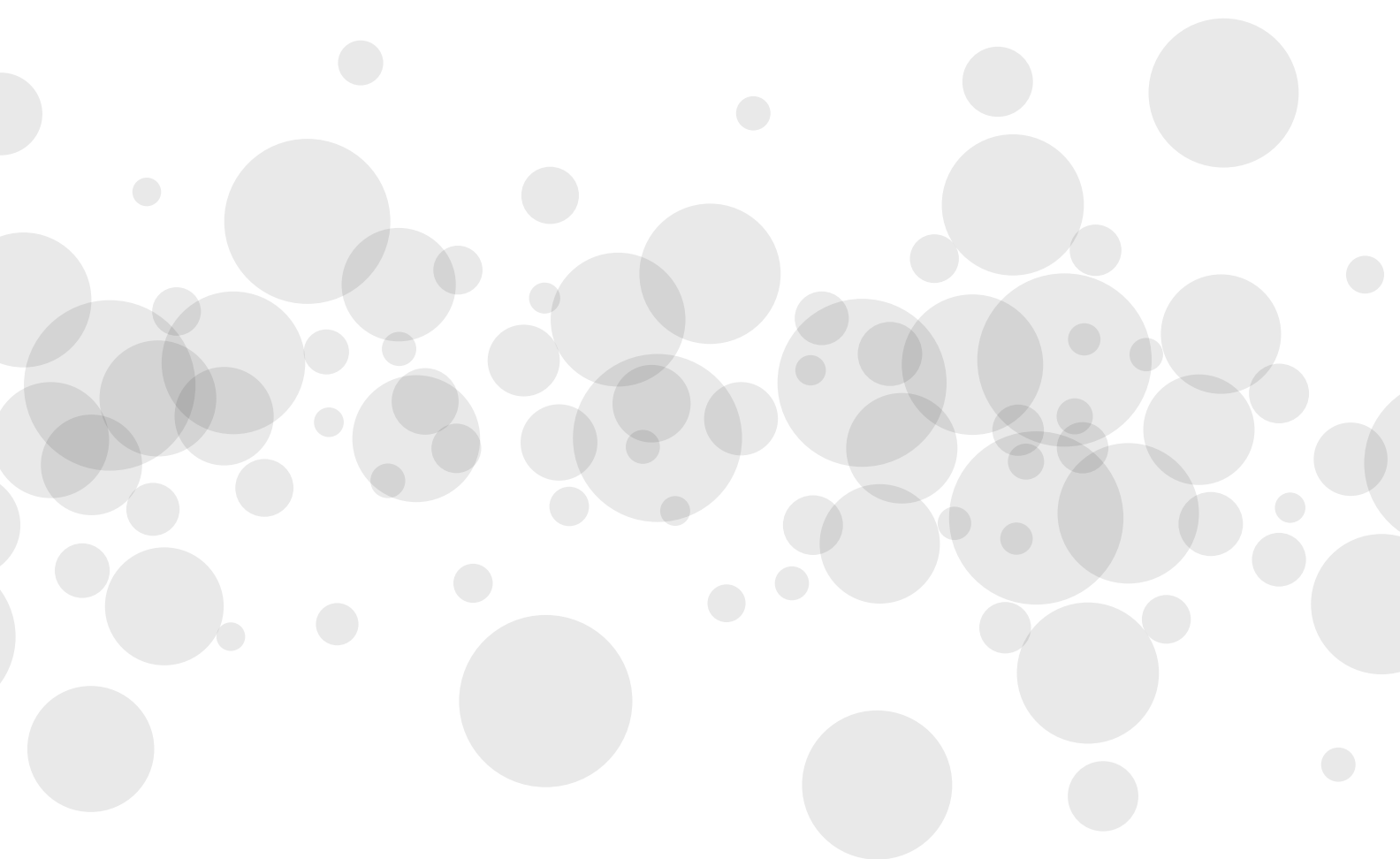


**Melissa D. Smith**  
Chair and Chief Executive Officer,  
WEX Inc.



**Audrey Boone Tillman**  
Senior Executive Vice President  
and General Counsel,  
Aflac Incorporated







**EQUIFAX®**

# EFX.AI

Innovating with  
artificial intelligence  
to help move  
people forward





Mark L. Feidler  
Independent Chairman  
of the Board of Directors

Mark W. Begor  
Chief Executive Officer

# TO OUR Shareholders

2023 was an energizing year for the New Equifax. As we move closer to completing the Equifax Cloud™ we are pivoting from building to leveraging our new Cloud capabilities, single data fabric, differentiated data, and EFX.AI Artificial Intelligence (AI) capabilities to deliver new solutions for customers and consumers in each of the 24 markets we serve. As we mark our 125-year anniversary in 2024, we are celebrating a culture of continuous innovation as the New Equifax that drives top and bottom line growth and delivers strong financial results for our shareholders.

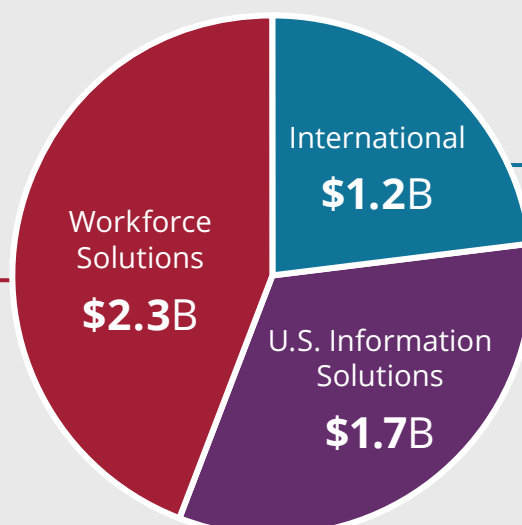
## Equifax achieved record 2023 annual revenue of \$5.265 billion,

up 4% in constant currency over 2022, during one of the most challenging U.S. mortgage markets in the last 20 years with U.S. mortgage inquiries down 34% and impacting Equifax revenue by about \$500 million. The power and breadth of the Equifax business model, as well as our performance and execution against our EFX2025 strategic priorities, is reflected in our strong 7% organic constant currency non-mortgage growth in 2023. We exited 2023 with fourth quarter revenue growth of 11% and non-mortgage local currency revenue growth of 14%. We delivered these strong results while executing on our Cloud customer migrations and overall cost reduction plans, ending the year with about 70% of revenue in the new Equifax Cloud.

In 2023, Equifax harnessed the power of the Equifax Cloud to deliver record levels of innovation and new products leveraging our new Cloud capabilities. We delivered more than 100 New Product Innovations (NPIs) for the fourth consecutive year with a record Vitality Index (defined as revenue from new products introduced in the last three years) of 14%, well above our 10% long term Vitality target for new products, while accelerating the development of advanced models leveraging our market-leading EFX.AI capabilities. In 2023, 70% of our new models were built using AI and Machine Learning (ML) tools, up from 60% in 2022. And, we continued to invest in strategic, bolt-on acquisitions – completing the purchases of Boa Vista Serviços, the second largest credit bureau in Brazil, and Profile Credit, the leading provider of credit information for the Canadian agri-food industry – bringing our total to 14 acquisitions valued at nearly \$4 billion since 2021.

## Annual Revenue at the Business Unit Level in 2023

Total Annual Revenue  
**\$5.3B**



**Workforce Solutions** remains our largest and fastest-growing business, delivering annual revenue of \$2.3 billion with strong 10% organic non-mortgage revenue growth driven by strong Verification Services revenue growth, which was led by strong growth in our Government and Talent verticals. Workforce Solutions continued to lead in NPI development, with a Vitality Index over 20%, and grew the number of current records in The Work Number® database by 11% to 168 million, with 3 million employers now contributing data to The Work Number every pay period.

**U.S. Information Solutions (USIS)** delivered annual revenue of \$1.7 billion, an increase of 4% from 2022, which was driven by strong Commercial, Identity and Fraud, and Consumer Solutions business performance, led by strong market penetration and new product development.

**International** achieved more than a billion dollars in revenue for the third consecutive year, with 2023 revenue of \$1.2 billion, up a strong 12% in local currency – led by continued very strong 17% organic growth in Latin America which also had a Vitality Index of 14%, and revenue from our acquisition of Boa Vista Serviços in August.

## Our 2023 Highlights

### Workforce Solutions continued its very strong growth in the Government sector,

signing a contract extension to provide income verifications to the U.S. Centers for Medicare and Medicaid Services as part of a contract valued at up to \$1.2 billion over the next five years – the largest contract in Equifax history. The USDA's Food and Nutrition Service also awarded a national contract to Workforce Solutions to provide verification services in support of the Supplemental Nutrition Assistance Program, commonly known as "SNAP." The award is for \$38 million in the base year, with a potential total contract value of \$190 million.



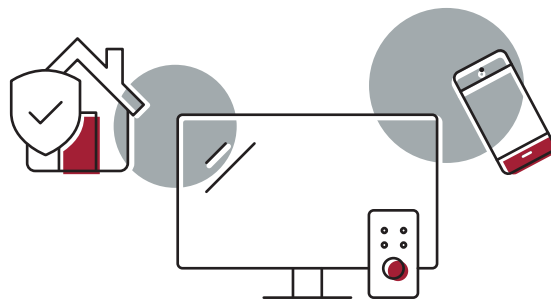
### International performance was led by Latin America's very strong 17% organic local currency growth

and 9% local currency revenue growth in our UK Credit Reporting Agency business.



### USIS extended its nearly 30-year relationship with the National Consumer Telecom and Utilities Exchange, Inc.<sup>®</sup>

(NCTUE<sup>®</sup>), continuing our exclusive operation and management of the unique NCTUE database that includes 190 million payment records and enabling us to deliver products and services that layer telecommunications, pay TV, internet, home security and utility insights on top of traditional credit data to help maximize consumer approval rates, help identify potential risks, reduce manual intervention costs and improve customer experience.



### We delivered more than 100 new products for the fourth year

in a row with a Vitality Index of 14%, a new record for Equifax. New product revenue in 2023 was about \$725 million, up approximately 9% from about \$660 million in 2022.



### We furthered our commitment to transparency in cybersecurity

by making our security and privacy controls framework public for the benefit of security and privacy teams at organizations of all sizes and delivering a record security maturity score as measured by a leading global research and advisory firm.



### The Work Number database reached 168 million active records,

an increase of 11% from 2022, to include 124 million unique individuals. In 2023, we signed 17 new payroll partnerships for a total of 33 signed since the beginning of 2021. We now have more than 3 million employers contributing payroll records to The Work Number.



### We expanded our International footprint into the large and fast-growing Brazilian market

with the August 2023 acquisition of Boa Vista Serviços – a strategic and financially attractive acquisition that offers Brazil customers access to expansive Equifax international capabilities and cloud-native solutions.



### We continued our strong progress towards completing the Cloud

in both our USIS and International business units, migrating over 40,000 customers globally in 2023 and ending the year with about 70% of Equifax revenue in the Cloud.





# Driving AI Innovation with the Equifax Cloud

**Equifax has driven AI innovation for nearly a decade** – beginning with our introduction of the first Machine Learning (ML) credit scoring system with the ability to generate logical and actionable reason codes for the consumer. Our custom-built Equifax Cloud and advanced data fabric enable us to maximize EFX.AI. Differentiated data and patented AI techniques are infused into solutions that give customers the deeper insights they need to move people forward, faster.

**Our more than 1,000 analytics professionals around the world anticipate the evolving challenges that our customers and consumers face – driving AI innovation not just for today, but for the future.**

Unique data at scale is at the heart of EFX.AI and we invest millions annually into proprietary, non-public data assets that ‘Only Equifax’ can provide. Central to the Equifax Cloud is our new custom data fabric – an adaptable structure that unifies our deep, accurate and high-quality data (from over 100 siloed data sources) while also enabling us to manage that data in keeping with strict regulatory requirements. Data fabric offers the ability to ingest and analyze our non-public data at scale, and enhances the keying and linking of our data assets for delivery of multi-data solutions.

We are energized by the capabilities that AI brings to strengthen our business and accelerate the value of our proprietary data through richer data combinations, and our AI investments are driving results. In 2023, 70% of our new models around the globe – including the innovative Equifax OneScore for Consumer and OneScore for Commercial U.S. credit scoring models – were built using AI and ML tools, up from 60% in 2022, with a goal of over 80% in 2024.

Responsibility is built into EFX.AI. Our infrastructure is tailored to highly regulated, non-public data to deliver explainable scores, models, and products, and our Equifax AI requirements are aligned to the National Institute of Standards and Technology (NIST) AI Risk Management Framework. Whether it is for innovation, internal development, or operational improvements, Equifax uses AI Systems in a transparent, trustworthy, fair, explainable, and secure manner, to provide benefits to consumers and customers.



**As of March 2024, Equifax has more than 90 approved patents supporting our approach to AI, with more than 130 patents pending.**

## Consumer Impact: Helping People Live Their Financial Best

**Equifax strives to support economically healthy individuals and financially inclusive communities** in each of the 24 countries where we do business. Our company Purpose is to help people live their financial best and we are harnessing the power of our proprietary data assets, AI capabilities, and advanced data science to meet that objective.

Our 2023 research shows that 76 million Americans have little-to-no credit history. 61 million people have “thin” files of four accounts or fewer and 16 million are “credit invisible” with no documented credit history.

### Those with little-to-no credit history are more likely to:

Be young  
or new to  
using credit

Have  
recently  
immigrated

Have not  
used credit for  
a long time

Do not  
use credit  
accounts

Be recently  
widowed or  
divorced

Be cash  
or debit  
card users

While credit reports remain a strong indicator of credit history and past financial reliability, we believe that data not included in traditional credit report data has the potential to help responsibly expand consumer access to credit and support a more inclusive economy. Unique alternative data and analytics from Equifax – including information such as verified income, telecommunications and utility payment history, and cash flow insights – that may not be included in traditional credit reports – makes a difference for millions of people worldwide. Leveraging this alternative data could shift 8.4 million more U.S. consumers into scorable credit bands.

Our studies also show that incremental populations become scorable with each use of alternative data and AI. Ultimately, EFX.AI allows us to build insights from significantly greater amounts of our trusted, proprietary, non-public data – helping lenders, service providers, and government agencies to make more holistic decisions and open financial opportunities to otherwise underserved populations.

### Layering alternative data with our patented explainable AI (xAI) can lift consumers into better credit bands

An incremental **~2 million** consumers could qualify for prime/super prime offers thanks to alternative data layered with xAI

Equifax led the way towards an industry standard for (xAI) in financial services, introducing the first machine learning credit scoring system with the ability to generate logical and actionable reason codes for consumers

Incremental populations become scorable with each use of alternative data and incorporating AI

Source: Equifax Access to Credit and Alternative Data Report 2023

Our impact doesn't stop there. We understand that government benefits can be a lifeline to people and families in need. Whether it's helping bridge a gap after losing a job, supporting vulnerable populations, stimulating local economies, or broadly providing a social safety net – it's critical to connect people with the resources they need as quickly and easily as possible.

Working in collaboration with Equifax, U.S. federal and state social service agencies use The Work Number to help people in need secure access to healthcare, food, housing, and financial assistance. In 2023, The Work Number provided social service verifications for 25 million people seeking benefits – a 19% increase from 2022. Some of these programs include Medicaid, SNAP, Temporary Assistance for Needy Families (TANF), Housing Choice Vouchers, Supplemental Security Income (SSI), and more.

**In 2023, The Work Number provided social service verifications for 25 million people seeking benefits**

**Up 19%**  
vs. 2022

## The Work Number®

Partnering with federal and state social service agencies across the U.S.



Streamlining the application process



Helping eligible beneficiaries get their benefits in a timely manner



Healthcare



Food



Housing



Financial Assistance

Source: 2023 Equifax Workforce Solutions Data & Analytics

Equifax plays an important role in the financial lives of consumers and we take that responsibility seriously. Our company Purpose – to help people live their financial best – drives our business actions.



## EFX2025: Delivering Against Our Strategic Priorities



**Accelerate  
Innovation and  
New Products**



**Leverage  
Equifax Cloud  
Capabilities**



**Expand  
Differentiated  
Data Assets**



**Put Customers  
and Consumers  
First**



**Execute  
Bolt-on M&A**



**Continue  
Leadership  
in Security**

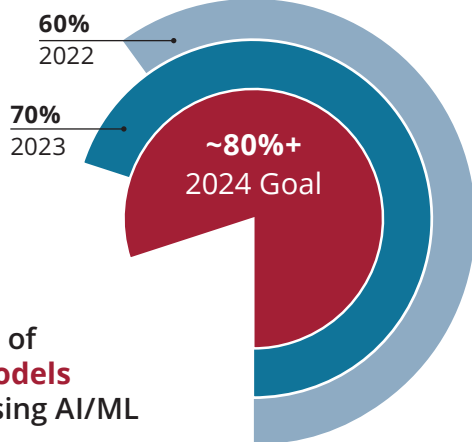


**Act as  
One Team,  
One Equifax**



### Accelerate Innovation and New Products

In 2023, we leveraged the Equifax Cloud to accelerate New Product Innovation, marking our fourth consecutive year with over 100 new products developed, and increasing our revenue from new products by about 9% from 2022. During the year, about 84% of new product revenue came from non-mortgage products leveraging the Equifax Cloud.



**Percent of  
New Models  
Built Using AI/ML**

We also made tremendous progress building advanced models leveraging AI. In 2023, 70% of our new models were built using AI and ML tools, up from 60% in 2022. This includes OneScore for Consumer and OneScore for Commercial, new USIS credit scoring models that combine alternative data insights 'Only Equifax' can deliver with the power of the Equifax Cloud and AI capabilities to provide U.S. lenders and service providers with a more comprehensive financial picture of credit seeking consumers and small business applicants.

OneScore for Consumer and OneScore for Commercial are two of the 15 New Product Innovations introduced by the USIS business unit in 2023. Other launches included the introduction of the industry's first expanded Mortgage Credit Report making telco, pay TV, and utilities attributes available to the U.S. mortgage industry to provide a fuller picture of consumers' financial profiles. Not only do these new differentiated insights help automate, save time and resources, and streamline the first mortgage process for every applicant, but they also help create greater homeownership opportunities for more consumers.

Workforce Solutions continues to lead Equifax in New Product Innovation – with solutions like our All Employers Within 36 Months™ offering that includes trended income data on consumers for mortgage applications, and the Smart Screen™ portfolio of consumer reports. Leveraging the Equifax Cloud and the TotalVerify™ data hub, Smart Screen accelerates the delivery of criminal background checks when required by background screeners, employers, and government agencies as part of their established hiring and background screening processes. Additional new offerings like the PeopleHQ™ portal and I-9 Anywhere® virtual capabilities make it easier for employers to streamline management of their HR processes and enhance new hire experiences.

Across the globe, each region of our International business unit outperformed its 2022 results, delivering a total of 77 NPIs in 2023. The Equifax Cloud enables us to quickly extend the impact of our International Solutions by taking successful products from one market and easily introducing them into additional markets while maintaining local data and regulatory requirements. Leveraging the power of the Equifax Cloud, our Kount Identity and Fraud solutions are now available in 47 countries – twice as many locations as the previous year.



## Leverage Equifax Cloud Capabilities

In February 2024, our Chief Information Security Officer Jamil Farshchi expanded his leadership role to become our Chief Technology Officer. Jamil will oversee our work to finalize the Equifax Cloud transformation while maintaining a clear and independent focus on our Technology and Security Leadership.

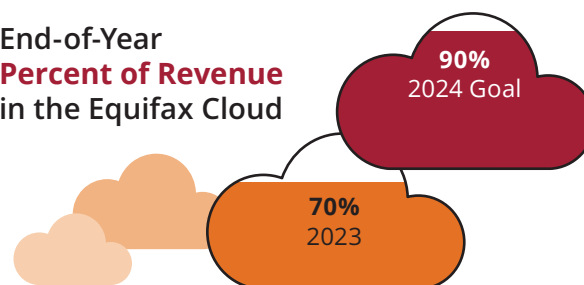
The Equifax Cloud is a top-tier global technology and security infrastructure that continues to set Equifax apart in the industry. With our Cloud transformation we have created an agile new foundation for the enterprise to develop solutions that are faster, more reliable, more powerful, and more secure than ever before.

More than 40,000 customers have migrated to the Equifax Cloud, and as we near the finish line of our over \$1.5 billion security, data, and technology transformation, we are confident that the Equifax Cloud will be central to our differentiation and our competitive advantage for years to come.

We ended 2023 with approximately 70% of Equifax revenue in the Cloud. Our USIS and North American Cloud transformations continue to progress towards our goal of being principally completed in the first half of 2024, and in 2023, Argentina became the first country to have its products and customers fully migrated to the Equifax Cloud. We are on track to reach our goal of having 90% of our revenue in the Equifax Cloud by the end of 2024, with the vast majority of new models and scores being built using EFX.AI.

The Equifax Cloud is also an important part of our commitment to net-zero greenhouse gas emissions by 2040. In 2023, the Equifax greenhouse gas emissions targets were validated by the Science Based Targets initiative (SBTi). SBTi is a global body enabling businesses to set ambitious emissions reduction targets. Under its target ambitions, we have committed to reduce absolute scope 1 and 2 greenhouse gas emissions 54.6% by 2032, from a 2019 base year. SBTi has determined that the global operational footprint target ambitions set by Equifax are in line with the Paris Agreement 1.5 degrees Celsius goal, currently the most ambitious designation available through the SBTi process.

### End-of-Year Percent of Revenue in the Equifax Cloud



Data centers, in 2023, made up approximately 39% of the company's total scope 1 and 2 emissions, net of renewable energy. As a part of our Equifax Cloud transformation we have decommissioned 29 data centers to date, including 7 in 2023 and 3 in the first quarter of 2024.



## Expand Differentiated Data Assets

Differentiated data and analytics that 'Only Equifax' can provide continue to be at the heart of our business. We began our Equifax Cloud transformation process to redefine how Equifax data is ingested, governed, provisioned and produced – uniting our proprietary data sources through our custom data fabric while managing that data in keeping with strict regulatory requirements.

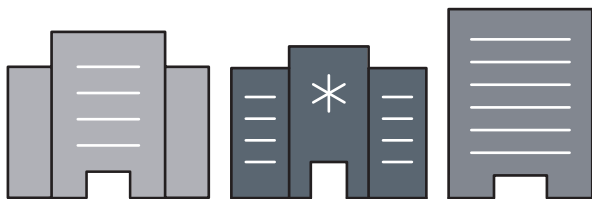
We also understand that the successful use of AI requires deep, accurate and high-quality data. With the Equifax Cloud, we are expanding the depth and accuracy of our data and helping our customers innovate faster to create more effective insights into the people and communities they serve.

In 2023, our differentiated, non-public data included:

- **The Work Number Database** – 168 million active employment records and 657 million total employment records for verifications of employment and income from 3 million different U.S. employers.
- **Core Credit** – more than 1.6 billion tradelines with information on more than 245 million consumers.
- **Relationship with NCTUE** – operation and management of the NCTUE database that includes 190 million telecommunications, pay TV, internet, home security and utility payment records.
- **Insights** – 189 million incarceration records from over 2,200 facilities across the United States.

- **Partnership with National Student Clearinghouse** – access to enrollment and degree verifications for over 97% of all students in public and private U.S. colleges and universities.
- **DataX and Teletrack** – access to 80 million unbanked, underbanked and credit rebuilding consumers – enabling greater access to credit.
- **IXI** – wealth information with \$24 trillion in anonymized assets and investments.
- **Digital Solutions** – aggregated data from more than 60 billion consumer interactions.

## 224 Million Commercial Tradelines Across 178 Million Businesses



- **Partnerships for cash flow data** – information on balances, deposits and withdrawals from more than 7,700 participating U.S. financial institutions – allowing access to visibility of 95% of U.S. checking accounts.
- **Commercial Financial Network powered with acquisitions of PayNet and Ansonia** – 224 million commercial tradelines across 178 million businesses.

In 2023, we continued to expand pension income data as part of instant verifications through The Work Number database. Inclusion of this data helps more people obtain streamlined access to decisions for social service benefits and financial services. Additionally in 2023, we signed agreements with 17 payroll processors. For example, our new integration between The Work Number and Payroll Relief software from IRIS Software Group is making automated employment and income verifications available to up to one million additional employees of U.S. small and medium sized businesses. Small businesses account for more than 46 percent of U.S. private sector employees. This partnership helps improve access for consumers that are employees of small and medium sized businesses when applying for services such as a home mortgage, auto loan, or social service benefits.



## Put Customers and Consumers First

Our most important job is to put Customers and Consumers first. Our company Purpose of helping people live their financial best and our commitment to being consumer friendly at every touchpoint guides our business actions.

We are always working to make our credit reports as accurate and reliable as possible. When it comes to credit report accuracy, we believe that even one error is one too many. We are committed to improving our data processes and began publishing U.S. credit report accuracy metrics on our corporate website on a monthly basis in September 2023. Between September 2023 and February 2024, our average monthly credit report accuracy metric was 99.81%. This metric is determined by calculating the number of tradelines, collections, and bankruptcy disputes within the month that resulted in a change to a U.S. consumer credit report (regardless of whether that change had any impact on a consumer's credit score).

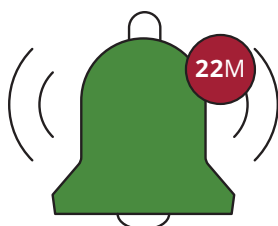
- We are continuously monitoring and enhancing our processes to improve data quality in consumer credit files and making it easier for consumers to access their Equifax credit report and correct any potential errors quickly.
- We also are working with our data furnishers to enhance the accuracy of information reported to us.
- And, as part of our over \$1.5 billion investment in the Equifax Cloud, we are developing new programs that will allow us to identify potential accuracy issues and correct them quickly before a consumer disputes information on their credit report.

We believe that helping people live their financial best starts with helping consumers increase their financial capability. We are committed to providing broader credit education, helping people understand both their personal finances and the credit system as well as the role we play in helping to provide access to mainstream, sustainable financial products.

- The experience of our more than 20 million myEquifax™ users and 7 million Core Credit™ subscribers continues to evolve in the U.S. to include access to new offers and services.
- We reviewed and revised all written U.S. consumer communications – information sent from Equifax by email or the U.S. Postal Service outside of the dispute process – to ensure that they are easy for consumers to understand. Updated communications will begin in the second half of 2024.
- Building on our commitment to education, we supplemented our robust online consumer Knowledge Center with the launch of a new consumer credit video education series, “Equifax Learn”, on YouTube to help explain U.S. credit scores, credit reports, and answer consumers’ most asked questions.
- And, our USIS team, along with The Credit Builders Alliance (CBA) and The Annie E. Casey Foundation, introduced a national credit education toolkit to help young adults in the U.S. build credit capability at an early age.

In 2023, we supported U.S. victims of crime with more than 22 million notifications through the VINE™ network. VINE, acquired in our purchase of Appriss Insights in 2021, is the leading victim notification network in the U.S. It allows survivors, victims of crimes, and other concerned citizens to access timely and reliable information about offenders or criminal cases in U.S. jails and prisons. Last year, we expanded the service to include VINE Courts™, which provides victims up-to-date information about upcoming hearing times, locations, and court information. This expanded service breaks down barriers that make it hard for victims to be in court and have their voices heard.

**More Than  
22 Million  
Notifications  
to U.S. Crime Victims**



We also made significant changes to medical collection debt reporting alongside Experian and TransUnion. In the first quarter of 2023 medical collection debt under \$500 was removed from U.S. consumer credit reports to support U.S. consumers faced with unexpected medical bills. This joint industry measure removed nearly 70% of medical collection debt tradelines from consumer credit reports. We also jointly announced the

permanent extension of free weekly online credit reports to U.S. consumers through the AnnualCreditReport.com website to help them manage their financial health.

Around the world, we worked to further our positive impact on the financial lives of consumers in 2023:

- **In Canada**, we launched a new solution, Credit Health™, that enables Equifax customers to deliver on-demand access to credit scores, reports, and education to consumers.
- **In Uruguay**, we hosted a series on financial wellness, sharing tips on financial health, security, privacy and the role of alternative data in credit through the national morning television, universities and public schools, and podcasts.
- **In New Zealand**, we partnered with financial literacy platform Banqer, to create a credit education module enabling children to learn about credit in their classrooms. Through this program we have helped educate nearly 245,000 children across 2,103 schools.
- **In the U.K.**, we partnered with Speakers for Schools to design and deliver a pilot education outreach program for teens. The initiative matches volunteers with local schools to share financial education and skills to help teens make informed financial decisions, providing information on credit scores, budgeting, debt management, and how to protect against online scams.

Equifax plays an important role in the lives of consumers, and these actions were taken with a commitment to creating a positive impact on people's personal and financial well-being.

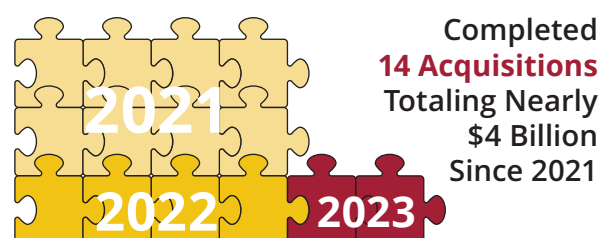


## Executing Bolt-on M&A

We are continuing to strengthen the core of Equifax and drive future non-mortgage growth through strategic, bolt-on mergers and acquisitions. Since the beginning of 2021, we have completed 14 acquisitions totaling nearly \$4 billion, including two in 2023.

In August 2023, we completed the strategic acquisition of the second largest credit bureau in Brazil, Boa Vista Serviços. This acquisition expanded the Equifax International footprint in the large and fast-growing \$2 billion Brazilian total addressable market. We believe that more data drives better decisions, and this acquisition offers Boa Vista Serviços access to global Equifax capabilities and cloud-native data, products, decisioning, and analytical technology for the rapid development of new products and services and expansion into new industry verticals.

In February 2023, we completed the acquisition of the Montreal-based Food Industry Credit Bureau from Profile Credit. This acquisition grows the commercial credit insights available to Equifax customers in Canada and worldwide with information on over 90 percent of the Canadian agri-food industry. Over the last three decades, The Food Industry



Credit Bureau from Profile Credit has worked in partnership with over 1,000 companies, such as food and beverage service providers, meat and poultry processing, and distribution to provide up-to-date credit data on over 200,000 businesses.

Moving forward, we will continue to look for financially attractive bolt-on M&A aligned with our strategic priorities, including opportunities to grow our differentiated, proprietary data sets as well as opportunities to strengthen our Workforce Solutions and identity protection and fraud prevention capabilities.

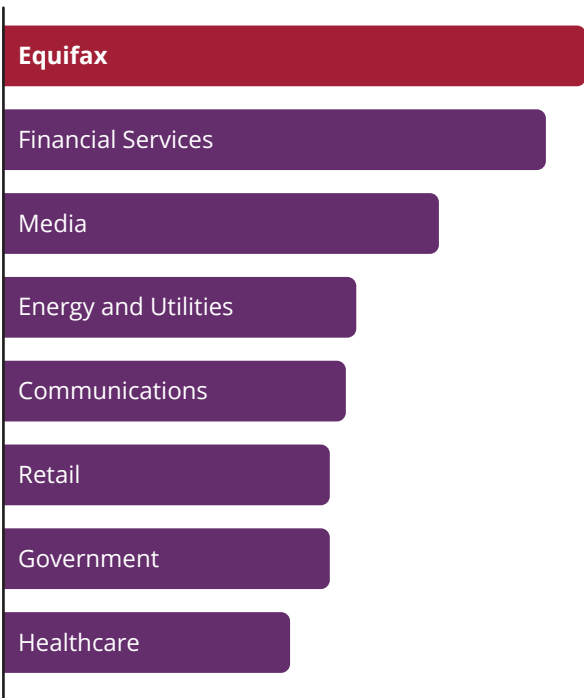


## Continue Leadership in Security

We continue to deliver on our commitment to being an industry leader in security, building one of the world's most advanced and effective cybersecurity programs. As our Security Annual Report reflects, our maturity level has outperformed all major industry benchmarks for the last four years, exceeding Technology and Financial Services companies analyzed.

### Security Maturity Score

We partner with a leading global research and advisory firm to conduct an annual in-depth analysis of the maturity of our entire security program.



#### What is Security Maturity?

An organization's security maturity represents how well it can adapt to cyber threats and manage risk over time.

As part of our commitment to delivering solutions that benefit the security community, customers and consumers, we became one of the few public companies to make our security and privacy controls framework freely available. Security and privacy controls frameworks give security and privacy teams at organizations of all sizes the tools to design, build and maintain secure processes. Since the framework's release, it has been accessed by more than 7,000 users in more than 95 countries from Fortune 500 companies to tech startups and small non-profit organizations.

Since Making Our Security and Privacy Framework Public, It Has Been Accessed By More Than **7,000 Users** in More Than **95 Countries**



In Costa Rica, our second largest Equifax site worldwide, we are partnering with the government to improve cybersecurity practices across the country for both citizens and municipal employees. Through our partnership, we are offering free nationwide virtual training courses on best practices for everyday digital security. Security is in our DNA, and we are sharing our security resources for the benefit of the communities where we live and work.

We are proud of the work that we do in helping organizations around the world become more secure and continue to actively engage with customers, policymakers, and other organizations regarding the challenges and opportunities in cybersecurity. Jamil Farshchi continues to serve as a Strategic Engagement Advisor to the Federal Bureau of Investigation (FBI), and he co-chaired the Bipartisan Policy Center Report on the Top Cybersecurity Risks in 2023.

**The maturity of our cybersecurity program improved in 2023, outperforming all major industry benchmarks for a fourth consecutive year.**





## Act as One Team, One Equifax

Our nearly 15,000 team members around the world are our greatest asset. We welcomed approximately 1,000 new employees from our 2 acquisitions in 2023, and another approximately 1,000 employees with our new Equifax Product Engineering Centers in Pune and Trivandrum, India.

### We are committed to nurturing a culture where everyone feels welcomed, valued and respected.

Cross-functional collaboration and innovation, working as One Equifax, is core to our success. We are committed to nurturing a culture where everyone feels welcomed, valued and respected. Within our senior leadership team, more than half identify as female or as having a diverse racial or ethnic background, and 44% of the Equifax global workforce identify as female.

An important part of supporting our people is supporting the areas where they live and work. The Equifax Foundation made charitable grants to organizations in Atlanta and St. Louis – including On The Rise Financial Center, Westside Future Fund, Prosperity Connection, and Credit Builders Alliance to help low-to-moderate income communities achieve the credit strength needed to live their financial best. In 2023, the Equifax Foundation put our purpose into action by making \$1.465 million in direct charitable grants to our Community partners. Additionally, through our

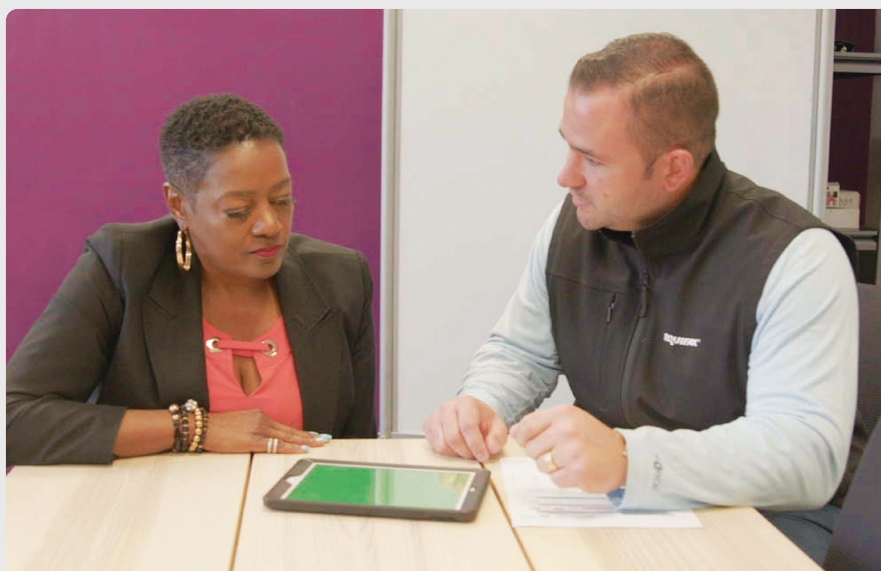
Equifax Gives program, we matched \$1.1 million in employee charitable donations in 2023 for more than \$3.5 million in total community impact.

Employee volunteer hours doubled in 2023. And, in the second half of the year, we kicked off a new program, BEST Credit Training, which trains U.S. based employees to deliver financial literacy content in their communities. In only six months of this program, we hosted four events with more than 370 community members served, and we are looking forward to growing this program across our U.S. locations and internationally in 2024.

### Employees Can Grow and Develop Their Careers with Almost 50% of Open Roles Filled Internally



Equifax also supported internal career development, continuing to make a number of internal and external training opportunities available to our teams worldwide, with our global employees completing more than 140,000 hours of training and professional development. We also showed that we are a place where our employees can grow and develop their careers with almost 50% of open roles filled internally in 2023 – compared to 38% in 2022.



Equifax Foundation put our purpose into action by making \$1.465 million in direct charitable grants to our Community partners.

## EFX2026

While we take this time to reflect on our accomplishments, we are also looking to the future of the New Equifax with our EFX2026 strategic priorities – which include the addition of driving AI innovation to the future of our business as a pillar of our long-term growth strategy.



## EFX2026 Strategic Priorities and Long-Term Financial Goals

**8-12%**  
Total Revenue  
Growth

**1-2%**  
Growth from  
Bolt-on M&A

**50 BPs**  
Margin Expansion,  
Expanding Free  
Cash Flow

In today's always-on world, speed is a competitive advantage. We use AI and the power of the Equifax Cloud to reduce friction, identify opportunities, and solve problems faster, turning what were once months-long projects into days or weeks-long resolutions. We are convinced that the Equifax Cloud, differentiated data assets in our new single data fabric, our AI capabilities, and our market leading businesses will deliver higher growth, expanded margins and free cash flow in the future.

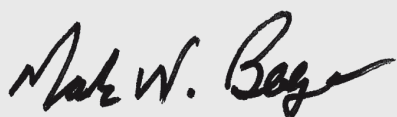
In 2024, we expect to deliver 9% revenue growth as well as Adjusted EBITDA margin expansion of 110 basis points from revenue growth and our Cloud cost savings plans, despite our assumption that the U.S. mortgage market as measured by credit inquiries will stay at current levels throughout 2024, resulting in about an additional 15% decline in the U.S. mortgage market credit inquiries in 2024 versus 2023. As we look beyond the bottoming of the U.S. mortgage market, in the future as the U.S. mortgage market returns to normal 2015-2019 average levels, this would provide a tailwind to Equifax mortgage revenue of about \$1.1 billion, that would deliver EBITDA of about \$700 million and Adjusted EPS of over \$4/share.\*

\*At 2024 pricing, penetration and cost levels

A big priority for 2024 is to move closer to Equifax Cloud completion with the finalization of our North American Cloud transformation as well as significant portions of our global market transformations, which will result in continued margin expansion and reductions in our capital intensity – a key benefit of our data and technology Cloud transformation. We are moving into the year with strong momentum, and looking forward, we remain focused on delivering 8-12% long-term growth and 50 basis points of margin expansion annually with expanding free cash flow.

**On behalf of the Equifax Board, leadership team, and nearly 15,000 global employees, we thank you for your ongoing support and confidence in our business. We are energized by our strong performance in 2023, but even more energized about the future of the New Equifax!**

Thanks for your support,



**Mark W. Begor**  
Chief Executive Officer and Director



**Mark L. Feidler**  
Independent Chairman of the Board of Directors



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

FORM 10-K

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

For the fiscal year ended December 31, 2023

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number 001-06605

**EQUIFAX INC.**

(Exact name of registrant as specified in its charter)

Georgia

58-0401110

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

1550 Peachtree Street N.W. Atlanta Georgia 30309

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 404-885-8000

Securities registered pursuant to Section 12(b) of the

|      | Title of each class                      | Trading Symbol | Name of each exchange on which registered |
|------|------------------------------------------|----------------|-------------------------------------------|
| Act: | Common Stock, \$1.25 par value per share | EFX            | New York Stock Exchange                   |

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

Indicate by check mark if Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Exchange Act ("Act").

☒ Yes ☐ No

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

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

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issues financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

As of June 30, 2023, the aggregate market value of Registrant's common stock held by non-affiliates of Registrant was approximately \$28,876,038,118 based on the closing sale price as reported on the New York Stock Exchange. At January 31, 2024, there were 123,956,391 shares of Registrant's common stock outstanding.

## **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of Registrant's definitive proxy statement for its 2024 annual meeting of shareholders are incorporated by reference in Part III of this Form 10-K.

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## PART I

### ITEM 1. BUSINESS

#### Overview

Equifax Inc. is a global data, analytics and technology company. We provide information solutions for businesses, governments and consumers, and we provide human resources business process automation and outsourcing services for employers. We have a large and diversified group of clients, including financial institutions, corporations, government agencies and individuals. Our services are based on comprehensive databases of consumer and business information derived from numerous sources including credit, financial assets, telecommunications and utility payments, employment, income, educational history, criminal justice data, healthcare professional licensure and sanctions, demographic and marketing data. We use advanced statistical techniques, machine learning and proprietary software tools to analyze available data to create customized insights, decision-making and process automation solutions and processing services for our clients. We are a leading provider of information and solutions used in payroll-related and human resource management business process services in the United States of America (“U.S.”) as well as e-commerce fraud and charge back protection services in North America. For consumers, we provide products and services to help people understand, manage and protect their personal information and make more informed financial decisions. Additionally, we also provide information, technology and services to support debt collections and recovery management.

We currently operate in four global regions: North America (U.S. and Canada), Asia Pacific (Australia, New Zealand and India), Europe (the United Kingdom (“U.K.”), Spain and Portugal) and Latin America (Argentina, Brazil, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Paraguay, Peru and Uruguay). We maintain support operations in Chile, Costa Rica, India and Ireland. We also have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia, Singapore and Brazil.

Equifax was originally incorporated under the laws of the State of Georgia in 1913, and its predecessor company dates back to 1899. As used herein, the terms Equifax, the Company, we, our and us refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

We are organized and report our business results in three operating segments, as follows:

- **Workforce Solutions** — provides services enabling customers to verify income, employment, educational history, criminal justice data, healthcare professional licensure and sanctions of people in the U.S. (Verification Services), as well as providing our employer customers with services which include unemployment claims management, I-9 and onboarding services, Affordable Care Act compliance management, tax credits and incentives and other complementary employment-based transaction services (Employer Services). Workforce Solutions has established operations in Canada, Australia and the U.K.
- **U.S. Information Solutions (“USIS”)** — provides consumer and commercial information solutions to businesses in the U.S. including online information, decisioning technology solutions, identity management services, analytical services, e-commerce fraud and charge back protection services, portfolio management services, mortgage information and marketing services. We provide products to consumers in the U.S. to enable them to understand and monitor their credit and help protect their identity. We also sell consumer credit information to resellers who may combine our information with other information to provide direct-to-consumer monitoring, reports and scores.
- **International** — provides products and services similar to those available in the USIS operating segment but with variations by geographic region. We also provide information, technology and services to support debt collections and recovery management. In addition, we provide products to consumers in Canada, the U.K., Australia and Chile to enable them to understand and monitor their credit and help protect their identity. This operating segment is comprised of our Asia Pacific, Europe, Latin America and Canada business units. It also includes our joint ventures in Cambodia, Malaysia, Singapore and Brazil.

## Our Business Strategy

Our vision is to be a trusted global leader in data, analytics and technology that creates innovative solutions and insights for our customers. Our business strategy is driven by the following imperatives:

- **Leverage our Equifax cloud capabilities and technology investment to accelerate innovation, new products and growth.** We are executing a cloud data and technology transformation that is rebuilding our technology infrastructure, including a migration to a public cloud environment that employs virtual private cloud deployment techniques. We are rationalizing and rebuilding our application portfolio using cloud-native services. Our move to cloud-native technology is enabling the continued development of our single data fabric, which is a cloud native platform that enables Equifax to build, manage and deploy data products, as well as implementation of best-in-class cloud-based tools and capabilities. Our growth strategy is to leverage our cloud data and technology transformation to accelerate innovation and new product development; deliver market-leading capabilities to our customers; facilitate customer and partner implementation and integration; improve ease of consumer access to and interaction with Equifax; and strengthen system resiliency and uptime.
- **Leverage and expand our differentiated portfolio of data assets.** We use proprietary advanced analytical platforms, including capabilities in machine learning, artificial intelligence and advanced visualization tools, to leverage our unique data to develop leading analytical insights that enhance the precision of our customers' decisioning activities. Based on our cloud native data and technology transformation, we are investing to simplify our customers' access to our leading analytical and decisioning platforms, in order to speed the development of unique insights and the conversion of these insights into innovative new products and services consumable by our customers through our delivery platforms. We strive to advance these capabilities and bring our customers multi-data solutions at scale by expanding our unique and differentiated data assets and analytics through organic growth, business acquisitions and partnerships.
- **Foster a culture of putting customers and consumers first.** We are focused on maintaining a culture in which our customers and consumers are at the center of our decision processes, and where we exceed customer and consumer expectations by delivering solutions with speed, flexibility, stability and performance. We prioritize engagement with our customers and strive to accelerate innovation through collaboration. We seek to leverage our cloud native technology and unique data assets and capabilities, as well as customer expertise and data and technology assets, to drive the development of high-value analytical products and services designed to address a broader range of customer and consumer needs. We work to maximize the value of our differentiated data assets, analytics and decisioning to drive new products and services that provide a fuller picture of consumers and commercial entities to our customers in banking and financial services, government, employee hiring and onboarding and other service providers.
- **Execute strategic acquisitions that expand our data portfolio and capabilities and drive revenue growth.** A critical lever of our strategy is inorganic growth through accretive and strategic acquisitions that drive incremental annual revenue growth. Our acquisition priorities are clear and focused on re-investing in acquisitions that expand our unique differentiated data assets and solutions to strengthen and grow our core businesses. We continue to invest, including through acquisitions and partnerships, to expand our addressable markets and the data and capabilities we offer to solve customer challenges across the services we provide and to expand our access to differentiated data including across identity authentication, fraud mitigation and risk management. We believe there are opportunities to continue to expand in the U.S. and internationally, across the existing financial, mortgage, telecommunications, automotive, insurance, talent management, human resource services, government and other markets that we serve, as well as in new and emerging market segments.
- **Continue our leadership in data security.** We are committed to being an industry leader in security. We have built an Equifax culture that prioritizes security, and we consider data and technology security, and more broadly risk management, as a primary requirement in all decisions. We make extensive use of advanced data and technology security tools, techniques, services and processes in order to enhance our ability to protect the information with which we are entrusted. We are committed to working openly with our peers, customers and partners to tackle emerging security challenges, document best practices, provide vital data security thought leadership and work together to deliver solutions that benefit both the security community and consumers.
- **Build a world-class Equifax team by investing in talent to drive our strategy and promote a culture of innovation.** At Equifax, we are committed to nurturing a culture where diverse talent thrives. We are focused on providing meaningful opportunities for career advancement and development, fostering an inclusive work

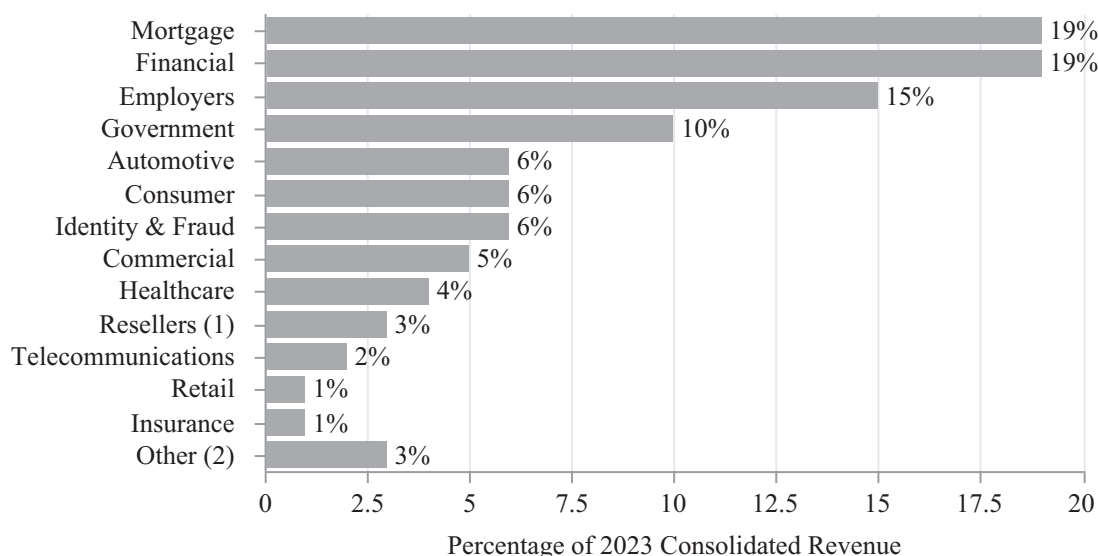
environment, and promoting employee engagement and recognition. We leverage our enterprise-wide talent initiatives to develop, retain and attract a highly-qualified workforce in order to promote our culture of innovation, add diverse perspectives and deliver on our business strategy.

We seek to enhance shareholder value through the disciplined execution of these imperatives and by positioning our Company as a global data, analytics and technology leader with industry-leading security.

## Markets and Clients

Our products and services serve clients across a wide range of verticals, including mortgage, financial services, employers, government (state, federal and local), automotive, commercial, identity and fraud, consumer, resellers, healthcare, telecommunications, retail and insurance. We also serve consumers directly. Our revenue streams are highly diversified with our largest client providing approximately 2% of total revenue. The following table summarizes the various end-user markets we serve:

### Percentage of 2023 Consolidated Revenue



1. Predominantly sold to companies who serve the direct-to-consumer market and includes other small end user markets. Mortgage and auto resellers are excluded from this category as they are included within their respective categories above.
2. Other includes revenue from other miscellaneous end-user markets.

We market our products and services primarily through our own direct sales organization that is structured around sales teams that focus on client segments typically aligned by vertical markets and geography. In the U.S., the vertical market sales teams for the Mortgage, Financial, Government and Automotive markets sell products from both the USIS and Workforce Solutions business units. Sales groups are based in field offices located throughout the U.S., including our headquarters in Atlanta, Georgia, and in the countries where we have operations. We also market our products and services through indirect channels, including alliance partners, joint ventures and other resellers. In addition, we market our products directly to consumers through e-commerce channels.

Revenue from international clients, including end users and resellers, amounted to 23% of our total revenue in 2023, 22% of our total revenue in 2022 and 22% of our total revenue in 2021.

## Products and Services

Our products and services help our clients make more informed decisions with higher levels of confidence by leveraging a broad array of data assets. Analytics are used to derive insights from the data that are most relevant for the client's decisioning needs. The data and insights are then processed through proprietary software and generally transmitted to the client's operating system to execute the decision.

The following chart summarizes the key products and services offered by each of the business units within our segments:

|                                                  | Workforce Solutions   |                   | USIS                         |                              | International |              |               |        |
|--------------------------------------------------|-----------------------|-------------------|------------------------------|------------------------------|---------------|--------------|---------------|--------|
|                                                  | Verification Services | Employer Services | Online Information Solutions | Financial Marketing Services | Europe        | Asia Pacific | Latin America | Canada |
| Online data                                      | X                     |                   | X                            |                              | X             | X            | X             | X      |
| Portfolio management services                    | X                     |                   | X                            | X                            | X             | X            | X             | X      |
| Analytical services                              | X                     | X                 | X                            | X                            | X             | X            | X             | X      |
| Technology services                              |                       |                   | X                            |                              | X             | X            | X             | X      |
| Identity verification services                   | X                     | X                 | X                            |                              | X             | X            | X             | X      |
| Fraud management services                        | X                     | X                 | X                            |                              | X             | X            | X             | X      |
| Marketing services                               |                       |                   |                              | X                            | X             | X            | X             | X      |
| Direct-to-consumer services                      |                       | X                 | X                            |                              | X             | X            | X             | X      |
| Employment and income verification services      | X                     |                   |                              |                              | X             | X            |               | X      |
| Talent management                                | X                     | X                 |                              |                              |               |              |               |        |
| Business process outsourcing (BPO)               | X                     | X                 |                              |                              |               | X            |               |        |
| Debt collection software, services and analytics |                       |                   |                              |                              | X             | X            | X             |        |

Each of our operating segments is described more fully below. For the operating revenue, operating income and total assets for each segment, see Note 13 of the Notes to the Consolidated Financial Statements in Item 8 of this report.

## Workforce Solutions

Workforce Solutions operates in the U.S. through two business units:

**Verification Services.** Verification Services include employment, income, educational history, criminal justice data, healthcare professional licensure and sanctions verification services. Our online verification services enable third-party verifiers, including various governmental agencies, mortgage originators, credit card and automotive lenders and pre-employment screeners, to verify the employee's employment status and income information. We also offer an offline manual verification service, which expands employment verification to locate data outside our existing automated database. In addition, Verification Services administers a comprehensive source of incarceration, justice and people-based risk intelligence data.

**Employer Services.** These services are aimed at reducing the cost of the human resources function of businesses through a broad suite of services, including assisting with employment tax matters designed to reduce the cost of unemployment claims through effective claims representation and management and efficient processing to better manage the tax rate that employers are assessed for unemployment taxes; comprehensive services designed to research the availability of employment-related tax credits (e.g., federal work opportunity tax credits and employee retention credits), and to process the necessary filings and assist the client in obtaining the tax credit; tax form management services (which include initial distribution, reissuance and correction of W-2 and 1095-C forms); I-9 management services designed to help clients electronically comply with the immigration laws that require employers to complete an I-9 form for each new hire; immigration case management services; onboarding services using an online platform to complete the new hire process for employees of corporations and government agencies; and identity theft protection services. In addition, we provide software and services to employers to assist in their compliance with the Affordable Care Act.

The Work Number<sup>®</sup> is our key repository of employment and income data serving our Verification Services business unit. We rely on payroll data received from over three million organizations to regularly update the database. The updates occur as employers and other data contributors transmit data electronically to Equifax from their payroll systems. Employers provide this data to us so that we can handle verification requests on behalf of each employer. We use this data to provide automated employment and income verification services to verifiers, who are lenders, employers/background screeners and government agencies.

The fees we charge for services in these two business units are generally on a per transaction basis. We have not experienced significant turnover in the employer contributors to the database because we generally do not charge them to add their employment data to The Work Number<sup>®</sup> database, and the verification service we offer relieves them of the administrative burden and expense of responding to third-party employment verification requests while providing them with the assurance that



the process is automated and not subject to human interpretation. The Work Number<sup>®</sup> database held about 168 million current and 657 million total (current and historic) employment records at December 31, 2023.

Workforce Solutions has established an income and employment verification service in Canada, Australia and the U.K., known as Verification Exchange. At present, revenues from these services in all three regions mentioned are insignificant.

## USIS

USIS provides consumer and commercial information solutions to businesses in the U.S. through three product and service lines, as follows:

**Online Information Solutions.** Online Information Solutions' products are derived from multiple large and comprehensive databases of consumer and commercial information that we maintain about individual consumers and businesses, including credit history, current credit status, payment history, address and other identity information. Our clients utilize the information and analytical insights we provide to make decisions for a broad range of financial and business purposes, such as whether, and on what terms, to approve auto loans or credit card applications, and whether to allow a consumer or a business to open a new utility or telephone account. In addition, this information is used by our clients for cross-selling additional products to existing customers, improving their underwriting and risk management decisions, and authenticating and verifying consumer and business identities. We also sell consumer and credit information to resellers who may combine our information with other information to provide services to the financial, mortgage, fraud and identity management, and other end-user markets. Our software platforms and analytical capabilities can integrate all types of information, including third-party and client information, to enhance the insights and decisioning process to help further mitigate the risk of granting credit, predict the risk of bankruptcy, indicate the applicant's risk potential for account delinquency, ensure the identity of the consumer and reduce exposure to fraud. Identity verification and fraud management products combine financial and non-financial identity information and activity to provide identity verification and authentication services, to assist customers in assessing the risk of loss due to account takeover, identity theft and chargebacks. These risk management services enable our clients to monitor risks and opportunities and proactively manage their portfolios.

Online Information Solutions' clients access products through a full range of electronic distribution mechanisms, including direct real-time access, which facilitates instant decisions. We also develop and host customized applications that enhance the decision-making process for our clients. These decisioning technology applications assist with a wide variety of decisioning activities, including determining pre-approved offers, cross-selling of various products, determining deposit amounts for telephone and utility companies and verifying the identity of their customers. We have also compiled commercial databases regarding businesses in the U.S., which include loan, credit card, public records and leasing history data, trade accounts receivable performance and Secretary of State and Securities and Exchange Commission registration information. We offer scoring and analytical services that provide additional information to help mitigate the credit risk assumed by our clients.

Online Information Solutions also includes our consumer solutions product suite that gives U.S. consumers information to enable them to understand and monitor their credit and to monitor and help protect their identity. Equifax products offer monitoring features for consumers who are concerned about identity theft, including credit report monitoring from all three credit bureaus, internet scanning, bank account monitoring and lost wallet support. Products may also be available indirectly through relationships with business partners who distribute our products or provide these services to their employees or customers. We also sell consumer credit information to resellers who may combine our information with other information to provide direct-to-consumer monitoring, reports and scores.

**Mortgage Solutions.** Our Mortgage Solutions products, offered in the U.S., consist of specialized credit reports that combine information from the three major consumer credit reporting agencies (Equifax, Experian and TransUnion) into a single "merged" credit report in an online format, commonly referred to as a tri-merge report. Mortgage lenders use these tri-merge reports in making their mortgage underwriting decisions. Additionally, we offer services designed to alert lenders to changes in a consumer's credit status during the underwriting period and securitized portfolio risk assessment services for evaluating inherent portfolio risk.

**Financial Marketing Services.** Our Financial Marketing Services products utilize consumer and commercial financial information enabling our clients to more effectively manage their marketing efforts, including targeting and segmentation, to identify and acquire new clients for their products and services; to develop portfolio strategies to minimize risk and maximize profitability; and to realize additional revenue from existing customers through more effective cross-selling of additional products and services. Our products are also utilized by customers to support digital identity verification and fraud detection and protection. These products utilize information derived from consumer and commercial information, including credit,

income, asset, liquidity, net worth and spending activity, which also support many of our Online Information Solutions' products. These data assets broaden the understanding of consumer and business financial potential and opportunity, which can further drive high value decisioning and targeting solutions for our clients. We also provide account review services, which assist our clients in managing their existing customers and prescreen services that help our clients identify new opportunities with their customers. Clients for these products primarily include institutions in the banking, brokerage, retail, insurance and mortgage industries as well as companies primarily focused on digital and interactive marketing.

## **International**

The International operating segment includes our Asia Pacific, Europe, Latin America and Canada business units. It also includes our joint ventures in Cambodia, Malaysia, Singapore and Brazil. These business units offer products that are similar to those available in the USIS operating segment, but with variations by geographic region. In some jurisdictions, data sources tend to rely more heavily on government agencies than in the U.S. We also offer specialized services that help our customers better manage risk in their consumer portfolios. This operating segment's products and services generate revenue in Argentina, Australia, Brazil, Canada, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, India, Mexico, New Zealand, Paraguay, Peru, Portugal, Spain, the U.K. and Uruguay. We also maintain support operations in Chile, Costa Rica, India and Ireland. We have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia, Singapore and Brazil. We also provide information, technology and services to support debt collections and recovery management in Asia Pacific, Europe, Canada and Latin America.

***Asia Pacific.*** Our Asia Pacific operation provides consumer and commercial information solutions products, marketing products, employment verification services and consumer credit protection products. We offer a full range of products, generated from credit records and other data, including credit reporting and scoring, decisioning technology, risk management, identity management, authentication and fraud detection services. Our consumer and commercial products are the primary source of revenue in each of the countries in which we operate and include credit reporting, decisioning tools and risk management services. We also provide information, technology and services to support talent management, as well as debt collections and recovery management. Additionally, we provide a variety of consumer and commercial marketing products generated from information databases, including business profile analysis, business prospect lists and database management. The countries in which we operate include Australia, New Zealand and India, as well as Cambodia, Malaysia and Singapore through joint ventures.

***Europe.*** Our Europe operation provides information solutions, fraud detection services, debt collection services and marketing products. Information solutions and fraud products are generated from information that we maintain and include credit reporting, monitoring and scoring, asset information, risk management, identity management and authentication services and fraud detection and modeling services. These products are sold in the U.K. and Spain. Limited marketing products are available in the U.K. and, to a lesser extent, in Spain. We also provide information, technology and services to support debt collections and recovery management in the U.K. and Spain. In the U.K., this includes a contract to provide these services to the U.K. government.

***Latin America.*** Our Latin America operation provides consumer and commercial information solutions products, marketing products and consumer credit protection products. We offer a full range of products, generated from credit records that we maintain, including credit reporting and scoring, decisioning technology, risk management, identity management, authentication and fraud detection services. Our consumer products are the primary source of revenue in each of the countries in this region in which we operate, with the exception of Mexico where debt management services constitute the core of the business. We also offer various commercial products, which include credit reporting, decisioning tools and risk management services, in the countries we serve. We also provide information, technology and services to support debt collections and recovery management. Additionally, we provide a variety of consumer and commercial marketing products generated from our credit information databases, including business profile analysis, business prospect lists and database management. The countries in this region in which we operate include Argentina, Brazil, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Paraguay, Peru and Uruguay. We also have an investment in a consumer credit information company through a joint venture in Brazil.

***Canada.*** Similar to the USIS business units, our Canada operation offers products derived from the credit information that we maintain about individual consumers and businesses. We offer many products in Canada, including credit reporting, monitoring and scoring, consumer and commercial marketing, risk management, fraud detection and modeling services, identity management and authentication services, together with certain of our decisioning products that facilitate pre-approved offers of credit and automate a variety of credit decisions. We also offer commercial credit solutions, which help businesses manage financial and credit risk and gain insights on customers, markets and industry groups using our commercial data assets. We also provide data, technology and services to facilitate the search of land data and process real estate transactions in Canada.

## Competition

The market for our products and services is highly competitive and is subject to constant change. Our competitors vary widely in size and in the nature of the products and services they offer. Sources of competition are numerous and include the following:

- Competition in the Verification Services market, for both the U.S. and key International segments of Australia, Canada and the U.K., includes employers who manage verifications in-house, lenders who obtain verifications directly from employers, and other online and offline verification companies, such as Experian, Thomas & Company and niche providers. Third parties may also seek to obtain verifications directly from employees by leveraging paper copies of information or by seeking employee credentials to access information systems. Competition in the U.S. Employer Services market is diverse and includes in-house management of such services or the outsourcing of one or more of such services to other third-party outsourced providers like Experian and Thomas & Company; human resources consulting firms such as Mercer and Towers Watson; human resources management services providers such as Workday, Oracle and SAP; payroll processors such as ADP, Paychex and Ceridian; accounting firms such as PwC and EY; and hundreds of smaller companies that provide one or multiple offerings that compete with our Employer Services business.
- Competition for our credit information solutions and direct-to-consumer solutions products varies by both application and industry, but generally includes two global consumer credit reporting companies, Experian and TransUnion, both of which offer a product suite similar to our credit information solutions. In the U.S., LifeLock is a national provider of personal identity theft protection service. Also, there are competitors offering free credit scores including Credit Karma in the U.S., Canada and the U.K., ClearScore in the U.K., and Credit Simple and Credit Savvy in Australia. There are also a large number of competitors who offer competing products in specialized areas (such as fraud prevention, risk management and application processing and decisioning solutions) and software companies offering credit modeling services or analytical tools. Our differentiators include our unique data assets, decisioning technology and the features and functionality of our analytical capabilities. We emphasize our improved decision making and product quality while remaining competitive on price. We also compete with Fair Isaac Corporation with respect to certain of our analytical tools and solutions and LexisNexis in identity and fraud and other solutions.
- Competition for our commercial solutions products primarily includes Experian, Dun & Bradstreet and Moody's, and providers of these services in the international markets we serve.
- Competition for our debt collection and recovery management software, services and analytics is spread across a number of providers. We believe that the breadth and depth of our data assets enable our clients to develop a more current and comprehensive view of consumers. In the category of platforms and analytics, we compete to some extent with entities that deploy collections platforms, account management systems or recovery solutions.

While we believe that none of our competitors offers the same mix of products and services as we do, certain competitors may have a larger share of particular geographic or product markets or operate in geographic areas where we do not currently have a presence.

We assess the principal competitive factors affecting our markets to include: our ability to protect information and systems; product attributes such as quality, depth, coverage, adaptability, scalability, interoperability, functionality and ease of use; product price; technical performance including system response time and availability; access to unique proprietary databases; quickness of response, flexibility and client services and support; effectiveness of sales and marketing efforts; existing market penetration; proprietary technology; and new product innovation.

## Technology and Intellectual Property

We rely on various intellectual property laws, confidentiality procedures and contractual provisions to protect strategic or valuable intellectual property developed in connection with our business. We register, and apply for registration of, certain intellectual property in the U.S. and several foreign countries under applicable patent laws. We also register and rely on common law rights, where applicable, to protect trademarks, service marks, logos and internet domain names in the U.S. and in many foreign countries, the most important of which include “Equifax,” “The Work Number,” “Interconnect,” “Equifax Ignite,” and variations thereof. These marks are used in connection with many of our product lines and services. Our intellectual property rights are generally important to our operations and competitive position, but no single intellectual property right or

group of intellectual property rights is solely responsible for protecting our businesses. Certain Company trademarks, including the “Equifax” trademark, contribute to the success of our business, and their loss could have a significant negative impact on us.

We license other companies to use certain data, software and other technology and intellectual property rights we own or control, primarily as core components of our products and services, on terms that are consistent with customary industry standards and that are designed to protect our interest in our intellectual property. Other companies license us to use certain data, technology and other intellectual property rights they own or control. For example, we license credit-scoring algorithms and the right to sell credit scores derived from those algorithms from third parties for a fee. We do not hold any franchises or concessions that are material to our business or results of operations.

## **Governmental Regulation**

We are subject to a number of U.S. federal, state, local and foreign laws and regulations that involve matters central to our business. These laws and regulations may involve consumer reporting, privacy and consumer protection, data protection, intellectual property, competition, anti-corruption, anti-bribery, anti-money laundering, employment, health, taxation or other subjects. In particular, we are subject to U.S. federal, state, local and foreign laws regarding the collection, protection, dissemination and use of personal information we collect, process or otherwise have in our possession. Failure to satisfy those legal and regulatory requirements, or the adoption of new laws or regulations, could have a significant negative impact on our results of operations, financial condition or liquidity.

U.S. federal, state, local and foreign laws and regulations are evolving and can be subject to significant change. In addition, the application and interpretation of these laws and regulations are often uncertain. These laws are enforced by federal, state and local regulatory agencies in the jurisdictions where we operate, and in some instances also through private civil litigation. There are also a number of legislative proposals pending before the U.S. Congress, various state legislative bodies and foreign governments concerning consumer and data protection that could affect us.

### ***Summary of U.S. Regulations Relating to Consumer and Data Protection***

Our U.S. operations are subject to numerous laws and regulations that govern the collection, protection and use of consumer credit and other information and impose penalties for the misuse of such information or unauthorized access to data. Many of these laws and regulations also affect our customers’ use of consumer credit or other data that we license. Examples of the most significant U.S. laws include, but are not limited to, the following:

#### ***Federal Laws and Regulation***

- **FCRA.** The Fair Credit Reporting Act (“FCRA”) regulates consumer reporting agencies, including many of our U.S. operations, as well as data furnishers and users of consumer reports such as banks and other companies. FCRA provisions govern the accuracy, fairness and privacy of information in the files of consumer reporting agencies (“CRAs”) that engage in the practice of assembling or evaluating certain information relating to consumers for certain specified purposes. Among other requirements, the FCRA limits the type of information that may be reported by CRAs, limits the distribution and use of consumer reports and establishes consumer rights to access, freeze and dispute information in the consumer's files. CRAs are required to follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates and if a consumer disputes the accuracy of any information in the consumer’s file, to conduct a reasonable reinvestigation. The Consumer Financial Protection Bureau (“CFPB”) is the primary regulator that enforces and provides regulatory guidance related to the FCRA in the United States. CRAs are required to comply with regulations promulgated by the CFPB and are subject to regular supervisory engagements related to a variety of FCRA requirements. Violation of the FCRA can result in civil and criminal penalties. The FCRA contains an attorney fee shifting provision to provide an incentive for consumers to bring individual or class action lawsuits against a CRA for violations of the FCRA. The United States Federal Trade Commission (“FTC”) and state attorneys general may also enforce the requirements of the FCRA.
- **Dodd-Frank Act.** Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) created the CFPB. The Dodd-Frank Act provides the CFPB with examination and supervisory authority over CRAs, including us. The Dodd-Frank Act prohibits unfair, deceptive or abusive acts or practices (“UDAAP”) with respect to consumer financial services practices and provides the CFPB with enforcement authority to enforce those provisions. Among other areas, the CFPB’s UDAAP authority extends to the security measures we employ to safeguard the personal data of consumers. Allegations that we failed to safeguard or handle such data in a compliant manner may subject us to CFPB enforcement action. The CFPB may pursue administrative



proceedings or litigation to enforce the laws and rules subject to its jurisdiction. In these proceedings, the CFPB can obtain cease and desist orders, which can include orders for restitution to consumers or rescission of contracts, as well as other types of affirmative relief and monetary penalties ranging from \$5,000 per day for ordinary violations and up to \$1 million per day for known violations. Also, the Dodd-Frank Act empowers state attorneys general and state regulators to bring civil actions in certain circumstances for the kind of cease and desist orders available to the CFPB (but not for civil penalties).

- **FTC Act.** The Federal Trade Commission Act (“FTC Act”) prohibits unfair methods of competition and unfair or deceptive acts or practices. Under the FTC Act, the FTC’s jurisdiction includes the ability to bring enforcement actions based on the security measures we employ to safeguard the personal data of consumers. Allegations that we failed to safeguard or handle such data in a reasonable manner may subject us to regulatory scrutiny or enforcement action. There is no private right of action under the FTC Act.
- **GLBA.** The Financial Services Modernization Act of 1999, or Gramm-Leach-Bliley Act (“GLBA”), regulates, among other things, the use of non-public personal information of consumers that is held by financial institutions, including us. We are subject to various GLBA provisions, including rules relating to the use or disclosure of the underlying data and rules relating to the physical, administrative and technological protection of non-public personal financial information. Breach of the GLBA can result in civil and/or criminal liability and sanctions by regulatory authorities. Regulatory enforcement of the GLBA is under the purview of the FTC, the CFPB, the federal prudential banking regulators, the SEC and state attorneys general, acting alone or in concert with each other.
- **CROA.** The Credit Repair Organizations Act (“CROA”) regulates companies that claim to be able to assist consumers in improving their credit standing. There have been efforts to apply the CROA to credit monitoring services offered by CRAs and others. The CROA allows for a private right of action. Consumers can sue to recover the greater of the amount paid or actual damages, punitive damages, costs, and attorney’s fees for violations of the CROA.

#### *State Laws and Regulations Relating to Consumer and Data Protection*

- A number of states have enacted requirements similar to the federal FCRA. Some of these state laws impose additional, or more stringent, requirements than the FCRA, especially in connection with investigations and responses to reported inaccuracies in consumer reports. The FCRA preempts some of these state laws, but the scope of preemption continues to be defined by the courts. The state of Vermont is grandfathered under the original FCRA requirements and thus we are subject to additional requirements to comply with Vermont law.
- All fifty states have adopted versions of data security breach laws that require notification to affected consumers and potentially regulators or law enforcement authorities in the event of a breach of personal information. A subset of these laws and other state laws require the implementation of data security measures as well. State attorneys general can enforce such state laws and can seek equitable as well as monetary remedies and in some cases private rights of action are permitted by such laws.
- The New York State Department of Financial Services (“NYDFS”) has enacted extensive regulatory requirements applicable to CRAs that require registration with that agency, prohibit unfair and deceptive consumer practices and require compliance with significant portions of the NYDFS cybersecurity rules.
- We or certain of our operations are also subject to and affected by new and evolving state privacy and data security laws such as data broker registration requirements in California and Vermont, and the California Consumer Privacy Act (“CCPA”). The CCPA became effective in January 2020 and imposes additional data privacy requirements on many businesses operating in the state, including, potentially, with respect to employee data in addition to consumer data. The CCPA expansively defines “personal information” and imposes new notice requirements relating to the collection, use and sharing of personal information. It provides consumers with extensive rights, including the right to access the categories and specific pieces of personal information businesses collect, the right to request businesses delete information, and the right to opt-out of “sales” of personal information with sales being defined under the CCPA to include monetary and non-monetary valuable consideration. The CCPA also contains a private right of action in the event that a business suffers a security breach that was due to unreasonable security measures. In November 2020, California voters passed the California Privacy Rights Act (“CPRA”), which maintains the core framework but expanded the requirements of the CCPA effective January 1, 2023. We may also become subject to and affected by new and proposed state privacy laws

similar to the CCPA and CPRA, such as the Virginia Consumer Data Protection Act (“VCDPA”) (effective January 1, 2023), the Colorado Privacy Act (effective July 1, 2023), the Connecticut Data Privacy Act (effective July 1, 2023), and the Utah Consumer Privacy Act (effective December 31, 2023), as well as enacted laws in Delaware, Indiana, Iowa, Montana, New Jersey, Oregon, Tennessee and Texas that become effective throughout 2024, 2025 and 2026. A number of other state legislatures, including New York, Florida and Washington, have introduced comprehensive data privacy legislation modeled after, and which contain certain elements of, the CCPA, VCDPA or the European Union’s General Data Protection Regulation (“GDPR”), which is an extremely broad privacy law. Additional state legislatures are expected to consider similar legislation in 2024. If enacted, such laws may contain variations and impose new compliance risks and obligations on us.

- State banking and financial services regulatory agencies have asserted either express or implied authority under applicable state laws to examine us as a third-party service provider to financial institutions, and in certain cases to bring enforcement actions against us. Generally, such examinations, and related enforcement actions, are focused on assessing our safety and soundness in support of financial institutions we serve. In 2018, we entered into a consent order with certain state banking regulators in response to their multi-state review of our information security program. This consent order obligated us to, among other things, make certain changes to our corporate governance and information security practices.
- We are also subject to federal and state laws that are generally applicable to any U.S. business with national or international operations, such as antitrust laws, the Foreign Corrupt Practices Act, the Americans with Disabilities Act, state unfair or deceptive practices acts and various employment laws. We continuously monitor legislative and regulatory activities that involve credit reporting, data privacy, security and other relevant issues to identify issues in order to remain in compliance with all applicable laws and regulations.

#### *Consent Orders with the FTC, CFPB, MSAG Group and NYDFS*

- As part of the Consumer Settlement (as defined below), we entered into consent orders with the FTC, CFPB, MSAG Group (as defined below) and NYDFS pursuant to which we agreed to implement certain business practice commitments related to consumer assistance and our information security program, including third party assessments of our program. These business practice commitments are extensive and require a significant amount of attention from management.

#### ***Summary of International Regulations Relating to Consumer and Data Protection***

We are subject to various data protection, privacy and consumer credit laws and regulations in the foreign countries where we operate. Examples of the most significant of these laws include, but are not limited to, the following:

- **In the U.K.**, we are subject to a regulatory framework that provides for regulation by the Financial Conduct Authority (the “FCA”). The FCA focuses on consumer protection, the integrity of the U.K. financial system, and effective competition in the interests of consumers. The FCA has significant powers, including the power to regulate conduct related to the marketing of financial products, to specify minimum standards and to place requirements on products, impose unlimited fines, and to investigate organizations and individuals. In addition, the FCA is able to ban financial products for up to a year while considering an indefinite ban; it has the power to instruct firms to immediately retract or modify promotions which it finds to be misleading, and to publish such decisions. Our core credit reporting and debt collections services and recovery management businesses in the U.K. are subject to FCA supervision. In addition to regulation by the FCA, we are also subject to regulation by the U.K. Information Commissioner’s Office, which focuses on upholding information rights in the public interest and the protection of data privacy for individuals.

In the U.K., we are subject to provisions that are broadly equivalent to the European Union’s General Data Protection Regulation (described below). These equivalent provisions were adopted into U.K. laws following the end of the transition period that followed the U.K.’s exit from the EU.

- **In Europe**, we are subject to the EU’s GDPR, which is an extremely broad and sweeping privacy law. The GDPR establishes multiple privacy and data protection requirements that are more specific and comprehensive than those of the U.S. and most other countries where Equifax operates. In addition, the GDPR includes data breach notification requirements and it establishes the ability of regulators to pursue substantial penalties for non-compliance. In addition to the GDPR, each EU member state may include specific requirements regarding personal data breaches in its local data protection regulations.

- **In Canada**, federal and provincial laws govern how we collect, use or disclose personal information in the course of our commercial activities. Federally, the Personal Information Protection and Electronic Documents Act (“PIPEDA”) governs the collection, use and disclosure of personal information by organizations in the private sector. Businesses must follow the fair information principles set forth in PIPEDA to protect personal information, including: accountability, identifying purposes, consent, limiting collection, limiting use, disclosure and retention, accuracy, safeguards, openness, individual access and compliance. It sets out specific obligations with respect to accountability and identifying purposes, consent, collection, use, disclosure, retention, accuracy, safeguards, personal data breach reporting, individual access and compliance. Alberta, British Columbia and Quebec privacy legislation sets out similar privacy laws and rules that apply to our Canadian business. The federal and provincial privacy regulators have powers of investigation and intervention, and provisions of Canadian law regarding civil liability apply in the event of unlawful processing which is prejudicial to the persons concerned. Canada also has specific credit reporting legislation that is regulated at a provincial level. At present, each province has credit reporting legislation, with the exception of the Territories (Northwest Territories, Yukon, and Nunavut). Generally speaking, the legislation regulates the contents of credit files, the length of time information can be included on a credit file, who can receive credit reports and consumer rights pertaining to the maintenance of credit reports.
- **In Latin America**, data protection and credit reporting laws and regulations vary considerably among Latin American countries. Some countries, such as El Salvador, Paraguay, Chile and Honduras, establish a constitutional right to privacy without general data protection standards or a data protection authority. These countries, however, have laws that govern the functioning of credit bureaus. Other countries, such as Argentina, Uruguay, Peru, Costa Rica, Mexico and most recently Brazil have enacted comprehensive data protection legislation similar to the EU's GDPR. The EU recognizes Argentina and Uruguay as having adequate levels of protection for personal data transfers and processing.
- **In Australia**, we are subject to regulatory oversight by various agencies. The Office of the Australian Information Commissioner (“OAIC”) is the agency with direct responsibility for administering the Australian Privacy Principles (which relate to the collection, holding, use and disclosure of personal information) and Part IIIA of the Privacy Act 1988 (which regulates credit reporting). The OAIC can investigate a complaint, conduct its own investigations, resolve/make binding determinations and seek civil penalties. Our credit reporting business, Equifax Information Services and Solutions, is a member of an external dispute resolution scheme, the Australian Financial Complaints Authority, which has been approved by the OAIC to handle privacy and credit reporting complaints and make binding determinations. The OAIC can register codes of practice under the Privacy Act 1988, and has registered the Privacy (Credit Reporting) Code 2014. The Australian Competition and Consumer Commission (“ACCC”) is the agency responsible for enforcing the Competition and Consumer Act of 2010 and related legislation concerning consumer protection and competition. The ACCC has the authority to use a range of actions to ensure compliance with the law, including investigative powers and the ability to seek penalties through litigation and other formal enforcement means. The Australian Retail Credit Association is a credit and credit reporting industry self-regulatory body, which administers principles and standards for the exchange of credit data between industry participants. Equifax Australasia Credit Ratings Pty Limited (formerly named Corporate Scorecard Pty Limited, one of our Australian subsidiaries) holds an Australia Financial Services License, which allows it to provide general advice to wholesale clients by issuing a credit rating, and has been approved in New Zealand as a rating agency by the Reserve Bank of New Zealand under section 86 of the Non-bank Deposit Takers Act of 2013 (NZ). The Australian Securities and Investments Commission regulates corporations and has authority to investigate, prosecute, ban individuals and to seek civil penalties. New federal legislation came into effect in February 2021 mandating the supply by banks of comprehensive credit information to credit reporting bodies, including Equifax, imposing certain disclosure, storage and reporting obligations on the credit reporting bodies, requiring the provision by credit reporting bodies of free credit reports to consumers up to four times per year, permitting the reporting of financial hardship information within the credit reporting system and requiring the Attorney-General to review and report on the credit reporting system before October 1, 2024.
- **In New Zealand**, the regulatory framework provides for primary regulation under the Privacy Act 2020. The Office of the Privacy Commissioner (“NZ OPC”) investigates complaints relating to the collection, use, holding and disclosure of personal information, both credit-related and non-credit related. The NZ OPC can make a finding that there has been an interference with privacy but cannot impose civil penalties for this. In extreme cases where there has been an interference with privacy, it can refer these cases to the Director of Human Rights for determination in the Human Rights Review Tribunal. The NZ OPC can issue practice codes under the Privacy Act 2020 and has issued and subsequently amended the Credit Reporting Privacy Code 2020. The Privacy Act 2020 contains mandatory data breach reporting. The Retail Credit Association of New Zealand is an industry

association which addresses reciprocity of data issues relating to comprehensive credit reporting and data standards.

- **In India**, various legislation including the Information Technology Act of 2000 and rules framed thereunder and the Credit Information Companies (Regulation) Act of 2005 and rules and regulations framed thereunder, establishes a federal data protection framework. Entities that collect and maintain personal data and/or credit information must ensure that it is complete, accurate and safeguarded, and must adopt certain privacy principles with respect to collecting, processing, preserving, sharing and using such data and/or credit information. India enacted a new privacy law, The Digital Personal Data Protection Act, 2023 (DPDP Act), in August 2023. The DPDP Act will become effective at a future date or dates to be determined by the Indian Central Government. The Central Government is also expected to supplement the DPDP Act with rules, which are yet to be issued. The DPDP Act provides greater protection to individuals' personal data in digital form. Our Indian business is subject to regulation by the Reserve Bank of India, which is India's central banking institution.

### ***Summary of Regulations Affecting our Employer Services Business***

The Employer Services business unit within our Workforce Solutions business segment helps employers comply with various regulatory frameworks applicable to employers in the United States. As a result, changes to those regulatory frameworks could impact the services we provide. For instance, if the federal government or a state government mandates the use of E-Verify or changes the requirements for individuals to work in the U.S., our I-9 service may be impacted. The Unemployment Cost Management service could be impacted if a state government changes the requirements for employers to process and/or protest unemployment claims. The Tax Management Services business within our Employer Services business is potentially impacted by changes in renewal or non-renewal of U.S. federal and state tax laws or interpretations, for example, those pertaining to work opportunity tax credits and unemployment compensation claims.

## **Human Resources**

### ***Our People***

Equifax employed approximately 14,900 employees in 22 countries as of December 31, 2023. Our global employee base consisted of approximately 3,200 employees in our Workforce Solutions business unit, 2,600 employees in our USIS business unit, 4,400 employees in our International business unit and 4,700 employees in our corporate Centers of Excellence, which include our support centers in Chile, Costa Rica, India and Ireland. In 2023, we hired approximately 1,900 new employees and promoted approximately 1,800 employees as we continue to grow and transform our businesses around the world.

### ***Inclusion and Diversity***

We continue to make positive strides in support of our inclusion and diversity strategy. Our Chief Talent and Diversity Officer occupies a key leadership position, reporting directly to our Chief Human Resources Officer, and is responsible for activating our talent strategy with a focus on furthering an inclusive and diverse workforce and culture. We are advancing this strategy through deepening our commitment to employee networks around the world, open dialogues to enhance understanding, ongoing inclusion and diversity-focused training and cultural heritage celebrations.

We have consistently improved enterprise-wide trends around representation and promotions for both women and employees of diverse ethnic backgrounds, and pride ourselves on promoting and hiring highly-qualified candidates who enhance our culture, add diverse perspectives and deliver on our business strategy. Women and leaders of diverse ethnic backgrounds make up approximately half of Equifax's senior leadership team. Consistent with our commitment to diversity, we have expanded the requirements for diverse candidate interview slates for all professional and management roles.

## **Forward-Looking Statements**

This report contains information that may constitute "forward-looking statements." Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will," "may" and similar expressions identify forward-looking statements, which generally are not historical in nature. All statements that address future operating performance and events or developments that we expect or anticipate will occur in the future, including statements relating to future operating results, improvements in our information technology and data security infrastructure, including as a part of our cloud technology transformation, our strategy, the expected financial and operational benefits, synergies and growth from our acquisitions,



changes in U.S. and worldwide economic conditions, such as changes in interest rates and inflation, that materially impact consumer spending, home prices, investment values, consumer debt, unemployment rates and the demand for Equifax's products and services, our culture, our ability to innovate, the market acceptance of new products and services and similar statements about our business plans are forward-looking statements. Management believes that these forward-looking statements are reasonable as and when made. However, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the Company's historical experience and our present expectations or projections, including without limitation our expectations regarding the Company's outlook, long-term organic and inorganic growth, and customer acceptance of our business solutions referenced above under "Item 1. Business" and below in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation — Business Overview." These risks and uncertainties include, but are not limited to, those described below in "Item 1A. Risk Factors," and elsewhere in this report and those described from time to time in our future reports filed with the United States Securities and Exchange Commission ("SEC"). As a result of such risks and uncertainties, we urge you not to place undue reliance on any such forward-looking statements. Forward-looking statements speak only as of the date when made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## **Available Information**

Detailed information about us is contained in our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and other reports, and amendments to those reports, that we file with, or furnish to, the SEC. These reports are available free of charge at our website, [www.equifax.com](http://www.equifax.com), as soon as reasonably practicable after we electronically file such reports with or furnish such reports to the SEC. However, our website and any contents thereof should not be considered to be incorporated by reference into this document. We will furnish copies of such reports free of charge upon written request to Equifax Inc., Attn: Office of Corporate Secretary, P.O. Box 4081, Atlanta, Georgia, 30302. These reports are also available at [www.sec.gov](http://www.sec.gov).

## **ITEM 1A. RISK FACTORS**

All of the risks and uncertainties described below and the other information included in this Form 10-K should be considered and read carefully. The risks described below are not the only ones facing us. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition or results of operations. This Form 10-K also contains forward-looking statements and estimates that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks and uncertainties described below.

### **Technology and Data Security Risks**

***Security breaches and other disruptions to our information technology infrastructure could compromise Company, consumer and customer information, interfere with our operations, cause us to incur significant costs for remediation and enhancement of our IT systems and expose us to legal liability, all of which could have a substantial negative impact on our business and reputation.***

We are a global data, analytics and technology company. In the ordinary course of business, we collect, process, transmit and store sensitive data, including intellectual property, proprietary business information and personal information of consumers, employees and strategic partners. The secure operation of our information technology networks and systems, and of the processing and maintenance of this information, is critical to our business operations and strategy. Because our products and services involve the storage and transmission of personal information of consumers, we are routinely the target of attempted cyber and other security threats by outside third parties, including technically sophisticated and well-resourced bad actors attempting to access or steal the data we store. Additionally, we could experience service disruptions or a loss of access to critical data or systems due to ransomware or other destructive attacks. Insider or employee cyber and security threats are also a significant concern for all companies, including ours. Despite our substantial investment in physical and technological security measures, employee training and contractual precautions, our information technology networks and infrastructure (or those of our third-party vendors and other service providers) are potentially vulnerable to unauthorized access to data, loss of access to systems or breaches of confidential information due to criminal conduct, attacks by hackers, employee or insider malfeasance and/or human error.

The techniques used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly evolving and often are not recognized until launched against a target, or even some time after. We may be unable to anticipate these techniques, implement adequate preventative measures or remediate any intrusion on a timely or effective basis even if our security measures are appropriate, reasonable, and/or comply with applicable legal requirements. Certain efforts may be state-sponsored and supported by significant financial and technological resources, making them even more sophisticated and difficult to detect. Further, we are in the process of transforming our applications and infrastructure technologies, and this transition to cloud-based technologies may expose us to additional cyber threats as we migrate our data from our legacy systems to cloud-based solutions hosted by third parties. Although we have developed systems and processes that are designed to protect our data and customer data and to prevent data loss and other security breaches, and expect to continue to expend significant additional resources to bolster these protections, these security measures cannot provide absolute security.

We previously experienced a material cybersecurity incident in 2017 and if we experience additional breaches of our security measures, including from incidents that we fail to detect for a period of time, sensitive data may be accessed, stolen, disclosed or lost. Any such access, disclosure or other loss of information could subject us to business interruption, significant litigation, regulatory fines or penalties, any of which could have a material adverse effect on our cash flows, competitive position, financial condition or results of operations. While we maintain cybersecurity insurance, we cannot ensure that our insurance policies in the future will be adequate to cover losses from any security breaches.

Security breaches and attacks, and the adverse publicity that may follow, can have a negative impact on our reputation and our relationship with our customers. For example, our reputation with consumers and other stakeholders and our customer relationships were damaged following the cybersecurity incident in 2017, resulting in a negative impact on our revenue for a period of time. If we experience another material cybersecurity incident or are otherwise unable to demonstrate the security of our systems and the data we maintain and retain the trust of our customers, consumers and data suppliers, we could experience a substantial negative impact on our business.

***If we fail to achieve and maintain key industry or technical certifications, our customers and business partners may stop doing business with us and we may not be able to win new business, which would negatively affect our revenue.***

We are required by customers and business partners to obtain various industry or technical certifications. Such certifications are critical to our business because certain of our current and potential customers and the contracts governing certain customer relationships, as well as certain of our data suppliers, require us to maintain them as a requirement of doing business. For example, as a result of a prior material cybersecurity incident, we lost certain key certifications which caused certain customers and business partners to stop or pause doing business with us and temporarily limited our ability to win new business. We had to spend significant resources on remediation activities in order to obtain these key re-certifications. If we fail to achieve or maintain key industry or technical certifications as a result of another cybersecurity incident or for other reasons, customers and business partners may stop doing business with us and we may not be able to win new business, which would negatively affect our revenue.

## **Strategy and Market Demand Risks**

***The failure to realize the anticipated benefits of our technology transformation strategy could adversely impact our business and financial results.***

We expect our technology transformation strategy, including our transition to cloud-based technologies, will significantly increase our efficiency, our productivity, and the stability and functionality of our products and services, as well as decrease the cost of our overall systems infrastructure, all of which we expect will drive growth and have a positive effect on our business, competitive position and results of operations. This initiative is a major undertaking as we replace many of our previous operating systems with cloud-based systems. This complex, multifaceted and extensive initiative is expensive and has caused, and may cause in the future, unanticipated problems and expenses. If the transition causes errors or adversely impacts system processes, our new systems do not operate as expected, or the data we transition to the cloud changes in a material way, we may have to incur significant additional costs to make modifications and could lose customers and we may suffer reputational harm as a result. Moreover, we have experienced issues with customer migration, as some of our customers may not migrate to cloud-based technologies on a timely basis or at all or may choose not to utilize our products and services during and after our transition to cloud-based technologies, which could negatively impact our revenue.

We cannot assure you that our technology transformation strategy will be beneficial to the extent, or within the timeframes expected, or that the estimated efficiency, cost savings and other improvements will be realized as anticipated or at

all. Market acceptance of cloud-based offerings is affected by a variety of factors, including information security, reliability, performance, the sufficiency of technological infrastructure to support our products and services in certain geographies, customer and data provider concerns with entrusting a third party to store and manage its data as well as the customer's ability to access this data once a contract has expired, and consumer concerns regarding data privacy and the enactment of laws or regulations that restrict our ability to provide such services to customers. If we are unable to correctly respond to these issues, we may experience business disruptions, damage to our reputation, negative publicity, diminished customer trust and relationships and other adverse effects on our business. Even if the anticipated benefits and savings are substantially realized, there may be consequences, internal control issues or business impacts that were not expected. Our transition and migration to cloud-based technologies may increase our risk of liability and cause us to incur significant technical, legal, regulatory or other costs.

***The loss of access to credit, employment, financial and other data from external sources could harm our ability to provide our products and services.***

We rely extensively upon data from external sources to maintain our proprietary and non-proprietary databases, including data received from customers, licensors, furnishers, strategic partners and various government and public record sources. This data includes the widespread and voluntary contribution of credit data from most lenders in the U.S. and many other markets as well as the contribution of data under proprietary contractual agreements, such as employers' contribution of employment and income data to The Work Number<sup>®</sup> and telecommunications, cable and utility companies' contribution of payment and fraud data to the National Cable, Telecommunications and Utility Exchange (NCTUE). For a variety of reasons, including concerns of data furnishers arising out of legislatively or judicially imposed restrictions on use, security breaches or competitive reasons, our data sources could withdraw, delay receipt of or increase the cost of the data they provide to us. Where we currently have exclusive use of data, the providers of the data sources could elect to make the information available to competitors. We also compete with several of our third-party data suppliers. If a substantial number of data sources or certain key data sources were to withdraw or be unable to provide their data, if we were to lose access to data due to government regulation, if we lose our right to the use of data, or if the collection, disclosure or use of data becomes uneconomical, our ability to provide products and services to our customers could be adversely affected, which could result in decreased revenue, net income and earnings per share and reputational loss. There can be no assurance that we would be able to obtain data from alternative sources if our current sources become unavailable.

***Negative changes in general economic conditions, including interest rates, the level of inflation, unemployment rates, income, home prices, investment values and consumer confidence, could adversely affect us.***

Our customers, and therefore our business and revenues, are sensitive to negative changes in general economic conditions, including the demand and availability of affordable credit and capital, the level and volatility of interest rates, the level of inflation, employment levels, consumer confidence and housing demand, both inside and outside the United States. Business customers use our credit information and related analytical services and data to process applications for new credit cards, automobile loans, home and equity loans and other consumer loans, and to manage their existing credit relationships. Demand for our services tends to be correlated to general levels of economic activity and to consumer credit activity, which can be impacted by changes in interest rates and the level of inflation. Banks' and other lenders' willingness to extend credit are adversely affected by elevated consumer delinquency and loan losses in a weak economy. Consumer demand for credit (i.e., rates of spending and levels of indebtedness) also tends to grow more slowly or decline during periods of economic contraction or slow economic growth.

Our customer base suffers when financial markets experience volatility, illiquidity and disruption, and the potential for disruptions going forward presents considerable risks to our business and revenue. High or rising rates of unemployment and interest, declines in income, home prices or investment values, lower consumer confidence and reduced access to credit adversely affect demand for many of our products and services, and consequently our revenue and results of operations, as consumers may postpone or reduce their spending and use of credit, and lenders may reduce the amount of credit offered or available.

In 2024, we expect the U.S. mortgage market, as measured by credit inquiries, to decline by approximately 16% compared to 2023. Any weakening in the U.S. mortgage market resulting in a significant reduction in mortgage originations could have a corresponding negative impact on revenue and operating profit for our business, primarily within the Workforce Solutions and USIS operating segments. To the extent inflation results in higher interest rates and has other adverse effects upon the securities markets and upon the value of financial instruments, it may adversely affect our financial position and profitability.

***Our markets are highly competitive and new product introductions and pricing strategies being offered by our competitors could decrease our sales and market share or require us to enhance our products and services or reduce our prices in a manner that reduces our revenue and operating margins.***

We operate in a number of geographic, product and service markets that are highly competitive. Competitors may develop products and services that are superior to or that achieve greater market acceptance than our products and services. New competitors may choose to enter and compete in our markets, or existing competitors may choose to introduce new products and enter markets that we serve and that they do not currently serve. The size of our competitors varies across market segments, as do the resources we have allocated to the segments we target. Therefore, some of our competitors may have significantly greater financial, technical, marketing or other resources than we do in one or more of our market segments, or overall. As a result, our competitors may be in a position to respond more quickly than we can to new or emerging technologies and changes in customer requirements, or may devote greater resources than we can to the development, enhancement, promotion, sale and support of products and services, or some of our customers may develop products of their own that replace the products they currently purchase from us, which would result in lower revenue. In addition, many of our competitors have extensive consumer relationships, including relationships with our current and potential customers. Moreover, new competitors or alliances among our competitors may emerge and potentially reduce our market share, revenue or margins.

We also license our information to competing firms, and license information from certain of our competitors, in order to sell “tri-bureau” and other products, most notably into the U.S. mortgage market. Changes in prices between competitors for this information and/or changes in the design or sale of tri-bureau versus single or dual bureau product offerings may affect our revenue or profitability.

Some of our competitors may choose to sell products that compete with ours at lower prices by accepting lower margins and profitability, or may be able to sell products competitive to ours at lower prices, individually or as a part of integrated suites, given proprietary ownership of data, technological superiority or economies of scale. Price reductions by our competitors could negatively impact our revenue and operating margins and results of operations and could also harm our ability to obtain new customers on favorable terms. Historically, certain of our key products have experienced declines in per unit pricing due to competitive factors and customer demand. Since a significant portion of our operating expenses is relatively fixed in nature due to sales, information technology and development and other costs, if we were unable to respond quickly enough to changes in competition or customer demand, we could experience further reductions in our operating margins.

***If our relationships with key customers are materially diminished or terminated, our business could suffer.***

We have long-standing relationships with a number of our customers, many of whom could unilaterally terminate their relationship with us or materially reduce the amount of business they conduct with us at any time. Many of our material customer agreements can be terminated by the customer for convenience on limited advance written notice, which provides our customers with the opportunity to renegotiate their contracts with us or to award more business to our competitors. There is no guarantee that we will be able to retain or renew existing agreements, maintain relationships with any of our customers or business partners on acceptable terms or at all, or collect amounts owed to us from insolvent customers or business partners. The loss of one or more of our major customers or business partners could adversely affect our business, financial condition and results of operations.

***If we do not introduce successful new products, services and analytical capabilities in a timely manner, or if the market does not adopt our new services, or if new technologies are introduced by competitors that are more effective or at lower costs than ours, our competitiveness and operating results will suffer.***

We generally sell our products in industries that are characterized by rapid technological changes, including the introduction of new innovative technologies, frequent new product and service introductions and changing industry standards. In addition, certain of the markets in which we operate are seasonal and cyclical. Without the timely introduction of new technologies, products, services and enhancements, our products and services will become technologically or commercially obsolete over time, in which case our revenue and operating results would suffer. The success of our new products and services will depend on several factors, including our ability to properly identify customer needs; innovate and develop new technologies, services and applications; successfully commercialize new technologies in a timely manner; produce and deliver our products in sufficient volumes on time; differentiate our offerings from competitor offerings; price our products competitively; anticipate our competitors’ development of new products, services or technological innovations; and control



product quality in our product development process. Our resources have to be committed to any new products and services before knowing whether the market will adopt the new offerings.

***We may face risks associated with our use of certain artificial intelligence and machine learning models.***

We use artificial intelligence and machine learning models in the development of some of our products. The models that we use are developed or trained using various data sets. If the models are incorrectly designed, the data we use to train them is incomplete, inadequate, or biased in some way, or if we do not have sufficient rights to use the data on which our models rely, the performance of our products and business, as well as our reputation, could suffer or we could incur liability through the violation of laws, third-party privacy, or other rights, or contracts to which we are a party. In addition, these risks include the possibility of new or enhanced governmental or regulatory scrutiny, litigation, or other legal liability, ethical concerns, negative consumer perceptions as to artificial intelligence, or other complications that could adversely affect our business, reputation, or financial results. In particular, our use of artificial intelligence in credit decisioning could lead to enhanced scrutiny. Further, our competitors or other third parties may incorporate artificial intelligence into their products more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations.

***The demand for some of our products and services may be negatively impacted to the extent the availability of free or less expensive consumer information increases.***

Public or commercial sources of free or relatively inexpensive consumer credit, credit score and other information have become increasingly available, and this trend is expected to continue. Free sources of consumer employment and income information, such as paystubs, have always existed and could impact demand for our products and services in the event that customers determine such data is sufficient to meet their needs. In addition, governmental agencies in particular have increased the amount of information to which they provide free public access and these or other sources of free or relatively inexpensive consumer information from competitors or other commercial sources may reduce demand for our services. Recently, there also has been an increase in companies offering free or low-cost direct-to-consumer credit services (such as credit scores, reports and monitoring) as part of alternative business models that use such services as a means to introduce consumers to other products and services. To the extent that our customers choose not to obtain services from us and instead rely on information obtained at no cost or relatively inexpensively from these other sources, our business, financial condition and results of operations may be adversely affected.

***We rely, in part, on acquisitions, joint ventures and other alliances to grow our business and expand our geographic reach. The acquisition, integration or divestiture of businesses by us may not produce the expected financial or operating results or IT and data security profile we expect. In addition, if we are unable to make acquisitions or successfully develop and maintain joint ventures and other alliances, our growth may be adversely impacted.***

Historically, we have relied, in part, on acquisitions, joint ventures and other alliances to grow our business. Any transaction we do complete may not be on favorable terms, may involve greater-than-expected liabilities and expenses, potential impairments of tangible and intangible assets or significant write-offs, and the expected benefits, synergies, revenue and growth from these initiatives may not materialize as planned. We may have difficulty assimilating new businesses and their products, services, technologies, IT systems and personnel into our operations. IT and data security profiles of acquired companies may not meet our technological standards and may take longer to integrate and remediate than planned. This may result in significantly greater transaction, remediation and integration costs for future acquisitions than we have experienced historically, or it could mean that we will not pursue certain acquisitions where the costs of integration and remediation are too significant. We may also have difficulty integrating and operating businesses in geographies and markets or market segments where we do not currently have a significant presence, and acquisitions of businesses having a significant presence outside of the U.S. will increase our exposure to risks of conducting operations in international markets. These difficulties could disrupt our ongoing business, distract our management and workforce, increase our expenses and adversely affect our operating results and financial condition.

Despite our past experience, opportunities to grow our business through acquisitions, joint ventures and other alliances may not be available to us in the future. In addition, our focus on data security and our technology transformation strategy, including our migration to cloud-based technologies, may limit our ability to identify and complete acquisitions as our stringent technological criteria and standards for acquisition candidates may continue to increase.

***If our government contracts are terminated, if we are suspended from government work, or if our ability to compete for new contracts is adversely affected, our business could suffer.***

We derive a portion of our revenue from direct and indirect sales to U.S. federal, state and local governments and their respective agencies. We also derive a portion of our revenue from sales to foreign governments and related agencies. Such contracts are subject to various procurement laws and regulations, and contract provisions relating to their formation, administration and performance. Failure to comply with these laws, regulations or provisions in our government contracts could result in the imposition of various civil and criminal penalties, termination of contracts, forfeiture of profits, suspension of payments or suspension of future government contracting. A number of our U.S. federal and state government contracts receive enhanced scrutiny and media attention due to the sensitive nature of the data we handle and due to the importance of the government programs we support. If we experience another material cybersecurity incident, if public or legislative scrutiny and pressure leads to reduced use of data by government agencies, or if we experience uptime issues or performance problems, our ability to maintain existing or acquire new government contracts may be substantially impacted.

If our government contracts are terminated, if we are suspended from government work, if the services we provide are no longer needed due to government program change or termination, or if our ability to compete for new contracts is adversely affected, including by our failure to achieve certain government certifications, our business could suffer.

***Our business has been and may continue to be negatively impacted by health epidemics, pandemics and similar outbreaks.***

We face various risks related to health epidemics, pandemics and similar outbreaks. For example, the COVID-19 pandemic and the mitigation efforts by governments to attempt to control its spread adversely impacted the global economy and led to reduced consumer spending and lending activities. Our customers, and therefore our business and revenues, are sensitive to negative changes in general economic conditions. We experienced significant revenue declines in several of our markets as a result of COVID-19 and we may experience similar revenue declines as a result of future health epidemics, pandemics and similar outbreaks.

***Our reputation and/or business could be negatively impacted by ESG matters and/or our reporting of such matters.***

Over the past several years, regulators, certain investors, and other stakeholders have focused on various environmental, social and governance ("ESG") matters, both in the United States and internationally. We communicate certain ESG-related initiatives, goals and commitments regarding climate, diversity, responsible sourcing and social investments, and other matters, on our website, in our filings with the SEC and elsewhere. These initiatives, goals and commitments could be difficult to achieve and costly to implement. For example, we have announced our commitments to reduce our greenhouse gas emissions, the achievement of which relies, in large part, on the accuracy of our estimates and assumptions around the availability and cost of renewable energy sources and technologies, the availability of suppliers that can meet our sustainability and other standards, and other factors. We could fail to achieve, or be perceived to fail to achieve, our greenhouse gas reduction commitments or other ESG-related initiatives, goals and commitments. In addition, we could be criticized for the timing, scope or nature of these initiatives, goals and commitments, or for any revisions to them. To the extent that our required and voluntary disclosures about ESG matters increase, we could be criticized for the accuracy, adequacy or completeness of such disclosures. Our actual or perceived failure to achieve our ESG-related initiatives, goals and commitments could negatively impact our reputation or otherwise materially harm our business.

## **Operational Risks**

***Our technology transformation strategy places a significant strain on our management, operational, financial and other resources.***

As part of our technology transformation strategy, we are transitioning and migrating our data systems from traditional, on premises data centers to cloud-based platforms. This initiative places significant strain on our management, personnel, operations, systems, technical performance, financial resources, internal financial controls and reporting function. Our technology transformation strategy requires management time and resources to educate employees and implement new ways of conducting business. The dedication of resources to our technology transformation strategy and cloud-based technologies limits the resources we have available to devote to other initiatives or growth opportunities, or to invest in the maintenance of our existing internal systems. We cannot guarantee that our strategy is the right one or that investments in alternative technologies or other initiatives would not be a better use of our resources.

Additionally, as a result of our cloud migration efforts in connection with our technology transformation strategy, we may experience a loss of continuity, loss of accumulated knowledge or loss of efficiency during transitional periods. Reorganization and transition can require a significant amount of management and other employees' time and focus, which may

divert attention from operating activities and growing our business. If we fail to achieve some or all of the expected benefits of these activities, it could have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows.

***Our transition to cloud-based technologies could expose us to operational disruptions.***

We rely on the efficient and uninterrupted operation of complex information technology systems and networks, some of which are managed internally within the Company and some of which are outsourced to third parties. As part of our technology transformation strategy, we are upgrading a significant portion of the information technology systems used to operate our business and replacing them with cloud-based solutions. This transition will continue to require substantial changes to our software and network infrastructure, which could lead to system interruptions, affect our data systems and further expose us to operational disruptions, and cause us to lose customers, all of which could have a material adverse effect on our results of operations.

Upon implementation of the new cloud-based solutions, much of our information technology systems will consist of outsourced, cloud-based infrastructure, platform and software-as-a-service solutions not under our direct management or control. Any disruption to either the outsourced systems or the communication links between us and the outsourced supplier could negatively affect our ability to operate our data systems and could impair our ability to provide services to our customers. We may incur additional costs to remedy the damages caused by these disruptions.

***Our customers' decisioning may be adversely affected if we provide inaccurate or unreliable data, which could adversely affect our financial condition, cause loss of customer trust and contribute to non-compliance with certain laws and regulations.***

Data accuracy is an essential component of data quality and is the foundation of our business model. Accurate data increases predictive ability and improves confidence in decisions for our customers. Inaccurate or unreliable data could adversely affect customer decisioning and poses reputational, compliance and financial risk to our company. Although we have developed internal processes and controls to maintain and continually improve data accuracy, these processes and controls cannot ensure absolute accuracy and the complexity of our technology transformation may introduce additional risk until it is completed. We have experienced data accuracy issues, including errors in connection with our technology transformation. To date, none of these issues have had a material impact on our operations or financial results. However, any future data accuracy issues arising during the technology transformation or otherwise could have a material adverse effect on our business or results of operations, including through the incurrence of additional costs or the loss of customers and harm to our reputation.

***If our systems do not meet customer requirements for response time or high availability, or we experience system constraints or failures, or our customers do not migrate to the cloud or modify and/or upgrade their systems to accept new releases of our products and services, our services to our customers could be delayed or interrupted, which could result in lost revenues or customers, lower margins, service level penalties or other harm to our business and reputation.***

Our customers expect high system availability and response time performance, as well as a very high degree of system resilience. We depend on reliable, stable, efficient and uninterrupted operation of our technology network, systems and data centers to provide service to our customers. Many of the services and systems upon which we rely have been outsourced to third parties. In addition, many of our revenue streams are dependent on links to third party telecommunications providers. These systems and operations, and the personnel that support, service and operate these systems, could be exposed to interruption, damage or destruction from power loss, telecommunication failures, computer viruses, denial-of-service or other cyber attacks, employee or insider malfeasance, human error, fire, natural disasters, war, terrorist acts or civil unrest. We may not have sufficient disaster recovery or redundant operations in place to cover a loss or failure of systems or telecommunications links in a timely manner, which may be exacerbated by any delays in obtaining equipment due to supply chain or other impacts.

In addition, as part of our technology transformation, we are seeking to migrate our customers from traditional data platforms to cloud-based products and services. Some of our customers may not migrate to cloud-based technologies on a timely basis or at all, or may choose not to utilize our products and services during and after our transition to cloud-based technologies. If our customers' timelines prevent them from migrating to cloud-based technologies quickly enough, they will remain on our legacy infrastructure, which could expose them to system availability, response time and performance issues.

Any significant system interruption or series of minor interruptions could result in the loss of customers and/or lost revenues, lower margins, service level penalties or other significant harm to our business or reputation.

***Dependence on outsourcing certain portions of our operations may adversely affect our ability to bring products to market and damage our reputation. Dependence on outsourced information technology and other administrative functions may impair our ability to operate effectively.***

As part of our technology transformation, we have outsourced various components of our application development, information technology, operational support and administrative functions and will continue to evaluate additional outsourcing. If our outsourcing vendors fail to perform their obligations in a timely manner or at satisfactory quality levels including with respect to data and system security, or increase prices for their services to unreasonable levels, our ability to bring products to market and support our customers and our reputation could suffer. Any failure to perform on the part of these third-party providers could impair our ability to operate effectively and could result in lower future revenue, unrealized efficiencies and adversely impact our results of operations and our financial condition. Some of our outsourcing takes place in developing countries and, as a result, may be subject to geopolitical uncertainty.

***Our business will suffer if we are not able to retain and hire key personnel.***

Our future success, including our ability to implement our technology transformation strategy, depends partly on the continued service of our key development, sales, marketing, executive and administrative personnel. Increased retention risk exists in certain key areas of our operations, such as IT and data security, which require specialized skills, such as migrating legacy computer systems to the cloud, data security expertise and analytical modeling. If we fail to retain and hire a sufficient number of these personnel, we will not be able to maintain or expand our business. As part of our technology transformation strategy, we have hired or contracted with a significant number of new employees and contract workers. Hiring, on-boarding training, motivating, retaining and managing employees with the skills required is time-consuming and expensive. There is intense competition for certain highly technical specialties in geographic areas where we continue to recruit, and it may become more difficult to retain our key employees. If we are not able to hire sufficient employees to support our business, including our technology transformation, or to train, motivate, retain and manage the employees we do hire, it could have a material adverse effect on our business operations or financial results.

## **Global Operational Risks**

***Economic, political and other risks associated with international sales and operations could adversely affect our results of operations.***

Sales outside the U.S. comprised 23% of our total revenue in 2023. As a result, our business is subject to various risks associated with doing business internationally and these risks may differ in each jurisdiction where we operate depending on the particular product or service we offer in the jurisdiction. In addition, many of our employees, suppliers, job functions and facilities are located outside the U.S. Accordingly, our future results could be harmed by a variety of factors including:

- changes in specific country or region political, economic or other conditions;
- trade protection measures;
- data privacy and consumer protection laws and regulations;
- antitrust and competition laws;
- difficulty in staffing and managing widespread operations;
- differing labor, intellectual property protection and technology standards and regulations;
- business licensing requirements or other requirements relating to making foreign direct investments, which could increase our cost of doing business in certain jurisdictions, prevent us from entering certain markets, increase our operating costs or lead to penalties or restrictions;
- difficulties associated with repatriating cash generated or held abroad in a tax-efficient manner;
- implementation of exchange controls;
- geopolitical instability, including terrorism and war and international conflict, including the Russia-Ukraine war and the Israel-Palestine conflict;
- foreign currency changes;
- increased travel, infrastructure, legal and compliance costs of multiple international locations;



- foreign laws and regulatory requirements;
- terrorist activity, natural disasters, pandemics and other catastrophic events;
- restrictions on the import and export of technologies;
- difficulties in enforcing contracts and collecting accounts receivable;
- longer payment cycles;
- failure to meet quality standards for outsourced work;
- unfavorable tax rules;
- the presence and acceptance of varying level of business corruption in international markets; and
- varying business practices in foreign countries.

We earn revenue, pay expenses, own assets and incur liabilities in countries using currencies other than the U.S. dollar, including among others the British pound, the Australian dollar, the Canadian dollar, the Argentine peso, the Chilean peso, the Euro, the New Zealand dollar, the Costa Rican colon, the Singapore dollar, the Brazilian real and the Indian rupee. Because our consolidated financial statements are presented in U.S. dollars, we must translate revenue, income and expenses, as well as assets and liabilities, into U.S. dollars at exchange rates in effect during or at the end of each reporting period. Therefore, increases or decreases in the value of the U.S. dollar against major currencies will affect our operating revenues, operating income and the value of balance sheet items denominated in foreign currencies. We generally do not mitigate the risks associated with fluctuating exchange rates, although we may from time to time through forward contracts or other derivative instruments hedge a portion of our translational foreign currency exposure or exchange rate risks associated with material transactions which are denominated in a foreign currency. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Accordingly, fluctuations in foreign currency exchange rates, particularly the strengthening of the U.S. dollar against major currencies, may materially affect our consolidated financial results.

Compliance with applicable U.S. and foreign laws and regulations, such as anti-corruption laws, tax laws, foreign exchange controls and restrictions on repatriation of earnings or other similar restraints, data privacy requirements, operational resilience requirements, sustainability reporting, labor laws and anti-competition regulations increases the cost of doing business in foreign jurisdictions. Although we have implemented policies and procedures to comply with these laws and regulations, a violation by our employees, contractors or agents could nevertheless occur.

## Legal and Regulatory Risks

***As part of a global settlement, we entered into agreements with various parties to settle the U.S. Consumer MDL Litigation and certain federal and state government investigations arising out of a material cybersecurity incident in 2017. If we are unable to comply with our obligations under these agreements, it could have a material adverse effect on our financial condition.***

In July 2019, the Company entered into multiple agreements that resolve the U.S. consolidated consumer class action cases, captioned In re: Equifax, Inc. Customer Data Security Breach Litigation, MDL No. 2800 (Consumer Cases) (the “U.S. Consumer MDL Litigation”), and the investigations of the FTC, the CFPB, the Attorneys General of 48 states, the District of Columbia and Puerto Rico (the “MSAG Group”) and the NYDFS (collectively, the “Consumer Settlement”) relating to a material cybersecurity incident in 2017. The Consumer Settlement became effective on January 11, 2022.

As part of the Consumer Settlement, we agreed to implement certain business practice commitments related to consumer assistance and our information security program, including third party assessments of our program. These business practice commitments are extensive and require a significant amount of attention from management. To the extent we are unable to comply or we are viewed as not being in compliance with these business practice commitments or other requirements of a relevant order, we could face an enforcement action or contempt proceeding that could potentially result in fines, penalties and new business practice commitments, which, depending on the amount and type, could have a material adverse effect on our financial condition.

***We and our customers are subject to various current laws and governmental regulations, and could be affected by new and evolving consumer privacy and cybersecurity or other data-related laws or regulations, compliance with which may cause us to incur significant expenses and change our business practices, and if we fail to maintain satisfactory compliance with certain laws and regulations, we could be subject to civil or criminal penalties.***

We are subject to a number of U.S. federal, state, local and foreign laws and regulations relating to consumer privacy, cybersecurity, data and financial protection. See “Item 1. Business—Governmental Regulation” in this Form 10-K for a summary of the U.S. and foreign consumer and data protection laws and regulations to which we are subject. These regulations are complex, change frequently, have tended to become more stringent over time, and are subject to administrative interpretation and judicial construction in ways that could harm our business. In addition, new laws and regulations at the state and federal level are enacted frequently, such as amendments to the FCRA, cybersecurity and other requirements promulgated by the FTC, New York Department of Financial Services and SEC, and data privacy laws in several U.S. states.

We expect there to be a continued focus on laws and regulations related to our business, because of policy concerns in the U.S. with regard to the operation of consumer reporting agencies, the collection, use, accuracy, correction and sharing of personal information, and the use of algorithms, artificial intelligence and machine learning in business processes. For example, in September 2023, the CFPB issued an outline of proposed changes to the FCRA which would expand the application of the FCRA to certain business practices not currently subject to the FCRA and would require the removal of medical collection debt from consumer credit reports. Further, in October 2023, California passed the DELETE Act, a first-in-the-nation data broker deletion tool which creates a centralized mechanism to allow consumers to request brokers to delete their personal information, rather than submitting individual requests to brokers registered in the state.

There are a number of legislative proposals pending before the U.S. Congress, various state legislative bodies and foreign governments concerning privacy or cybersecurity that could affect us. The Canadian and Australian governments have initiated reviews of their consumer privacy laws, and several U.S. states have introduced varying comprehensive privacy laws modeled to some degree on the CCPA and/or the GDPR. In the U.S. and other countries, there have also been new legislative proposals to regulate business use and development of artificial intelligence and machine learning technologies which, if enacted, could impose new legal requirements addressing among other issues, privacy, discrimination and human rights. The specifics of such legislation and the number of jurisdictions that will introduce legislation in this area remain unclear at this time. In addition, a growing number of legislative and regulatory bodies have adopted consumer notification and other requirements in the event that consumer information is accessed or acquired by unauthorized persons and additional regulations regarding the use, access, accuracy and security of such data are possible. In the U.S., state laws provide for disparate notification regimes, all of which we are subject to. Further, any perception that our practices or products are an invasion of privacy, whether or not consistent with current or future regulations and industry practices, may subject us to public criticism, private class actions, reputational harm, or claims by regulators, which could disrupt our business and expose us to increased liability.

We devote substantial compliance, legal and operational business resources to strive for compliance with applicable regulations and requirements. In the future, we may be subject to significant additional expenses related to compliance with applicable laws and regulations, including new laws and evolving interpretations that have varying requirements and/or are difficult to predict, and to the investigation, defense or remedy of actual or alleged violations. Additionally, we cooperate with CFPB supervisory examinations and respond to other state, federal and foreign government examinations of, or inquiries into, our business practices. In particular, legislative activity in the privacy area may result in new laws that are applicable to us and that may hinder our business, for example, by restricting use or sharing of consumer data, including for marketing or advertising or limiting the use of, limiting our ability to provide certain consumer data to our customers, or otherwise regulating artificial intelligence and machine learning, including the use of algorithms and automated processing in ways that could materially affect our business, or which may lead to significant increases in the cost of compliance. Any failure by us to comply with, or remedy any violations of, applicable laws and regulations, could result in new costs for our operations, the curtailment of certain of our operations, the imposition of fines and penalties, liability to private plaintiffs as a result of individual or class action litigation, restrictions on the operation of our business and reputational harm. It is difficult to predict the impact on our business if we were subject to allegations of having violated existing laws. For example, in Europe, the GDPR, which includes extensive regulations for certain security incidents, could result in fines of up to four percent of annual worldwide “turnover” (a measure similar to revenues in the U.S.). In addition, because many of our products are regulated or sold to customers in various industries, we must comply with additional regulations in marketing our products. Moreover, our compliance with privacy laws and regulations and our reputation depend in part on suppliers’ or customers’ adherence to privacy laws and regulations and their use of our services in ways consistent with consumer expectations and regulatory requirements. Additionally, we may not succeed in adapting our products to changes in the regulatory environment in an efficient, cost effective manner. We cannot predict the ultimate impact on our business of new or proposed rules, supervisory examinations or government investigations or enforcement actions.

***The CFPB has supervisory authority over our U.S. business and supporting operations and may initiate enforcement actions with regard to our compliance with federal consumer financial laws.***

The CFPB, which was established under the Dodd-Frank Act and commenced operations in July 2011, has broad authority over our business. This includes authority to issue regulations under federal consumer financial protection laws, such as under the FCRA and other laws applicable to us and our financial customers. The CFPB is authorized to prevent “unfair, deceptive or abusive acts or practices” through its regulatory, supervisory and enforcement authority.

The CFPB conducts examinations and investigations, issues requests for information and subpoenas and brings civil actions in federal court for violations of the federal consumer financial laws, including the FCRA. In these proceedings, the CFPB can seek relief that includes: rescission or reformation of contracts, restitution, disgorgement of profits, payment of damages, limits on activities and civil money penalties of up to \$1.0 million per day for known violations. The CFPB conducts periodic examinations of our business and the consumer reporting industry, which could result in new regulations or enforcement actions or proceedings. Actions by the CFPB could result in requirements to alter or cease offering affected products and services, making them less attractive and restricting our ability to offer them.

Although we have committed resources to enhancing our compliance programs, actions by the CFPB or other regulators against us could result in financial or reputational harm. Our compliance costs and legal and regulatory exposure could increase materially if the CFPB or other regulators enact new regulations, change regulations that were previously adopted, modify through supervision or enforcement past regulatory guidance, or interpret existing regulations in a manner different or stricter than have been previously interpreted.

***Regulatory oversight of our contractual relationships with certain of our customers may adversely affect our business.***

The federal banking agencies, including the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System and the CFPB, as well as many state banking agencies have issued guidance to insured depository institutions and other providers of financial services on assessing and managing risks associated with third-party relationships, which include all business arrangements between a financial services provider and another entity, by contract or otherwise, and generally requires banks and financial services providers to exercise comprehensive oversight throughout each phase of a bank or financial service provider’s business arrangement with third-party service providers, and instructs banks and financial service providers to adopt risk management processes commensurate with the level of risk and complexity of their third-party relationships. This guidance requires more rigorous oversight of third-party relationships that involve certain “critical activities.” In light of this guidance, our existing or potential bank and financial services customers subject to this guidance may continue to revise their third-party risk management policies and processes and the terms on which they do business with us, which may adversely affect our relationships with such customers and/or increase our expenses in servicing such customers.

***We are regularly involved in claims, suits, government investigations, enforcement actions and other proceedings that may result in adverse outcomes.***

We are regularly involved in claims, suits, government investigations, enforcement actions and regulatory proceedings arising from the ordinary course of our business, including actions with respect to consumer protection and data protection, including purported class action lawsuits. Such claims, suits, government investigations and proceedings are inherently uncertain and their results cannot be predicted with certainty. Regardless of their outcome, such legal proceedings can have an adverse impact on us because of legal costs, diversion of management and other personnel, and other factors. In addition, it is possible that a resolution of one or more such proceedings could result in reputational harm, liability, penalties or sanctions, as well as judgments, consent decrees or orders preventing us from offering certain features, functionalities, products or services, or requiring a change in our business practices, products or technologies, which could in the future materially and adversely affect our business, operating results, and financial condition. The FCRA contains an attorney fee shifting provision that provides an incentive for consumers to bring individual and class action lawsuits against a consumer reporting agency for violation of the FCRA, and the number of consumer lawsuits (both individual and class action) against us alleging a violation of the FCRA and our resulting costs associated with resolving these lawsuits have increased substantially over the past several years.

***Third parties may claim that we are infringing on their intellectual property and we could suffer significant litigation or licensing expenses or be prevented from selling products or services.***

There has been substantial litigation in the U.S. regarding intellectual property rights in the information technology industry. From time to time, third parties may make claims that one or more of our products or services infringe their intellectual property rights. We analyze and take action in response to each such claim on a case by case basis. A dispute or

litigation regarding patents or other intellectual property can be costly and time-consuming due to the complexity of our technology and the inherent uncertainty of intellectual property litigation, could divert our management and key personnel from our business operations, and we may not prevail. A claim of intellectual property infringement could force us to enter into a costly or restrictive license agreement, which might not be available under acceptable terms or at all, or could subject us to significant damages or to an injunction against development and sale of certain of our products or services. Our intellectual property portfolio may not be useful in asserting a counterclaim, or providing commercial leverage for negotiating a license, in response to a claim of intellectual property infringement. In certain of our businesses we rely on third-party intellectual property licenses and we cannot ensure that these licenses will be available to us in the future on favorable terms or at all. Although our policy is to obtain licenses or other rights where necessary, we cannot provide assurance that we have obtained all required licenses or rights.

***Third parties may misappropriate or infringe on our intellectual property and we may suffer competitive injury or expend significant resources enforcing our rights.***

Our success increasingly depends on our proprietary technology and its ability to differentiate us from our competitors. We rely on various intellectual property rights, including patents, copyrights, database rights, trademarks and trade secrets, as well as contract restrictions, confidentiality provisions and licensing arrangements, to establish and protect our proprietary rights. The extent to which such rights can be protected varies in different jurisdictions. If we do not protect and enforce our intellectual property rights successfully, our competitive position may suffer which could harm our operating results. Our pending patent and trademark applications may not be allowed or competitors may challenge the validity or scope of our intellectual property rights. In addition, our patents, copyrights, trademarks and other intellectual property rights may not provide us a significant competitive advantage.

We may need to devote significant resources to monitoring our intellectual property rights and we may or may not be able to detect misappropriation or infringement by third parties. Our competitive position may be harmed if we cannot detect misappropriation or infringement and enforce our intellectual property rights quickly or at all. In some circumstances, enforcement may not be available to us because a third party has a dominant intellectual property position or for other business reasons. In addition, competitors might avoid infringement by designing around our intellectual property rights or by developing non-infringing competing technologies. Intellectual property rights and our ability to enforce them may be unavailable or limited in some countries, which could make it easier for competitors to capture market share and could result in lost revenue.

## **Financial Market Risks**

***A downgrade in our credit ratings could increase our cost of borrowing under our credit facilities and have an adverse effect on our ability to access the capital markets.***

Credit ratings reflect an independent agency's judgment on the likelihood that a borrower will repay a debt obligation at maturity. The ratings reflect many considerations, such as the nature of the borrower's industry and its competitive position, the size of the company, its liquidity and access to capital and the sensitivity of a company's cash flows to changes in the economy. A security rating is not a recommendation to buy, sell or hold securities and may be changed or withdrawn at any time by the assigning rating agency.

A downgrade in our credit ratings would increase the cost of borrowings under our commercial paper program, \$1.5 billion revolving credit facility and \$700.0 million delayed draw term loan, and could limit or, in the case of a significant downgrade, preclude our ability to issue commercial paper. If our credit ratings were to decline to lower levels, we could experience increases in the interest cost for any new debt. In addition, the market's demand for, and thus our ability to readily issue, new debt could become further affected by the economic and credit market environment.

***Our retirement and post-retirement pension plans are subject to financial market risks that could adversely affect our future results of operations and cash flows.***

We have significant retirement and post-retirement pension plan assets and obligations. The performance of the financial markets and interest rates impact our plan expenses, expected returns, and funding obligations. Significant decreases in interest rates, decreases in the fair value of plan assets and investment losses on plan assets will increase our funding obligations, and adversely impact our results of operations and cash flows.

## ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

## ITEM 1C. CYBERSECURITY

### *Risk Management and Strategy*

We are a global data, analytics and technology company. In the ordinary course of business, we collect, process, transmit and store sensitive data, including intellectual property, proprietary business information and personal information of consumers, employees and strategic partners. The secure operation of our information technology networks and systems, and of the processing and maintenance of this information, is critical to our business operations and strategy.

Equifax has invested significantly to develop and maintain an information security program with processes, technology and controls to protect the information, systems and resources of the Company. We have a Security team operating under the leadership of our Chief Information Security Officer (“CISO”), including approximately 400 cybersecurity professionals. The key elements of our information security program, including our cybersecurity risk management strategy, are described below.

### *Security Controls Framework*

Equifax has implemented a unified security and privacy controls framework as our primary mechanism to establish strategic priorities related to cybersecurity, assess cybersecurity risk across the enterprise, comply with regulatory requirements and enhance security program maturity. Our unified security and privacy controls framework is based upon the National Institute of Standards and Technology's Cybersecurity Framework (NIST CSF) and Privacy Framework (NIST PF).

### *Cybersecurity Incident Detection and Response Process*

Our information security program is based on five key functions as set forth in the NIST CSF: (i) identify; (ii) protect; (iii) detect; (iv) respond; and (v) recover. As part of that program, we maintain an incident detection and response process that is designed to ensure we appropriately identify, investigate, respond to, and recover from, cybersecurity incidents in order to protect our information, systems and resources. As part of our process, we maintain operational plans for incident response and recovery activities. We regularly review our incident response process and conduct multiple incident response exercises each year, including sessions with management, to test and assess our preparedness to respond to a cybersecurity incident.

As part of our incident detection and response process, we have established internal teams to investigate and escalate notification of cybersecurity incidents. Pursuant to this process, cybersecurity incidents are reported to appropriate personnel within Equifax (including the CISO and the CEO) and to the Board of Directors based on incident severity. We track incidents through resolution, conduct post-incident analysis and update our processes and procedures if areas for improvement are identified. On a monthly basis, a summary of prior period cybersecurity investigation escalations is reviewed by management, including our head of Internal Audit, our CISO, our Chief Financial Officer and our Chief Legal Officer.

To inform our incident detection and response process, our cyber intelligence operations team regularly performs exercises to simulate real threat scenarios that would be carried out by a perpetrator by utilizing the actual tools and methodologies that would be deployed in such an attack (so called “red team” activities).

### *Risk Management*

- *Cybersecurity Incorporated into Enterprise Risk Management Program.* We have implemented an enterprise risk management (“ERM”) program that operates under the leadership of our Chief Privacy and Compliance Officer. Each business unit and corporate support unit has primary responsibility for assessing and mitigating risks within its respective areas of responsibility, and the ERM team is responsible for oversight and reporting to management and the Board.

Under our ERM program, we conduct an annual enterprise risk assessment, which produces an enterprise risk scorecard. Cybersecurity is one of nine primary risk categories identified within the scorecard. The cybersecurity risk rating is based on a detailed enterprise security risk assessment performed by the Security team. The enterprise risk scorecard is reviewed with management and the Board of Directors on an annual basis.



- *Security Risk Assessment.* The Security team performs an annual enterprise security risk assessment of the information security program that is provided to management, the Board of Directors and other relevant parties. The security risk assessment provides a detailed understanding of the information security program in order to inform decisions and support risk response. The security risk assessment process evaluates the program's control domains through various analyses and testing methods to determine the overall level of risk present within the environment over the period evaluated. The risk assessment identifies risks and considers observations from multiple business process- and system-level assessments.

We leverage NIST guidance to inform our process for conducting the security risk assessment. The risk management program and processes can be described in four steps: (i) frame risk; (ii) assess risk; (iii) respond to risk; and (iv) monitor risk.

- *Third Party Risk Management.* We have a governance process in place to oversee our third-party vendors who have access to our network or who hold or store personal information on our behalf ("risk vendors"). Our risk vendor contracts contain provisions requiring our suppliers to maintain a program that meets our information security standards. We periodically assess risk vendor compliance with our information security program requirements. One such requirement is the obligation that our risk vendors must notify Equifax within a designated time period upon identifying certain cybersecurity events.
- *M&A Due Diligence and Integration Process.* Our Security team has implemented a due diligence and integration process for entities we acquire through mergers and acquisitions ("M&A"). This process is designed to protect our information systems, align acquired entities with our security controls, and comply with applicable legal and regulatory requirements, without interrupting critical business processes. Our M&A security integration status is reported regularly to management and the Technology Committee and annually to the Board of Directors.
- *Employee Training and Awareness.* In order to help bolster our cybersecurity defenses and mitigate the risk presented by insider or employee cyber and security threats, Equifax has incorporated employee training into our security program. On an annual basis, all employees are required to complete mandatory security training. In addition, each Equifax employee receives training customized to his or her role or function, and has visibility into his or her individual security performance. We continually measure and assess key employee behaviors, including secure browsing and sensitive data handling. In order to promote a Company-wide focus on data security and reinforce overall security program goals, Equifax includes an individual security performance measure as one of the metrics used to evaluate the performance of all bonus-eligible employees under our annual incentive compensation program.
- *Cybersecurity Insurance.* We maintain cybersecurity insurance under our errors and omissions/professional liability policy, which provides coverage for certain costs related to cybersecurity incidents.

#### *Review and Assessment of Information Security Program*

We conduct regular audits of our information security program, including third party assessments and review by our internal audit department.

- *Third Party Assessments of Security Program Maturity.* Equifax has a formal process in place to annually assess our security program maturity, which is a measure of our ability to adapt to cyber threats and manage risk over time. Under the oversight of the Technology Committee of the Board of Directors, Equifax engages a third party research and advisory firm to conduct an annual analysis of the maturity of our security program and identify potential initiatives to enhance maturity. On an annual basis, the Technology Committee reviews the results of this analysis with management, including a review of Company performance against relevant benchmarks.
- *Controls Testing.* Equifax has a formal process in place to periodically assess the effectiveness of controls in our security controls framework. These controls assessments are performed by the Security team. Results are regularly reported to management and the Technology Committee and annually to the Board of Directors.
- *Internal Audit Review.* Our internal audit department is responsible for providing the Audit and Technology Committees and management with an independent assessment and assurance regarding the design and effectiveness of the risk management framework related to cybersecurity. As part of the assessment of our cybersecurity program, the internal audit department has a "red team" that regularly performs testing to simulate real threat scenarios that would be carried out by a perpetrator. On a quarterly basis, our head of Internal Audit provides an update to management and the Audit and Technology Committees of the Board on audit activities pursuant to the IT and security portions of the

internal audit plan. Our head of Internal Audit reviews the IT and security audit reports issued, including a summary of IT and security audit findings by inherent risk and residual risk rating.

### ***Cybersecurity Risks to our Business***

As a global data, analytics and technology company, our products and services involve the storage and transmission of personal information of consumers. As a result, we are routinely the target of attempted cyber and other security threats presented by outside third parties, as well as security threats presented by employees and other insiders.

In 2017, we experienced a material cybersecurity incident following a criminal attack on our systems that involved the theft of personal information of U.S., Canadian and U.K. consumers. If we experience additional significant compromises of our security measures, including from incidents that we fail to detect for a period of time, sensitive data may be accessed, stolen, disclosed, altered or lost. Any such access, disclosure, alteration or other loss of information could subject us to significant litigation, regulatory fines or penalties, any of which could have a material adverse effect on our cash flows, competitive position, financial condition or results of operations.

Cybersecurity incidents, and the adverse publicity that may follow, can have a negative impact on our reputation and our relationship with our customers. For example, our reputation with consumers and other stakeholders and our customer relationships were damaged following the cybersecurity incident in 2017, resulting in a negative impact on our revenue for a period of time. If we experience another material cybersecurity incident or are otherwise unable to demonstrate the security of our systems and the data we maintain and retain the trust of our customers, consumers and data suppliers, we could experience a substantial negative impact on our business.

For additional information related to the cybersecurity-related risks relevant to our business, see “Risk Factors—Technology and Data Security Risks—Security breaches and other disruptions to our information technology infrastructure could compromise Company, consumer and customer information, interfere with our operations, cause us to incur significant costs for remediation and enhancement of our IT systems and expose us to legal liability, all of which could have a substantial negative impact on our business and reputation” in Part I, Item 1A. of this annual report on Form 10-K.

### ***Governance***

#### ***Board Oversight of Cybersecurity***

The Equifax Board of Directors monitors our “tone at the top” and risk culture and oversees principal risks facing the Company. On an annual basis, the Board reviews an enterprise risk assessment prepared by management that describes the principal risks and monitors the steps management is taking to map and mitigate these risks. The Board then sets the general level of risk appropriate for the Company through business strategy reviews. Risks are assessed throughout the business, focusing on nine primary risk categories, including cybersecurity.

In addition, the Audit and Technology Committees of the Board coordinate on risk management oversight with respect to cybersecurity, including through quarterly joint meetings that cover the following topics:

- Regular reports from the internal audit department regarding the security and technology portions of the internal audit plan
- Regular reports from our CISO and Chief Technology Officer regarding the cybersecurity control environment, including remediation updates, control posture analyses and other recurring items
- Regular reports from our Chief Privacy and Compliance Officer regarding our global privacy, risk management and compliance programs, including matters related to cybersecurity

The Technology Committee of the Board oversees our information security program, including:

- Reviewing with management our technology investments and infrastructure associated with risk management, including policies relating to information security, disaster recovery and business continuity
- Receiving quarterly reports directly from our CISO, including updates on our enterprise cybersecurity threat level
- Overseeing the engagement of outside advisors to review our cybersecurity program
- Reviewing the results of our annual information security program maturity assessment performed by a third party
- Reviewing the results of our annual security program risk assessment prepared by management

Our information security program is managed through implementation, monitoring and continuous improvement of the security program with active participation of management as described below.

- *Senior Leadership Team.* The Equifax senior leadership team, consisting of our CEO and his direct reports (“SLT”), sets the tone for strategic growth, effective operations and risk mitigation at the management level. The SLT supports the management of the information security program through proper resource allocation and decision-making involving high risk issues. The SLT has overall managerial responsibility for confirming that the information security program functions in a manner that meets the needs of Equifax.
- *Chief Information Security Officer.* Equifax has a CISO who is a member of the SLT and reports directly to our CEO. Our CISO has more than two decades of experience in cybersecurity-related roles, including serving as CISO at other large, multinational companies. Our CISO is responsible for oversight of the global Security team and the implementation and execution of the information security program. Our CISO helps ensure that the program is strategically aligned to Equifax’s business strategy and is responsible for reporting on the effectiveness of the program to the SLT and the Board of Directors.
- *Global Security Team.* The Equifax global Security team is responsible for supporting the CISO in the execution of the information security program to meet the program’s objectives. The Security team is directly responsible for the day to day program activities such as planning, implementation, monitoring and reporting on operational capabilities.

## **ITEM 2. PROPERTIES**

Our executive offices are located at 1550 Peachtree Street, N.W., Atlanta, Georgia. Our other properties are geographically distributed to meet sales and operating requirements worldwide. We consider these properties to be both suitable and adequate to meet our current operating requirements. We ordinarily lease office space for conducting our business and are obligated under approximately 55 leases and other rental arrangements for our field locations. We owned 5 office buildings at December 31, 2023, including our executive offices, one campus which houses our Alpharetta, Georgia technology center, a building utilized by our Workforce Solutions operations located in St. Louis, Missouri, as well as two buildings utilized by our Latin America operations.

For additional information regarding our obligations under leases, see Note 6 and Note 12 of the Notes to Consolidated Financial Statements in Item 8 of this Form 10-K. We believe that suitable additional space will be available to accommodate our future needs.



## ITEM 3. LEGAL PROCEEDINGS

### Remaining Matters Related to 2017 Cybersecurity Incident

*Canadian Class Actions.* Five putative Canadian class actions, four of which are on behalf of a national class of approximately 19,000 Canadian consumers, are pending against us in Ontario, British Columbia and Alberta. Each of the proposed Canadian class actions asserts a number of common law and statutory claims seeking monetary damages and other related relief in connection with a material cybersecurity incident in 2017. In addition to seeking class certification on behalf of Canadian consumers whose personal information was allegedly impacted by the 2017 cybersecurity incident, in some cases, plaintiffs also seek class certification on behalf of a larger group of Canadian consumers who had contracts for subscription products with Equifax around the time of the incident or earlier and were not impacted by the incident. The Ontario class action has been certified in part but is otherwise at a preliminary stage. All other purported class actions are at preliminary stages or stayed.

*FCA Investigation.* The U.K.'s Financial Conduct Authority ("FCA") opened an enforcement investigation against our U.K. subsidiary, Equifax Limited, in October 2017 in connection with the 2017 cybersecurity incident. We received a notice with the FCA's findings on October 13, 2023, and paid a penalty of \$13.5 million to resolve the matter.

### CFPB Matters

In December 2021, we received a Civil Investigative Demand (a "CID") from the CFPB as part of its investigation into our consumer disputes process in order to determine whether we have followed the FCRA's requirements for the proper handling of consumer disputes. The CID requests the production of documents and answers to written questions. We are cooperating with the CFPB in its investigation and providing responses and information on an ongoing basis.

In January 2023, the CFPB informed us that its enforcement division will be investigating our previously-disclosed coding issue identified within a legacy server environment in the U.S. that impacted how some credit scores were calculated during a three-week period in 2022. We are cooperating with the CFPB in its investigation.

In July 2023, we received a CID from the CFPB as part of its investigation into data accuracy and dispute handling at our Workforce Solutions business unit in order to determine whether we have followed the FCRA's requirements. The CID requests the production of documents and answers to written questions. We are cooperating with the CFPB in its investigation and providing responses and information on an ongoing basis.

At this time, we are unable to predict the outcome of these CFPB investigations, including whether the investigations will result in any actions or proceedings against us.

### Other

Equifax has been named as a defendant in various other legal actions, including administrative claims, regulatory matters, government investigations, class actions and other litigation arising in connection with our business. Some of the legal actions include claims for substantial compensatory or punitive damages or claims for indeterminate amounts of damages. We believe we have defenses to and, where appropriate, will contest many of these matters. Given the number of these matters, some are likely to result in adverse judgments, penalties, injunctions, fines or other relief. We may explore potential settlements before a case is taken through trial because of the uncertainty and risks inherent in the litigation process.

For information regarding our accounting for legal contingencies, see Note 6 of the Notes to Consolidated Financial Statements in Item 8 of this report.

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## PART II

### ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

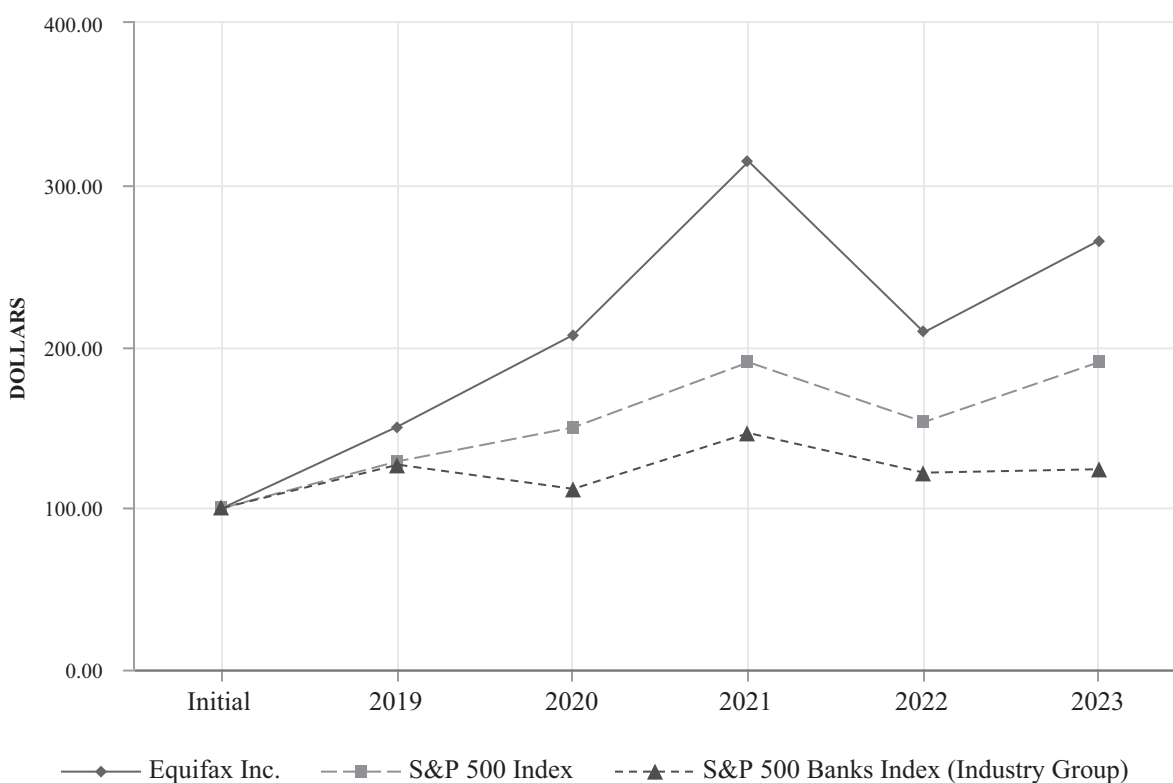
Equifax's common stock is traded on the New York Stock Exchange under the symbol "EFX." As of January 31, 2024, Equifax had approximately 2,494 holders of record; however, Equifax believes the number of beneficial owners of common stock exceeds this number.

#### Shareholder Return Performance Graph

The graph below compares Equifax's five-year cumulative total shareholder return with that of the Standard & Poor's Composite Stock Index (S&P 500) and a peer group index, the S&P 500 Banks Index (Industry Group). The graph assumes that the value of the investment in our Common Stock and each index was \$100 on the last trading day of 2018 and that all quarterly dividends were reinvested without commissions. Our past performance may not be indicative of future performance.

#### COMPARATIVE FIVE-YEAR CUMULATIVE TOTAL RETURN AMONG EQUIFAX INC., S&P 500 INDEX AND S&P 500 BANKS INDEX (INDUSTRY GROUP)

COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURNS  
VALUE OF \$100 INVESTED AS OF JANUARY 1, 2019



Fiscal Year Ended December 31,

|                                      | Initial | 2019   | 2020   | 2021   | 2022   | 2023   |
|--------------------------------------|---------|--------|--------|--------|--------|--------|
| Equifax Inc.                         | 100.00  | 150.46 | 207.07 | 314.39 | 208.70 | 265.53 |
| S&P 500 Index                        | 100.00  | 128.88 | 149.83 | 190.13 | 153.16 | 190.27 |
| S&P 500 Banks Index (Industry Group) | 100.00  | 126.77 | 111.79 | 146.34 | 121.83 | 123.96 |

The table below contains information with respect to purchases made by or on behalf of Equifax of its common stock during the fourth quarter ended December 31, 2023:

#### Issuer Purchases of Equity Securities

| Period                         | Total<br>Number<br>of Shares<br>Purchased <sup>(1)</sup> | Average<br>Price Paid<br>Per Share <sup>(2)</sup> | Total Number<br>of Shares Purchased<br>as Part of Publicly-<br>Announced<br>Plans or Programs | Maximum Number<br>(or Approximate<br>Dollar Value)<br>of Shares that May<br>Yet Be Purchased<br>Under the Plans or<br>Programs <sup>(3)</sup> |
|--------------------------------|----------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| October 1 - October 31, 2023   | 914                                                      | \$ —                                              | —                                                                                             | \$ 520,168,924                                                                                                                                |
| November 1 - November 30, 2023 | 18,716                                                   | \$ —                                              | —                                                                                             | \$ 520,168,924                                                                                                                                |
| December 1 - December 31, 2023 | 8,763                                                    | \$ —                                              | —                                                                                             | \$ 520,168,924                                                                                                                                |
| Total                          | <u>28,393</u>                                            | <u>\$ —</u>                                       | <u>—</u>                                                                                      | <u>\$ 520,168,924</u>                                                                                                                         |

- (1) The total number of shares purchased includes, if applicable: (a) shares purchased pursuant to our publicly-announced share repurchase program (the "Repurchase Program"); and (b) shares surrendered, or deemed surrendered, in satisfaction of the exercise price and/or to satisfy tax withholding obligations in connection with the exercise of employee stock options and vesting of restricted stock, totaling 914 shares for the month of October 2023, 18,716 shares for the month of November 2023 and 8,763 shares for the month of December 2023.
- (2) Average price paid per share for shares purchased as part of the Repurchase Program (includes brokerage commissions).
- (3) We purchased no common shares during the twelve months ended December 31, 2023. At December 31, 2023, the amount authorized for future share repurchases under the Repurchase Program was \$520.2 million.

Information relating to compensation plans under which the Company's equity securities are authorized for issuance will be included in the section captioned "Equity Compensation Plan Information" in our 2024 Proxy Statement and is incorporated herein by reference.

#### ITEM 6. RESERVED

Not applicable.

## **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the results of operations and financial condition of Equifax Inc. MD&A is provided as a supplement to and should be read in conjunction with our consolidated financial statements and the accompanying Notes to Financial Statements in Item 8 of this Form 10-K. This section discusses the results of our operations for the year ended December 31, 2023 compared to the year ended December 31, 2022 and the year ended December 31, 2022 compared to the year ended December 31, 2021. All percentages have been calculated using unrounded amounts for each of the periods presented.

As used herein, the terms Equifax, the Company, we, our and us refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

All references to earnings per share data in MD&A are to diluted earnings per share, or EPS, unless otherwise noted. Diluted EPS is calculated to reflect the potential dilution that would occur if stock options or other contracts to issue common stock were exercised and resulted in additional common shares outstanding.

### **BUSINESS OVERVIEW**

Equifax Inc. is a global data, analytics and technology company. We provide information solutions for businesses, governments and consumers, and we provide human resources business process automation and outsourcing services for employers. We have a large and diversified group of clients, including financial institutions, corporations, government agencies and individuals. Our services are based on comprehensive databases of consumer and business information derived from numerous sources including credit, financial assets, telecommunications and utility payments, employment, income, educational history, criminal justice data, healthcare professional licensure and sanctions, demographic and marketing data. We use advanced statistical techniques, machine learning and proprietary software tools to analyze available data to create customized insights, decision-making and process automation solutions and processing services for our clients. We are a leading provider of information and solutions used in payroll-related and human resource management business process services in the U.S. as well as e-commerce fraud and charge back protection services in North America. For consumers, we provide products and services to help people understand, manage and protect their personal information and make more informed financial decisions. Additionally, we also provide information, technology and services to support debt collections and recovery management.

We currently operate in four global regions: North America (U.S. and Canada), Asia Pacific (Australia, New Zealand and India), Europe (the U.K., Spain and Portugal) and Latin America (Argentina, Brazil, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Paraguay, Peru and Uruguay). We maintain support operations in Chile, Costa Rica, India and Ireland. We also have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia, Singapore and Brazil.

### **Recent Events and Company Outlook**

As further described above, we operate in the U.S., which represented 77% of our revenue in 2023, and internationally in 20 countries. Our products and services span a wide variety of vertical markets including financial services, mortgage, talent solutions, federal, state and local governments, automotive, telecommunications, e-commerce and many others.

Demand for our services tends to be correlated to general levels of economic activity and to consumer credit and small business commercial credit decisioning and portfolio review, marketing, identity validation and fraud protection activity, employee hiring and onboarding activity, and activity in provisioning support services in the U.S. by government agencies. Demand is also enhanced by our initiatives to expand our products, capabilities and markets served.

For 2024, our planning assumes that U.S. economic activity, as measured by GDP, is expected to grow but at a slower rate of growth than experienced in 2023. Our plan assumes the U.S. mortgage market, as measured by credit inquiries, is expected to decline by about 16% in 2024 versus 2023. The U.S. mortgage market, particularly the mortgage refinance portion of the U.S. mortgage market, can be significantly impacted by U.S. interest rates which impact mortgage rates available to consumers. In the international markets in which we operate, in particular in Australia, the U.K. and Canada, our planning also assumes economic activity, as measured by GDP, to grow in 2024 but at slower rates than in 2023.

## Segment and Geographic Information

**Segments.** The Workforce Solutions segment consists of the Verification Services and Employer Services business lines. Verification Services revenue is transaction-based and is derived primarily from employment and income verification, as well as criminal justice data. Employer Services revenue is derived from our provision of certain human resources business process outsourcing services that include both transaction and subscription based product offerings. These services include unemployment claims management, I-9 and onboarding services, Affordable Care Act compliance management, tax credits and incentives and other complementary employment-based transaction services. Workforce Solutions has established operations in Canada, Australia and the U.K.

The USIS segment consists of three service lines: Online Information Solutions, Mortgage Solutions, and Financial Marketing Services. Online Information Solutions and Mortgage Solutions revenue is principally transaction-based and is derived from our sales of products such as consumer and commercial credit reporting and scoring, identity management, fraud detection, modeling services and consumer credit monitoring services. USIS also markets certain decisioning software services which facilitate and automate a variety of consumer and commercial credit-oriented decisions. Online Information Solutions also includes our U.S. consumer credit monitoring solutions business. Financial Marketing Services revenue is principally project and subscription based and is derived from our sales of batch credit and consumer wealth information such as those that assist clients in acquiring new customers, cross-selling to existing customers and managing portfolio risk.

The International segment consists of Asia Pacific, Europe, Canada and Latin America. Canada's services are similar to our USIS offerings. Asia Pacific, Europe and Latin America are made up of varying mixes of service lines that are generally consistent with those in our USIS reportable segment. We also provide information and technology services to support lenders and other creditors in the collections and recovery management process.

**Geographic Information.** We currently have operations in the following countries: Argentina, Australia, Brazil, Canada, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, India, Ireland, Mexico, New Zealand, Paraguay, Peru, Portugal, Spain, the U.K., Uruguay and the U.S. We also have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia, Singapore and Brazil. Approximately 77% and 78% of our revenue was generated in the U.S. during the twelve months ended December 31, 2023 and 2022, respectively.

**Seasonality.** We experience seasonality in certain of our revenue streams. Revenue generated by the online consumer information services component of our USIS operating segment is typically the lowest during the first quarter, when consumer lending activity is at a seasonal low. Revenue generated from the Employer Services business unit within the Workforce Solutions operating segment is generally higher in the first quarter due primarily to the provision of Form W-2 and 1095-C services that occur in the first quarter each year. Revenue generated from our financial wealth asset products and data management services in our Financial Marketing Services business is generally higher in the fourth quarter each year due to the significant portion of our annual renewals and deliveries which occur then. Mortgage related revenue is generally higher in the second and third quarters of the year due to the increase in consumer home purchasing during the summer in the U.S. Any change in the U.S. mortgage market has a corresponding impact on revenue and operating profit for our business within the Workforce Solutions and USIS operating segments.

**Key Performance Indicators.** Management focuses on a variety of key indicators to monitor operating and financial performance. These performance indicators include measurements of operating revenue, change in operating revenue, operating income, operating margin, net income, diluted earnings per share, cash provided by operating activities and capital expenditures. The key performance indicators for the twelve months ended December 31, 2023, 2022 and 2021 were as follows:

|                                       | Key Performance Indicators<br>Twelve Months Ended<br>December 31, |            |            |
|---------------------------------------|-------------------------------------------------------------------|------------|------------|
|                                       | 2023                                                              | 2022       | 2021       |
|                                       | <i>(In millions, except per share data)</i>                       |            |            |
| Operating revenue                     | \$ 5,265.2                                                        | \$ 5,122.2 | \$ 4,923.9 |
| Operating revenue change              | 3 %                                                               | 4 %        | 19 %       |
| Operating income                      | \$ 933.6                                                          | \$ 1,056.0 | \$ 1,138.0 |
| Operating margin                      | 17.7 %                                                            | 20.6 %     | 23.1 %     |
| Net income attributable to Equifax    | \$ 545.3                                                          | \$ 696.2   | \$ 744.2   |
| Diluted earnings per share            | \$ 4.40                                                           | \$ 5.65    | \$ 6.02    |
| Cash provided by operating activities | \$ 1,116.8                                                        | \$ 757.1   | \$ 1,334.8 |
| Capital expenditures*                 | \$ (585.8)                                                        | \$ (617.4) | \$ (490.5) |

\*Amounts include accruals for capital expenditures.

## RESULTS OF OPERATIONS — TWELVE MONTHS ENDED DECEMBER 31, 2023, 2022 AND 2021

### Consolidated Financial Results

#### Operating Revenue

|                                | Twelve Months Ended December 31, |                   |                   | Change               |            |                 |            |
|--------------------------------|----------------------------------|-------------------|-------------------|----------------------|------------|-----------------|------------|
|                                | 2023                             | 2022              | 2021              | 2023 vs. 2022        |            | 2022 vs. 2021   |            |
|                                |                                  |                   |                   | \$                   | %          | \$              | %          |
| Operating Revenue              |                                  |                   |                   | <i>(In millions)</i> |            |                 |            |
| Workforce Solutions            | \$ 2,315.8                       | \$ 2,325.4        | \$ 2,035.4        | \$ (9.6)             | — %        | \$ 290.0        | 14 %       |
| U.S. Information Solutions     | 1,720.4                          | 1,657.7           | 1,786.7           | 62.7                 | 4 %        | (129.0)         | (7)%       |
| International                  | 1,229.0                          | 1,139.1           | 1,101.8           | 89.9                 | 8 %        | 37.3            | 3 %        |
| Consolidated operating revenue | <u>\$ 5,265.2</u>                | <u>\$ 5,122.2</u> | <u>\$ 4,923.9</u> | <u>\$ 143.0</u>      | <u>3 %</u> | <u>\$ 198.3</u> | <u>4 %</u> |

Revenue for 2023 increased by 3% compared to 2022, due to revenue growth in International and USIS. International revenue growth was driven by growth in Latin America primarily from the Boa Vista Serviços S.A. ("BVS") acquisition, as well as growth in Canada, Europe and Asia Pacific. USIS revenue growth was primarily due to growth in online revenue, partially offset by declines in Mortgage Solutions. Workforce Solutions revenue declined slightly, as a decline in Verification Services revenue due to the impact of the decline in mortgage activity was principally offset by growth in Employer Services revenue. The effect of foreign exchange rates decreased revenue by \$51.2 million, or 1%, in 2023 compared to 2022.

Revenue for 2022 increased by 4% compared to 2021. The increase was primarily due to growth in Workforce Solutions and International, partially offset by a decline in USIS. A significant decline in U.S. mortgage activity negatively impacted the growth in Workforce Solutions and caused the decline in USIS revenue. The effect of foreign exchange rates decreased revenue by \$94.9 million, or 2%, in 2022 compared to 2021.

## Operating Expenses

| Operating Expenses                                        | Twelve Months Ended<br>December 31, |            |            | Change        |     |               |      |
|-----------------------------------------------------------|-------------------------------------|------------|------------|---------------|-----|---------------|------|
|                                                           | 2023                                | 2022       | 2021       | 2023 vs. 2022 |     | 2022 vs. 2021 |      |
|                                                           |                                     |            |            | \$            | %   | \$            | %    |
|                                                           | (In millions)                       |            |            |               |     |               |      |
| Consolidated cost of services                             | \$ 2,335.1                          | \$ 2,177.2 | \$ 1,980.9 | \$ 157.9      | 7 % | \$ 196.3      | 10 % |
| Consolidated selling, general and administrative expenses | 1,385.7                             | 1,328.9    | 1,324.6    | 56.8          | 4 % | 4.3           | — %  |
| Consolidated depreciation and amortization expense        | 610.8                               | 560.1      | 480.4      | 50.7          | 9 % | 79.7          | 17 % |
| Consolidated operating expenses                           | \$ 4,331.6                          | \$ 4,066.2 | \$ 3,785.9 | \$ 265.4      | 7 % | \$ 280.3      | 7 %  |

**Cost of Services.** Cost of services increased \$157.9 million in 2023 compared to 2022. The increase is primarily due to higher royalty costs, people costs, third party cloud usage fees and software costs, and costs of purchased data and information. The effect of changes in foreign exchange rates decreased cost of services by \$16.9 million.

Cost of services increased \$196.3 million in 2022 compared to 2021. The increase is due to higher royalty costs, costs of purchased data and information, third party cloud usage fees, and people costs. The effect of changes in foreign exchange rates decreased cost of services by \$50.5 million.

**Selling, General and Administrative Expenses.** Selling, general and administrative expenses increased \$56.8 million in 2023 compared to 2022. The increase in 2023 is primarily due to an increase in litigation expense, mainly due to a payment to the U.K. FCA for a penalty associated with resolution of the investigation of a material 2017 cybersecurity incident as well as higher people costs, partially offset by lower discretionary expenses. The increase in people costs is primarily driven by higher incentive plans, partially offset by lower temporary labor. The impact of changes in foreign currency exchange rates decreased our selling, general and administrative expenses by \$16.6 million.

Selling, general and administrative expenses increased \$4.3 million in 2022 compared to 2021. The increase in 2022 is primarily driven by companies acquired in 2022 and 2021, with the total increase in expenses partially offset by a decrease in incentive plan costs. The impact of changes in foreign currency exchange rates decreased our selling, general and administrative expenses by \$25.6 million.

**Depreciation and Amortization.** Depreciation and amortization expense for 2023 increased by \$50.7 million. The increase is due to increased amortization of capitalized internal-use software and system costs from technology transformation capital spending incurred previously as well as higher amortization of purchased intangible assets related to recent acquisitions. The impact of changes in foreign currency exchange rates led to a decrease in depreciation and amortization expense of \$1.5 million.

Depreciation and amortization expense increased by \$79.7 million in 2022 compared to 2021. This increase was due to higher amortization of purchased intangible assets related to recent acquisitions as well as amortization of capitalized internal-use software and systems costs from technology transformation capital spending incurred previously. The impact of changes in foreign currency exchange rates led to a decrease in depreciation and amortization expense of \$11.6 million.



### Operating Income and Operating Margin

| Operating Income and<br>Operating Margin | Twelve Months Ended<br>December 31, |            |            | Change        |          |               |          |
|------------------------------------------|-------------------------------------|------------|------------|---------------|----------|---------------|----------|
|                                          | 2023                                | 2022       | 2021       | 2023 vs. 2022 |          | 2022 vs. 2021 |          |
|                                          |                                     |            |            | \$            | %        | \$            | %        |
|                                          | (In millions)                       |            |            |               |          |               |          |
| Consolidated operating revenue           | \$ 5,265.2                          | \$ 5,122.2 | \$ 4,923.9 | \$ 143.0      | 3 %      | \$ 198.3      | 4 %      |
| Consolidated operating expenses          | 4,331.6                             | 4,066.2    | 3,785.9    | 265.4         | 7 %      | 280.3         | 7 %      |
| Consolidated operating income            | \$ 933.6                            | \$ 1,056.0 | \$ 1,138.0 | \$ (122.4)    | (12) %   | \$ (82.0)     | (7) %    |
| Consolidated operating margin            | 17.7 %                              | 20.6 %     | 23.1 %     |               | (2.9)pts |               | (2.5)pts |

Total company operating margin decreased by 2.9 percentage points in 2023 versus 2022 and by 2.5 percentage points in 2022 versus 2021. The margin decrease in both periods was due to the aforementioned increased operating expenses and amortization expenses during the periods, partially offset by the higher reported revenue during the periods.

### Interest Expense and Other Income (Expense), net

| Consolidated Interest and Other<br>Income (Expense), net | Twelve Months Ended<br>December 31, |            |            | Change        |       |               |        |
|----------------------------------------------------------|-------------------------------------|------------|------------|---------------|-------|---------------|--------|
|                                                          | 2023                                | 2022       | 2021       | 2023 vs. 2022 |       | 2022 vs. 2021 |        |
|                                                          |                                     |            |            | \$            | %     | \$            | %      |
|                                                          | (In millions)                       |            |            |               |       |               |        |
| Consolidated interest expense                            | \$ (241.4)                          | \$ (183.0) | \$ (145.6) | \$ (58.4)     | 32 %  | \$ (37.4)     | 26 %   |
| Consolidated other income (expense),<br>net              | 25.7                                | 56.7       | (43.2)     | (31.0)        | (55)% | 99.9          | (231)% |
|                                                          |                                     |            |            |               |       |               |        |
| Average cost of debt                                     | 4.2 %                               | 3.2 %      | 3.2 %      |               |       |               |        |
| Total consolidated debt, net, at year end                | \$ 5,711.2                          | \$ 5,787.3 | \$ 5,294.9 | \$ (76.1)     | (1)%  | \$ 492.4      | 9 %    |

Interest expense increased in 2023, when compared to 2022, due to higher interest rates attributable to debt agreements entered into during 2022 and 2023, as well as higher weighted average debt balances in 2023 when compared to the same periods of 2022.

Interest expense increased in 2022, when compared to 2021, due to a higher weighted average outstanding amount of debt and higher interest costs attributable to debt agreements entered into during 2022.

The decrease in other income (expense), net in 2023 is due to the gains associated with the sale of equity method investments and higher fair value adjustment of our investment in BVS in 2022 that did not recur in 2023. We also incurred higher pension expense in 2023 as compared to 2022. For 2023 and 2022, we recorded a \$0.1 million loss and \$1.4 million gain, respectively, on the mark-to-market adjustment of our pension plan assets.

The increase in other income (expense), net in 2022 is driven by changes in our fair value adjustments of our investments, gains on the sale of multiple equity investments and mark-to-market adjustments for our pension assets. We recorded a \$13.3 million gain on the fair value adjustment of our investment in BVS in 2022, compared to a \$64.0 million loss in 2021. During 2022, we recorded a gain of \$19.1 million as a result of the sale of multiple equity investments, including the sale of our equity method investment in Russia during the third quarter of 2022. For 2022 and 2021, we recorded a \$1.4 million gain and \$20.2 million loss, respectively, on the mark-to-market adjustment of our pension plan assets.



## Income Taxes

|                                         | Twelve Months Ended<br>December 31, |            |            | Change        |       |               |      |
|-----------------------------------------|-------------------------------------|------------|------------|---------------|-------|---------------|------|
|                                         |                                     |            |            | 2023 vs. 2022 |       | 2022 vs. 2021 |      |
| Provision for Income Taxes              | 2023                                | 2022       | 2021       | \$            | %     | \$            | %    |
|                                         | (In millions)                       |            |            |               |       |               |      |
| Consolidated provision for income taxes | \$ (166.2)                          | \$ (229.5) | \$ (200.7) | \$ 63.3       | (28)% | \$ (28.8)     | 14 % |
| Effective income tax rate               | 23.2 %                              | 24.7 %     | 21.2 %     |               |       |               |      |

Our effective tax rate was 23.2% for 2023, down from 24.7% for the same period in 2022. Our effective tax rate is lower for the year ended December 31, 2023 compared to 2022 due to the write off of a deferred tax liability related to our original investment in BVS which was no longer necessary given the acquisition of the company in the third quarter of 2023, partially offset by an increase in the foreign rate differential.

Our effective tax rate was 24.7% for 2022, up from 21.2% for the same period in 2021. Our effective tax rate was higher for the year ended December 31, 2022 compared to 2021 due to a higher foreign rate differential, primarily due to the changes in the fair value of our investment in Brazil.

## Net Income

|                                                                      | Twelve Months Ended<br>December 31, |            |            | Change        |       |               |       |
|----------------------------------------------------------------------|-------------------------------------|------------|------------|---------------|-------|---------------|-------|
|                                                                      |                                     |            |            | 2023 vs. 2022 |       | 2022 vs. 2021 |       |
| Net Income                                                           | 2023                                | 2022       | 2021       | \$            | %     | \$            | %     |
| (In millions, except per share amounts)                              |                                     |            |            |               |       |               |       |
| Consolidated operating income                                        | \$ 933.6                            | \$ 1,056.0 | \$ 1,138.0 | \$ (122.4)    | (12)% | \$ (82.0)     | (7)%  |
| Consolidated interest and other income (expense), net                | (215.7)                             | (126.3)    | (188.8)    | (89.4)        | 71 %  | 62.5          | (33)% |
| Consolidated provision for income taxes                              | (166.2)                             | (229.5)    | (200.7)    | 63.3          | (28)% | (28.8)        | 14 %  |
| Consolidated net income                                              | 551.7                               | 700.2      | 748.5      | (148.5)       | (21)% | (48.3)        | (6)%  |
| Net income attributable to noncontrolling interests                  | (6.4)                               | (4.0)      | (4.3)      | (2.4)         | 60 %  | 0.3           | (7)%  |
| Net income attributable to Equifax                                   | \$ 545.3                            | \$ 696.2   | \$ 744.2   | \$ (150.9)    | (22)% | \$ (48.0)     | (6)%  |
| Diluted earnings per share:                                          |                                     |            |            |               |       |               |       |
| Net income attributable to Equifax                                   | \$ 4.40                             | \$ 5.65    | \$ 6.02    | \$ (1.25)     | (22)% | \$ (0.37)     | (6)%  |
| Weighted-average shares used in computing diluted earnings per share | 123.9                               | 123.3      | 123.6      |               |       |               |       |

Consolidated net income decreased by \$148.5 million in 2023 compared to 2022 due to lower levels of operating income, higher interest expense, and lower levels of other income, net, partially offset by the decrease in income tax expense.

Consolidated net income decreased by \$48.3 million in 2022 compared to 2021 due to a decrease in operating income and an increase in income tax expense, partially offset by the increase in other income, net.

## Segment Financial Results

### Workforce Solutions

| Workforce Solutions       | Twelve Months Ended<br>December 31, |            |            | Change        |           |               |           |
|---------------------------|-------------------------------------|------------|------------|---------------|-----------|---------------|-----------|
|                           | 2023                                | 2022       | 2021       | 2023 vs. 2022 |           | 2022 vs. 2021 |           |
|                           |                                     |            |            | \$            | %         | \$            | %         |
|                           |                                     |            |            | (In millions) |           |               |           |
| Operating Revenue:        |                                     |            |            |               |           |               |           |
| Verification Services     | \$ 1,846.2                          | \$ 1,871.0 | \$ 1,608.9 | \$ (24.8)     | (1) %     | \$ 262.1      | 16 %      |
| Employer Services         | 469.6                               | 454.4      | 426.5      | 15.2          | 3 %       | 27.9          | 7 %       |
| Total operating revenue   | \$ 2,315.8                          | \$ 2,325.4 | \$ 2,035.4 | \$ (9.6)      | — %       | \$ 290.0      | 14 %      |
| % of consolidated revenue | 44 %                                | 45 %       | 42 %       |               |           |               |           |
| Total operating income    | \$ 969.3                            | \$ 1,006.0 | \$ 1,000.7 | \$ (36.7)     | (4) %     | \$ 5.3        | 1 %       |
| Operating margin          | 41.9 %                              | 43.3 %     | 49.2 %     |               | (1.4) pts |               | (5.9) pts |

Workforce Solutions revenue declined slightly in 2023 compared to 2022, which was due to a decline in Verification Services as declines in mortgage revenue were partially offset by growth in the government and talent verticals. This decline was principally offset by growth in Employer Services revenue, which was driven by revenue from recently acquired companies and growth in I-9 and onboarding services.

Workforce Solutions revenue increased by 14% in 2022 compared to 2021, due to growth in Verification Services driven by growth in government, talent and consumer finance verticals as well as revenue from acquired companies, partially offset by declines in mortgage revenue. Employer Services also grew in 2022 compared to 2021, due to revenue from acquired companies and growth in I-9 and onboarding services.

**Verification Services.** Revenue decreased 1% in 2023 compared to 2022. The decrease in revenue was due to declines in the mortgage vertical, partially offset by an increase in the government and talent solutions verticals.

Revenue increased 16% in 2022 compared to 2021. The increase in revenue was due to growth in government, talent solutions and consumer finance verticals, along with growth from the full year impact of Insights, which was acquired in the fourth quarter of 2021, offset by a decline in the mortgage vertical due to significantly slower U.S. mortgage activity in 2022. Verification Services benefited across all verticals from the continued growth of employment and income records in The Work Number database.

**Employer Services.** Revenue increased 3% in 2023, compared to 2022 due to revenue from recently acquired companies and I-9 and onboarding services, partially offset by lower tax credit revenue and a decrease in unemployment claims revenue.

Revenue increased 7% in 2022 compared to 2021 due to growth in employee services, partially offset by a decrease in unemployment claims management revenue as the number of unemployment claims returned to pre-COVID-19 levels in 2022 after having been significantly higher in 2021 due to the economic impact of COVID-19 on the U.S. economy. Employer Services also benefited from acquisition revenue in 2022.

**Workforce Solutions Operating Margin.** Operating margin decreased to 41.9% in 2023 compared to 43.3% in 2022 due to an increase in operating expenses. The increased operating expenses were a result of increased royalty costs, costs of purchased data or information, and amortization of capitalized internal-use software and system costs from technology transformation capital spending, partially offset by a decrease in people costs and discretionary expenses. Operating margin decreased to 43.3% in 2022 compared to 49.2% in 2021 due to increased royalty costs, people costs, purchased intangible asset amortization and costs of purchased data or information, which altogether grew faster than the increase in revenue.

## U.S. Information Solutions

|                              | Twelve Months Ended December 31, |                   |                   | Change         |           |                   |           |
|------------------------------|----------------------------------|-------------------|-------------------|----------------|-----------|-------------------|-----------|
|                              |                                  |                   |                   | 2023 vs. 2022  |           | 2022 vs. 2021     |           |
| U.S. Information Solutions   | 2023                             | 2022              | 2021              | \$             | %         | \$                | %         |
|                              | (In millions)                    |                   |                   |                |           |                   |           |
| Operating revenue:           |                                  |                   |                   |                |           |                   |           |
| Online Information Solutions | \$ 1,375.2                       | \$ 1,295.4        | \$ 1,349.8        | \$ 79.8        | 6 %       | \$ (54.4)         | (4) %     |
| Mortgage Solutions           | 113.7                            | 138.3             | 190.4             | (24.6)         | (18) %    | (52.1)            | (27) %    |
| Financial Marketing Services | 231.5                            | 224.0             | 246.5             | 7.5            | 3 %       | (22.5)            | (9) %     |
| Total operating revenue      | <u>\$ 1,720.4</u>                | <u>\$ 1,657.7</u> | <u>\$ 1,786.7</u> | <u>\$ 62.7</u> | 4 %       | <u>\$ (129.0)</u> | (7) %     |
| % of consolidated revenue    | 33 %                             | 33 %              | 36 %              |                |           |                   |           |
| Total operating income       | \$ 365.0                         | \$ 402.1          | \$ 551.8          | \$ (37.1)      | (9) %     | \$ (149.7)        | (27) %    |
| Operating margin             | 21.2 %                           | 24.3 %            | 30.9 %            |                | (3.1) pts |                   | (6.6) pts |

U.S. Information Solutions revenue increased 4% in 2023 compared to 2022 due to growth in online revenue from non-mortgage online services and revenue from acquisitions, as well as growth in consumer services revenue. Mortgage Solutions revenue also declined in 2023 compared to 2022. The decline in Mortgage Solutions and mortgage related online revenue was due to declines in mortgage credit inquiry volumes.

U.S. Information Solutions revenue decreased 7% in 2022 compared to 2021 due to the negative impact of declining mortgage inquiry volumes on both online services and Mortgage Solutions, as well as a decline in marketing solutions, partially offset by growth in non-mortgage online services and acquisition-related revenue. The decline in mortgage related online revenue and Mortgage Solutions revenue in 2022 was due to declining mortgage credit inquiry volumes.

**Online Information Solutions.** Revenue for 2023 increased 6% compared to 2022, driven by continued growth in online non-mortgage services, revenue from acquisitions, consumer services and commercial risk.

Revenue for 2022 decreased 4% compared to 2021, due to declining mortgage inquiry volumes compared to the prior year, partially offset by growth of non-mortgage online services and revenue from acquisitions.

**Mortgage Solutions.** Revenue decreased 18% in 2023 compared to 2022, due to significantly lower mortgage credit inquiry volumes in 2023 compared to the prior year.

Revenue decreased 27% in 2022 compared to 2021, due to declining mortgage inquiry volumes, as compared to the prior year.

**Financial Marketing Services.** Revenue increased 3% in 2023 compared to 2022, driven by growth in both credit marketing services, as well as risk and data services.

Revenue decreased 9% in 2022 compared to 2021, driven by lower fraud, risk management and other data services revenue.

**U.S. Information Solutions Operating Margin.** USIS operating margin decreased to 21.2% in 2023 compared to 24.3% in 2022, due to an increase in operating expenses, partially offset by the increase in revenue. The increase in operating expenses is due to increased incentive and salary expenses, royalty expenses, third party cloud usage fees and software costs, and amortization expenses. USIS operating margin decreased to 24.3% in 2022 compared to 30.9% in 2021, due to the decrease in revenue and increases in depreciation expense related to increased capitalized software development spending and third party cloud usage fees and software costs, partially offset by lower costs of purchased data or information.

## International

|                           | Twelve Months Ended December 31, |            |            | Change        |         |               |       |
|---------------------------|----------------------------------|------------|------------|---------------|---------|---------------|-------|
|                           |                                  |            |            | 2023 vs. 2022 |         | 2022 vs. 2021 |       |
| International             | 2023                             | 2022       | 2021       | \$            | %       | \$            | %     |
|                           | (In millions)                    |            |            |               |         |               |       |
| Operating revenue:        |                                  |            |            |               |         |               |       |
| Asia Pacific              | \$ 345.3                         | \$ 348.4   | \$ 356.0   | \$ (3.1)      | (1) %   | \$ (7.6)      | (2) % |
| Europe                    | 333.2                            | 327.8      | 319.9      | 5.4           | 2 %     | 7.9           | 2 %   |
| Latin America             | 290.9                            | 206.8      | 175.9      | 84.1          | 41 %    | 30.9          | 18 %  |
| Canada                    | 259.6                            | 256.1      | 250.0      | 3.5           | 1 %     | 6.1           | 2 %   |
| Total operating revenue   | \$ 1,229.0                       | \$ 1,139.1 | \$ 1,101.8 | \$ 89.9       | 8 %     | \$ 37.3       | 3 %   |
| % of consolidated revenue | 23 %                             | 22 %       | 22 %       |               |         |               |       |
| Total operating income    | \$ 167.8                         | \$ 147.0   | \$ 141.9   | \$ 20.8       | 14 %    | \$ 5.1        | 4 %   |
| Operating margin          | 13.7 %                           | 12.9 %     | 12.9 %     |               | 0.8 pts |               | — pts |

International revenue increased by 8% in 2023 as compared to 2022. Local currency revenue increased 12% in 2023, driven by revenue growth in Latin America from the BVS acquisition and growth in Argentina, as well as growth in our credit reporting business across all geographies. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$51.2 million, or 4%.

International revenue increased by 3% in 2022 as compared to 2021. Local currency revenue increased 12% in 2022, driven by increases in Latin America, Europe, Canada and Asia Pacific. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$94.8 million, or 9%.

**Asia Pacific.** Local currency revenue increased 4% in 2023 as compared to 2022, driven by growth in Australia due to growth in commercial, identity and fraud, and credit reporting businesses. India revenue also grew due to growth in the credit reporting business primarily due to higher online volumes. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$15.7 million, or 5%. Reported revenue decreased 1% in 2023 as compared to 2022.

Local currency revenue increased 6% in 2022 as compared to 2021, driven by stronger volumes within Australia due to growth in credit reporting, commercial and identity and fraud, partially offset by consumer direct. India revenue also grew due to higher credit reporting volumes. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$29.2 million, or 8%. Reported revenue decreased 2% in 2022 as compared to 2021.

**Europe.** Local currency revenue was flat in 2023 as compared to 2022, driven by growth in credit reporting businesses in Europe, offset by lower debt placements within our debt services business. Local currency fluctuations against the U.S. dollar positively impacted revenue by \$4.2 million, or 2%, for 2023. Reported revenue increased 2% in 2023 as compared to 2022.

Local currency revenue increased 14% in 2022 as compared to 2021, driven principally by growth in the debt services business. The European credit reporting business grew slightly as growth in core credit decisioning and identity and fraud were partially offset by a decline in the consumer direct business. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$37.4 million, or 12%, for 2022. Reported revenue increased 2% in 2022 as compared to 2021.

**Latin America.** Local currency revenue increased 56% in 2023 as compared to 2022 reflecting revenue from the BVS acquisition and local currency growth in Argentina and across Central America, primarily related to growth in revenue from an acquired company in the Dominican Republic. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$31.8 million, or 15%, in 2023, primarily from Argentina. Reported revenue increased 41% in 2023 as compared to 2022.

Local currency revenue increased 29% in 2022 as compared to 2021 reflecting local currency growth across most countries driven by price increases mainly in Argentina and Chile, stronger online consumer growth, as well as growth due to acquisition revenue. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$20.3 million, or 11%, in 2022, primarily from Argentina and Chile. Reported revenue increased 18% in 2022 as compared to 2021.

**Canada.** Local currency revenue increased 4% in 2023 as compared to 2022. Revenue in 2023 reflected increases in the consumer credit reporting business, as well as commercial and identity and fraud revenue. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$7.8 million, or 3%, in 2023. Reported revenue increased 1% in 2023 as compared to 2022.

Local currency revenue increased 6% in 2022 as compared to 2021 primarily driven by strong identity and fraud revenue and higher commercial online volumes, partially offset by declines in the consumer credit reporting business due to direct services volumes and mortgage related products due to interest rate increases. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$8.0 million, or 4%, in 2022. Reported revenue increased 2% in 2022 as compared to 2021.

**International Operating Margin.** Operating margin was 13.7% in 2023 compared to 12.9% in 2022. The increase in margin is mainly due to increased revenue, partially offset by increased salary and incentive costs, increased costs of purchased data or information, higher cloud production costs, increased depreciation expense related to technology transformation project spending and higher amortization of purchased intangible assets related to recent acquisitions. Operating margin was 12.9% in both 2022 and 2021. The 2022 margin was driven by higher revenue, lower purchased intangible asset amortization costs, and lower incentives, partially offset by higher third party cloud usage fees and software costs, fees paid to third parties, and depreciation expense related to technology transformation project spending.

#### **General Corporate Expense**

| General Corporate Expense | Twelve Months Ended<br>December 31, |          |          | Change        |      |               |       |
|---------------------------|-------------------------------------|----------|----------|---------------|------|---------------|-------|
|                           | 2023                                | 2022     | 2021     | 2023 vs. 2022 |      | 2022 vs. 2021 |       |
|                           |                                     |          |          | \$            | %    | \$            | %     |
|                           | (In millions)                       |          |          |               |      |               |       |
| General corporate expense | \$ 568.5                            | \$ 499.1 | \$ 556.4 | \$ 69.4       | 14 % | \$ (57.3)     | (10)% |

Our general corporate expenses are unallocated costs that are incurred at the corporate level and include those expenses impacted by the overall management and strategic choices of the company, including shared services overhead, technology, security, data and analytics, administrative, legal, restructuring, and the portion of management incentive compensation determined by total company-wide performance.

General corporate expense increased \$69.4 million in 2023. The increase in 2023 as compared to 2022 is due to payment of a penalty associated with resolution of the investigation of a material 2017 cybersecurity incident by the U.K. FCA, as well as increased people costs, primarily incentive plans and restructuring charges.

General corporate expense decreased \$57.3 million in 2022 as compared to 2021. The decrease in 2022 as compared to 2021 is due to reduced people costs, primarily incentive plans and professional fees.

## LIQUIDITY AND FINANCIAL CONDITION

Management assesses liquidity in terms of our ability to generate cash to fund operating, investing and financing activities. We continue to generate substantial cash from operating activities, remain in a strong financial position and manage our capital structure to meet short- and long-term objectives including reinvestment in existing businesses and completing strategic acquisitions.

Funds generated by operating activities, our \$1.5 billion five-year unsecured revolving credit facility (the "Revolver") and related commercial paper ("CP") program, more fully described below, are our most significant sources of liquidity. At December 31, 2023, we had \$216.8 million in cash and cash equivalents, as well as \$1,303.6 million available to borrow under our Revolver.

### Sources and Uses of Cash

We believe that our existing cash balance, liquidity available from our CP and Revolver, cash generated from ongoing operations and continued access to public or private debt markets will be sufficient to satisfy cash requirements over the next 12 months and beyond. While there was no significant change in our cash requirements as of December 31, 2023 compared to December 31, 2022, we have utilized existing CP and Revolver capacity, together with cash from operating activities, to meet our current obligations. During the first quarter of 2023, we borrowed \$175.0 million on our Revolver to pay down CP. We subsequently repaid the Revolver in full during the second quarter of 2023.

**Fund Transfer Limitations.** The ability of certain of our subsidiaries and associated companies to transfer funds to the U.S. may be limited, in some cases, by certain restrictions imposed by foreign governments. These restrictions do not, individually or in the aggregate, materially limit our ability to service our indebtedness, meet our current obligations or pay dividends. As of December 31, 2023, we held \$180.0 million of cash in our foreign subsidiaries.

Information about our cash flows, by category, is presented in the Consolidated Statements of Cash Flows. The following table summarizes our cash flows for the twelve months ended December 31, 2023, 2022 and 2021:

| Net cash provided by (used in): | Twelve Months Ended December 31, |            |              | Change        |               |
|---------------------------------|----------------------------------|------------|--------------|---------------|---------------|
|                                 | 2023                             | 2022       | 2021         | 2023 vs. 2022 | 2022 vs. 2021 |
|                                 | <i>(In millions)</i>             |            |              |               |               |
| Operating activities            | \$ 1,116.8                       | \$ 757.1   | \$ 1,334.8   | \$ 359.7      | \$ (577.7)    |
| Investing activities            | \$ (878.2)                       | \$ (959.5) | \$ (3,398.2) | \$ 81.3       | \$ 2,438.7    |
| Financing activities            | \$ (306.2)                       | \$ 273.7   | \$ 617.7     | \$ (579.9)    | \$ (344.0)    |

### Operating Activities

Cash provided by operating activities for 2023 increased by \$359.7 million compared to 2022 primarily due to the \$345.0 million consumer class action settlement payment that was made in January 2022 related to the U.S. Consumer MDL Litigation settlement that became effective on January 11, 2022 that did not recur in 2023.

Cash provided by operating activities for 2022 decreased by \$577.7 million compared to 2021 due to decreased net income and the \$345.0 million consumer class action settlement payment that was made in January 2022 related to the U.S. Consumer MDL Litigation settlement that became effective on January 11, 2022.

### Investing Activities

### Capital Expenditures

| Net cash used in:     | Twelve Months Ended December 31, |            |            | Change        |               |
|-----------------------|----------------------------------|------------|------------|---------------|---------------|
|                       | 2023                             | 2022       | 2021       | 2023 vs. 2022 | 2022 vs. 2021 |
|                       | <i>(In millions)</i>             |            |            |               |               |
| Capital expenditures* | \$ (601.3)                       | \$ (624.5) | \$ (469.0) | \$ 23.2       | \$ (155.5)    |

\*Amounts above are total cash outflows for capital expenditures.



Our capital expenditures are used for developing, enhancing and deploying new and existing software in support of our expanding product set, replacing or adding equipment, updating systems for regulatory compliance, the licensing of certain software applications, investing in system reliability, security and disaster recovery enhancements, and updating or expanding our office facilities.

Capital expenditures decreased in 2023 from 2022 due to lower capitalized software costs and lower spending on technology infrastructure as compared to 2022 as we get closer to completion of our technology transformation. Capital expenditures increased in 2022 from 2021 as we continued to invest in enhanced technology systems and infrastructure as part of our technology transformation in 2022.

### Acquisitions, Divestitures and Investments

| Net cash (used in) provided by:    | Twelve Months Ended December 31, |            |              | Change        |               |
|------------------------------------|----------------------------------|------------|--------------|---------------|---------------|
|                                    | 2023                             | 2022       | 2021         | 2023 vs. 2022 | 2022 vs. 2021 |
| <i>(In millions)</i>               |                                  |            |              |               |               |
| Acquisitions, net of cash acquired | \$ (283.8)                       | \$ (433.8) | \$ (2,935.6) | \$ 150.0      | \$ 2,501.8    |
| Cash received from sale of asset   | \$ —                             | \$ —       | \$ 4.9       | \$ —          | \$ (4.9)      |
| Cash received from divestitures    | \$ 6.9                           | \$ 98.8    | \$ 1.5       | \$ (91.9)     | \$ 97.3       |

**2023 Acquisitions and Investments.** During 2023, we acquired The Food Industry Credit Bureau and BVS within the International operating segment. During 2023, we sold an equity investment.

**2022 Acquisitions and Investments.** During 2022, we acquired Efficient Hire and LawLogix within the Workforce Solutions operating segment. We acquired Midigator within the USIS operating segment. We acquired Data Crédito within the International operating segment. During 2022, we sold multiple equity investments.

**2021 Acquisitions and Investments.** During 2021, we acquired Appriss Insights, HIREtech, i2Verify and Health e(fx) within the Workforce Solutions operating segment. We acquired Kount and Teletrack within the USIS operating segment. We acquired AccountScore, as well as the remaining noncontrolling interest of businesses within our International segment.

For additional information about our acquisitions, see Note 3 of the Notes to Consolidated Financial Statements in Item 8 of this report.

### Financing Activities

#### Borrowings and Credit Facility Availability

| Net cash (used in) provided by:          | Twelve Months Ended December 31, |            |              | Change        |               |
|------------------------------------------|----------------------------------|------------|--------------|---------------|---------------|
|                                          | 2023                             | 2022       | 2021         | 2023 vs. 2022 | 2022 vs. 2021 |
| <i>(In millions)</i>                     |                                  |            |              |               |               |
| Net short-term (payments) borrowings     | \$ (371.2)                       | \$ 242.2   | \$ 323.4     | \$ (613.4)    | \$ (81.2)     |
| Payments on long-term debt               | \$ (579.3)                       | \$ (500.0) | \$ (1,100.2) | \$ (79.3)     | \$ 600.2      |
| Proceeds from issuance of long-term debt | \$ 872.9                         | \$ 749.3   | \$ 1,697.1   | \$ 123.6      | \$ (947.8)    |

**Borrowing and Repayment Activity.** Net short-term repayments primarily represent repayments or borrowings of outstanding amounts under our CP program. We primarily borrow under our CP program as needed and as availability allows.

The decrease in net short-term borrowings in 2023 is due to higher repayments on short-term borrowings on our CP notes during the year as compared to 2022. The decrease in short-term borrowings in 2022 is due to lower net short-term borrowings of our CP notes during the year as compared to 2021.

Borrowings on long-term debt represent \$175.0 million of borrowings on our Revolver during the first quarter of 2023 and the issuance of \$700.0 million of 5.1% Senior Notes in the second quarter of 2023.

In May 2023, we issued \$700.0 million aggregate principal amount of 5.1% five-year Senior Notes due 2028 (the "2028 Notes") in an underwritten public offering. Interest on the 2028 Notes accrues at a rate of 5.1% per year and is payable

semi-annually in arrears on June 1 and December 1 of each year. The net proceeds of the sale of the 2028 Notes were ultimately used to repay our then-outstanding \$400.0 million 3.95% Senior Notes due June 2023 at maturity. The remaining proceeds were used for general corporate purposes, including the repayment of borrowings under our CP program. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2028 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

In September 2022, we issued \$750.0 million aggregate principal amount of 5.1% five-year Senior Notes due 2027 (the "2027 Notes") in an underwritten public offering. Interest on the 2027 Notes accrues at a rate of 5.1% per year and is payable semi-annually in arrears on June 15 and December 15 of each year. The net proceeds of the sale of the 2027 Notes were ultimately used to repay our then-outstanding \$500.0 million 3.30% Senior Notes due December 2022. The remaining proceeds were used for general corporate purposes, including the repayment of borrowings under our CP program. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2027 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

In August 2021, we issued \$1.0 billion aggregate principal amount of 2.35% ten-year Senior Notes due 2031 (the "2031 Notes") in an underwritten public offering. Interest on the 2031 Notes accrues at a rate of 2.35% per year and is payable semi-annually in arrears on March 15 and September 15 of each year. The net proceeds of the sale of the 2031 Notes were used to repay the \$300.0 million 3.6% Senior Notes due 2021 and \$300.0 million Floating Rate Notes due 2021. The remaining proceeds were used for general corporate purposes, including the repayment of borrowings under our CP program and the funding of acquisitions, including the Company's \$1.825 billion acquisition of Appriss Insights. In addition, we also entered into a new \$700.0 million delayed draw term loan facility during August 2021.

Repayments on long-term debt represent \$175.0 million of repayments on our Revolver and repayment of our \$400.0 million 3.95% Senior Notes during the second quarter of 2023. Repayments on long-term debt in 2022 reflect the October 2022 repayment of the \$500.0 million Senior Notes due December 2022 with the proceeds from the \$750.0 million 5.1% Senior Notes issued in September 2022 and commercial paper borrowings. Payments on long-term debt in 2021 reflect payments on the 2.3% Senior Notes, 3.6% Senior Notes and Floating Rate Notes that were due in 2021 using proceeds from the issuance of Senior Notes and the new term loan.

**Credit Facilities Availability.** We have access to a \$1.5 billion five-year unsecured revolving credit facility (the Revolver) and a \$700.0 million delayed draw term loan ("Term Loan"), collectively known as the "Senior Credit Facilities," both of which mature in August 2026. Borrowings under the Senior Credit Facilities may be used for working capital, for capital expenditures, to refinance existing debt, to finance acquisitions and for other general corporate purposes. The Revolver includes an option to request a maximum of three one-year extensions of the maturity date any time after the first anniversary of the closing date of the Revolver. Availability of the Revolver is reduced by the outstanding principal balance of our commercial paper notes and by any letters of credit issued under the Revolver.

Our \$1.5 billion CP program has been established to allow for borrowing through the private placement of CP with maturities ranging from overnight to 397 days. We may use the proceeds of CP for general corporate purposes. The CP program is supported by our Revolver and the total amount of CP which may be issued is reduced by the amount of any outstanding borrowings under our Revolver and by any letters of credit issued under the facility.

As of December 31, 2023, there were \$0.4 million of letters of credit outstanding, no outstanding borrowings under the Revolver, \$695.6 million outstanding under the Term Loan and \$196.0 million of outstanding CP notes. Availability under the Revolver was \$1,303.6 million at December 31, 2023.

At December 31, 2023, approximately 84% of our debt was fixed-rate debt and 16% was variable-rate debt. Our variable-rate debt consists of our outstanding Term Loan and CP. The interest rates reset periodically, depending on the terms of the respective financing agreements. At December 31, 2023, the interest rate on our variable-rate debt ranged from 5.45% to 6.71%.

**Debt Covenants.** A downgrade in our credit ratings would increase the cost of borrowings under our CP program, Revolver and Term Loan, and could limit or, in the case of a significant downgrade, preclude our ability to issue CP. Our outstanding indentures and comparable instruments also contain customary covenants including, for example, limits on mortgages, liens, sale/leaseback transactions, mergers and sales of assets.



In March 2023, we amended the Senior Credit Facilities, resulting in a modification of our required maximum leverage ratio, among other changes. As amended, the Senior Credit Facilities require a maximum leverage ratio, defined as consolidated funded debt divided by consolidated EBITDA, of (i) 4.25 to 1.0 commencing with the fourth quarter of 2022 through the fourth quarter of 2023 and (ii) 3.75 to 1.0 commencing with the first quarter of 2024 and for each fiscal quarter ending thereafter through the remaining term of the Senior Credit Facilities. We may also elect to increase the maximum leverage ratio by 0.5 to 1.0 (subject to a maximum leverage ratio of 4.75 to 1.0) in connection with certain material acquisitions if we satisfy certain requirements. The Senior Credit Facilities also permit cash in excess of \$175 million to be netted against debt in the calculation of the leverage ratio, subject to certain restrictions.

As of December 31, 2023, we were in compliance with all of our debt covenants.

We do not have any credit rating triggers that would accelerate the maturity of a material amount of the outstanding debt; however, our 2.6% senior notes due 2024, 2.6% senior notes due 2025, 3.25% senior notes due 2026, 5.1% senior notes due 2027, 5.1% senior notes due 2028, 3.1% senior notes due 2030, 2.35% senior notes due 2031 and 7.0% senior notes due 2037 (collectively, the “Senior Notes”) contain change in control provisions. If the Company experiences a change of control or publicly announces an intention to effect a change of control and the rating on the Senior Notes is lowered by Standard & Poor’s (“S&P”) and Moody’s Investors Service (“Moody’s”) below an investment grade rating within 60 days of such change of control or notice thereof, then the Company will be required to offer to repurchase the Senior Notes at a price equal to 101% of the aggregate principal amount of the Senior Notes plus accrued and unpaid interest.

**Credit Ratings.** Credit ratings reflect an independent agency’s judgment on the likelihood that a borrower will repay a debt obligation at maturity. The ratings reflect many considerations, such as the nature of the borrower’s industry and its competitive position, the size of the company, its liquidity and access to capital and the sensitivity of a company’s cash flows to changes in the economy. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency.

A downgrade in our credit rating would increase the cost of borrowings under our CP program, Revolver and Term Loan, and could limit, or in the case of a significant downgrade, preclude our ability to issue CP. If our credit ratings were to decline to lower levels, we could experience increases in the interest cost for any new debt. In addition, the market’s demand for, and thus our ability to readily issue, new debt could become further affected by the economic and credit market environment. These ratings are subject to change as events and circumstances change.

For additional information about our debt, including the terms of our financing arrangements, basis for variable interest rates and debt covenants, see Note 5 of the Notes to Consolidated Financial Statements in Item 8 of this report.

## Equity Transactions

| Net cash (used in) provided by:                                          | Twelve Months Ended December 31, |            |            | Change        |               |
|--------------------------------------------------------------------------|----------------------------------|------------|------------|---------------|---------------|
|                                                                          | 2023                             | 2022       | 2021       | 2023 vs. 2022 | 2022 vs. 2021 |
|                                                                          | <i>(In millions)</i>             |            |            |               |               |
| Treasury stock purchases                                                 | \$ —                             | \$ —       | \$ (69.9)  | \$ —          | \$ 69.9       |
| Dividends paid to Equifax shareholders                                   | \$ (191.8)                       | \$ (191.1) | \$ (190.0) | \$ (0.7)      | \$ (1.1)      |
| Distributions paid to noncontrolling interests                           | \$ (45.6)                        | \$ (3.1)   | \$ (6.5)   | \$ (42.5)     | \$ 3.4        |
| Proceeds from exercise of stock options and employee stock purchase plan | \$ 32.3                          | \$ 16.9    | \$ 46.8    | \$ 15.4       | \$ (29.9)     |

Sources and uses of cash related to equity during the twelve months ended December 31, 2023, 2022 and 2021 were as follows:

- We did not repurchase any shares on the open market in 2023 or in 2022. We repurchased 0.4 million of common shares on the open market in 2021. As of December 31, 2023, under the existing board authorization, the Company is approved for additional stock repurchases of \$520.2 million.
- During the twelve months ended December 31, 2023, 2022 and 2021, we paid cash dividends to Equifax shareholders of \$191.8 million, \$191.1 million and \$190.0 million, respectively, at \$1.56 per share for 2023, 2022 and 2021.

- During the twelve months ended December 31, 2023, we paid distributions to noncontrolling interests of \$45.6 million. During the twelve months ended December 31, 2022 and 2021, we paid dividends to noncontrolling interests of \$3.1 million and \$6.5 million, respectively.
- We received cash of \$32.3 million, \$16.9 million, and \$46.8 million during the first twelve months ended December 31, 2023, 2022 and 2021, respectively, from the exercise of stock options and purchases under the employee stock purchase plan.

We anticipate continuing the payment of quarterly cash dividends. The actual amount of such dividends is subject to declaration by our Board of Directors and will depend upon future earnings, results of operations, capital requirements, our financial condition and other relevant factors. There can be no assurance that the Company will continue to pay quarterly cash dividends at current levels or at all.

## **Contractual Obligations, Commercial Commitments and Other Contingencies**

The company's material cash requirements include the following contractual and other obligations. Our plan is to use existing cash balances and funds generated by operating activities to fund our obligations and commitments. If our cash requirements exceed our existing cash balances and funds generated by operations, we will finance future cash requirements with existing borrowing capacity, as necessary. In the event that additional financing is needed, we would finance using the public and private corporate bond markets and/or syndicated loan markets, if available. The following sections provide details of material cash requirements from known contractual and other obligations as of December 31, 2023.

### *Debt*

As of December 31, 2023, we had outstanding variable and fixed rate debt with varying maturities for an aggregate principal amount of \$5.7 billion, with \$963.4 million payable within the next twelve months, as detailed further in Note 5 of the Notes to Consolidated Financial Statements in Item 8 of this report. Future interest payments associated with the outstanding variable and fixed rate notes totals \$1,103.5 million, with \$237.9 million payable within the next twelve months.

We also issue unsecured promissory notes through our Revolver and CP program, with the Revolver set to expire in August 2026. As of December 31, 2023, we had no amount outstanding under our Revolver and \$196.0 million outstanding under our CP program.

### *Data Processing, Outsourcing Agreements and Other Purchase Obligations*

We utilize several outsourcing partners for services that we outsource associated with our computer data processing operations and related functions, cloud provider services and certain administrative functions. These agreements expire between 2024 and 2029. As of December 31, 2023 the estimated aggregate minimum contractual obligation remaining under these agreements is approximately \$1.4 billion, with \$405.5 million payable within the next twelve months.

### *Pension, Post-Retirement and Deferred Compensation Obligations*

As detailed further in Note 9 of the Notes to Consolidated Financial Statements in Item 8 of this report, we have several pension, post-retirement benefit and deferred compensation plans. Our U.S. Retirement Plan is frozen and is supported by plan assets to fund future payments. During the third quarter of 2022, we settled the liabilities under our Canadian Retirement Income Plan. We have three supplemental retirement plans for certain key employees which are unfunded. As of December 31, 2023, the total gross obligation for the pension and post-retirement plans was \$477.2 million, with \$42.0 million of benefits expected to be paid within the next twelve months.

We maintain deferred compensation plans for certain management employees and the Board of Directors to defer the receipt of compensation until a later date based on the terms of the plan. As of December 31, 2023, the total obligation for the deferred compensation plans was \$43.4 million, with \$6.3 million expected to be paid within the next twelve months. These obligations exclude those under our deferred stock compensation plans.

### *Payments to Resolve Certain Legal Proceedings and Investigations*

The Company has made and expects to make payments to resolve certain legal proceedings and investigations related to the 2017 cybersecurity incident, described more fully in "Item 3. Legal Proceedings" in this Form 10-K. Through 2023, the Company has made payments of \$802.2 million for legal settlements related to a material cybersecurity incident in 2017. On

January 11, 2022, the Consumer Settlement became effective, and on January 24, 2022, we deposited the \$345.0 million remaining to be paid to the Consumer Restitution Fund. The U.K.'s Financial Conduct Authority ("FCA") opened an enforcement investigation against our U.K. subsidiary, Equifax Limited, in October 2017 in connection with the 2017 cybersecurity incident. We received a notice with the FCA's findings on October 13, 2023, and paid a penalty of \$13.5 million to resolve the matter.

### *Leases*

As detailed further in Note 12 of the Notes to Consolidated Financial Statements in Item 8 of this report, our lease arrangements principally involve office space. As of December 31, 2023, our total fixed lease payment obligations were \$140.7 million, with \$31.9 million payable within the next twelve months.

### **Other Planned Uses of Capital**

We will continue to invest in sales, marketing, new product development, security and our technology, as well as continue to make strategic acquisitions that align with our business strategy. Additions to property and equipment will continue in order to support growth in new product development and our technology transformation, although we expect spending related to capital expenditures for the next twelve months to be down from current levels.

### **Off-Balance Sheet Arrangements**

We do not engage in off-balance sheet financing activities.

### **Letters of Credit and Guarantees**

We will from time to time issue standby letters of credit, performance or surety bonds or other guarantees in the normal course of business. The aggregate notional amount of all performance and surety bonds and standby letters of credit was not material at December 31, 2023, and generally have a remaining maturity of one year or less. Guarantees are issued from time to time to support the needs of our operating units. The maximum potential future payments we could be required to make under the guarantees is not material at December 31, 2023.

### **Benefit Plans**

We sponsor a qualified defined benefit retirement plan, the U.S. Retirement Income Plan ("USRIP"), that covers approximately 6% of current U.S. salaried employees who were hired on or before June 30, 2007, the last date on which an individual could be hired and enter the plan before the USRIP was closed to new participation at December 31, 2008. This plan also covers retirees as well as certain terminated but vested individuals not yet in retirement status. We also sponsored a retirement plan with both defined benefit and defined contribution components that covered most salaried and hourly employees in Canada, the Canadian Retirement Income Plan ("CRIP"), until it was settled in 2022.

During the twelve months ended December 31, 2023, we made no voluntary contributions to the USRIP. During the twelve months ended December 31, 2022, we made no voluntary contributions to the USRIP and made contributions of \$15.5 million to the CRIP. At December 31, 2023, the USRIP met or exceeded ERISA's minimum funding requirements. In the future, we expect to make minimum funding contributions as required and may make discretionary contributions, depending on certain circumstances, including market conditions and our liquidity needs. We believe additional funding contributions, if any, would not prevent us from continuing to meet our liquidity needs, which are primarily funded from cash flows generated by operating activities, available cash and cash equivalents, our CP program and our Revolver. During the third quarter of 2022, we settled the liabilities under the CRIP.

For our non-U.S. tax-qualified retirement plans, we fund an amount sufficient to meet minimum funding requirements but no more than allowed as a tax deduction pursuant to applicable tax regulations. For our non-qualified supplementary retirement plans, we fund the benefits as they are paid to retired participants, but accrue the associated expense and liabilities in accordance with U.S. GAAP.

For additional information about our benefit plans, see Notes 1 and 9 of the Notes to Consolidated Financial Statements in Item 8 of this report.

### **Effects of Inflation and Changes in Foreign Currency Exchange Rates**

Inflation in the countries in which we operate may result in increases in the Company's expenses, which may not be readily recoverable in the price of services offered. To the extent inflation results in rising U.S. interest rates and has other adverse effects upon the U.S. securities markets and upon the value of financial instruments, it may adversely affect the Company's financial position and profitability. Increases in U.S. interest rates may also negatively impact the U.S. mortgage market, which may adversely affect the Company's revenue, financial position and profitability.

A portion of the Company's business is conducted in currencies other than the U.S. dollar and changes in foreign exchange rates relative to the U.S. dollar can therefore affect the value of non-U.S. dollar net assets, revenues and expenses. Potential exposures as a result of these fluctuations in currencies are closely monitored. We generally do not mitigate the risks associated with fluctuating exchange rates, although we may from time to time through forward contracts or other derivative instruments, hedge a portion of our translational foreign currency exposure or exchange rate risks associated with material transactions which are denominated in a foreign currency.

## **RECENT ACCOUNTING PRONOUNCEMENTS**

For information about new accounting pronouncements and the potential impact on our Consolidated Financial Statements, see Note 1 of the Notes to Consolidated Financial Statements in Item 8 of this report.

## **APPLICATION OF CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The Company's Consolidated Financial Statements are prepared in conformity with U.S. generally accepted accounting principles, or GAAP. This requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in our Consolidated Financial Statements and the Notes to Consolidated Financial Statements. The following accounting policies involve critical accounting estimates because they are particularly dependent on estimates and assumptions made by management about matters that are uncertain at the time the accounting estimates are made. In addition, while we have used our best estimates based on facts and circumstances available to us at the time, different estimates reasonably could have been used in the current period, or changes in the accounting estimates that we used are reasonably likely to occur from period to period, either of which may have a material impact on the presentation of our Consolidated Balance Sheets, Statements of Income and Statements of Comprehensive Income. We also have other significant accounting policies which involve the use of estimates, judgments and assumptions that are relevant to understanding our results. For additional information about these policies, see Note 1 of the Notes to Consolidated Financial Statements in Item 8 of this report. Although we believe that our estimates, assumptions and judgments are reasonable, they are based upon information available at the time. Actual results may differ significantly from these estimates under different assumptions, judgments or conditions.

### **Revenue Recognition**

In accordance with Accounting Standards Codification ("ASC") 606, "Revenue from Contracts with Customers," we recognize revenue when a performance obligation has been satisfied by transferring a promised good or service to a customer and the customer obtains control of the good or service. In order to recognize revenue, we note that the two parties must have an agreement that creates enforceable rights, the performance obligations must be distinct and the transaction price can be determined. Our revenue is derived from the provision of information services to our customers on a transactional basis, in which distinct services are delivered over time as the customer simultaneously receives and consumes the benefits of the services delivered. To measure our performance over time, the output method is utilized to measure the value to the customer based on the transfer to date of the services promised, with no rights of return once consumed. In these cases, revenue on transactional contracts with a defined price but an undefined quantity is recognized utilizing the right to invoice expedient resulting in revenue being recognized when the service is provided and billed. Additionally, multi-year contracts with defined pricing but an undefined quantity that utilize tier pricing would be defined as a series of distinct performance obligations satisfied over time utilizing the same method of measurement, the output method, with no rights of return once consumed. This measurement method is applied on a monthly basis resulting in revenue being recognized when the service is provided and billed.

Additionally, we recognize revenue from subscription-based contracts under which a customer pays a preset fee for a predetermined or unlimited number of transactions or services provided during the subscription period, generally one year. Revenue from subscription-based contracts having a preset number of transactions is recognized as the services are provided, using an effective transaction rate as the actual transactions are delivered. Any remaining revenue related to unfulfilled units is not recognized until the end of the related contract's subscription period. Revenue from subscription-based contracts having an unlimited volume is recognized ratably during the contract term. Multi-year subscription contracts are analyzed to determine the

full contract transaction price over the term of the contract and the subsequent price is ratably recognized over the full term of the contract.

Revenue is recorded net of sales taxes.

If at the outset of an arrangement, we determine that collectability is not reasonably assured, revenue is deferred until the earlier of when collectability becomes probable or the receipt of payment from the customer. If there is uncertainty as to the customer's acceptance of the performance obligation, revenue is not recognized until the earlier of receipt of customer acceptance or expiration of the acceptance period.

Certain costs incurred prior to the satisfaction of a performance obligation are deferred as contract costs and are amortized on a systematic basis consistent with the pattern of transfer of the related goods and services. These costs generally consist of labor costs directly relating to the implementation and setup of the contract.

*Contract Balances* – The contract balances are generated when revenue recognized varies from billing in a given period. A contract asset is created when an entity transfers a good or service to a customer and recognizes more revenue than what has been billed. As of December 31, 2023, the contract asset balance was \$23.3 million. A contract liability is created when an entity transfers a good or service to a customer and recognizes less than what has been billed. Deferred revenue is recognized when we have an obligation to transfer goods or services to a customer and have already received consideration from the customer. We generally expect to recognize our deferred revenue as revenue within twelve months of being recorded based on the terms of the contracts.

## Goodwill

Goodwill is tested for impairment annually and between annual tests if events occur or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. These events or circumstances could include a significant change in the business climate, legal factors, operating performance or trends, competition, or sale or disposition of a significant portion of a reporting unit. During the fourth quarter of 2023, the Company voluntarily changed its goodwill and indefinite-lived intangible asset annual impairment test date from September 30 to December 1. This voluntary change is preferable under the circumstances as it results in better alignment with the Company's strategic business planning and budgeting process. The voluntary change in accounting principle related to the annual test date did not delay, accelerate or avoid an impairment charge. Retrospective application of this accounting change to prior periods is impracticable as the Company is unable to objectively determine, without the use of hindsight, the significant assumptions and estimates that would be used in those earlier periods. Accordingly, the change will be applied prospectively. We conducted our goodwill and indefinite-lived intangible asset impairment testing as of September 30, 2023 and December 1, 2023 and did not identify any impairment charges. We have six reporting units, comprised of Workforce Solutions, USIS, Asia Pacific, Latin America, Europe and Canada.

The goodwill balance at December 31, 2023, for our six reporting units was as follows:

|                     | <b>December 31, 2023</b> |
|---------------------|--------------------------|
|                     | <i>(In millions)</i>     |
| Workforce Solutions | \$ 2,520.2               |
| USIS                | 2,006.2                  |
| Asia Pacific        | 1,377.9                  |
| Latin America       | 651.4                    |
| Europe              | 178.5                    |
| Canada              | 95.7                     |
| Total goodwill      | <u>\$ 6,829.9</u>        |

## Valuation Techniques

We performed a quantitative assessment for each of our reporting units to determine whether impairment exists. In determining the fair value of the reporting units, we used the market approach, when available and appropriate, or a combination of the income and market approaches to estimate each reporting unit's business enterprise value. We assess the valuation methodology based upon the relevance and availability of the data at the time we perform the valuation. If multiple valuation methodologies are used, the results are weighted appropriately. We engaged a third party specialist to assist in developing these estimates and valuation approaches.



Under the income approach, we calculate the fair value of a reporting unit based on estimated future discounted cash flows which require assumptions about short and long-term revenue growth rates, operating margins for the reporting unit, discount rates, foreign currency exchange rates and estimates of capital expenditures. The assumptions we use are based on what we believe a hypothetical marketplace participant would use in estimating fair value. Under the market approach, we estimate the fair value based on market multiples of earnings before income taxes, depreciation and amortization, for benchmark companies or guideline transactions. We believe the benchmark companies used for each of our reporting units serve as an appropriate input for calculating a fair value for the reporting unit as those benchmark companies have similar risks, participate in similar markets, provide similar services for their customers and compete with us directly. The companies we use as benchmarks are principally outlined in our discussion of Competition in Item 1 of this Form 10-K and have not significantly changed since our last annual impairment test performed on September 30, 2023. Valuation multiples were selected based on a financial benchmarking analysis that compared the reporting unit's operating result with the comparable companies' information. In addition to these financial considerations, qualitative factors such as variations in growth opportunities and overall risk among the benchmark companies were considered in the ultimate selection of the multiple.

The estimated fair value of the reporting units are derived from the valuation techniques described above incorporating the related projections and assumptions. Impairment occurs when the estimated fair value of the reporting unit is below the carrying value. The estimated fair value for all of our reporting units exceeded its related carrying value as of September 30, 2023 and as of December 1, 2023. As a result, no goodwill impairment was recorded.

Given the lower historical cushion of concluded fair value in excess of carrying value for our Asia Pacific reporting unit, we used a combination of the income and market approaches to estimate our Asia Pacific reporting unit's business enterprise value. The values separately derived from each of the income and market approach valuation techniques were used to develop an overall estimate of the Asia Pacific reporting unit's fair value. This approach relies more heavily on the calculated fair value derived from the income approach with 70% of the value coming from the income approach. We believe this approach is consistent with that of a market participant in valuing prospective purchase business combinations. The selection and weighting of the various fair value techniques may result in a higher or lower fair value. Judgment is applied in determining the weightings that are most representative of fair value.

We have not made any material changes to the valuation methodology we use to assess goodwill impairment since the date of our last annual impairment test.

The following commentary relates to the Asia Pacific reporting unit, for which we determined the fair value of the reporting unit utilizing a combination of the income and market approaches.

#### *Growth Assumptions*

The assumptions for our future cash flows begin with our historical operating performance, the details of which are described in our Management's Discussion & Analysis of operating performance. Additionally, we consider the impact that known economic, industry and market trends, including the impact of rising interest rates and inflation, will have on our future forecasts, as well as the impact that we expect from planned business initiatives including new product initiatives, client service and retention standards, and cost management programs. At the end of the forecast period, the long-term growth rate we used to determine the terminal value of our Asia Pacific reporting unit was between 3.0% and 4.0% based on management's assessment of the minimum expected terminal growth rate of the reporting unit, as well as broader economic considerations such as GDP, inflation and the maturity of the markets we serve.

We projected revenue growth in 2024 for our Asia Pacific reporting unit in completing our 2023 impairment testing based on planned business initiatives and prevailing trends exhibited by this reporting unit. The anticipated revenue growth in this reporting unit, however, is partially offset by assumed increases in expenses and capital expenditures for the reporting unit, which reflects the additional level of investment needed in order to achieve the planned revenue growth and completion of our technology transformation initiatives.

#### *Discount Rate Assumptions*

We utilize a weighted average cost of capital, or WACC, in our impairment analysis that makes assumptions about the capital structure that we believe a market participant would make and include a risk premium based on an assessment of risks related to the projected cash flows for the reporting unit. We believe this approach yields a discount rate that is consistent with an implied rate of return that a market participant would require for an investment in a company having similar risks and business characteristics to the reporting unit being assessed. To calculate the WACC, the cost of equity and cost of debt are

multiplied by the assumed capital structure of the reporting unit as compared to industry trends and relevant benchmark company structures. The cost of equity was computed using the Capital Asset Pricing Model which considers the risk-free interest rate, beta, equity risk premium and specific company risk premium related to a particular reporting unit. The cost of debt was computed using a benchmark rate and the Company's tax rate. For the 2023 annual goodwill impairment evaluation, the discount rate used to develop the estimated fair value of the Asia Pacific reporting unit was higher than the discount rate used in 2022 and ranged between 10.0% and 11.5%.

#### *Estimated Fair Value and Sensitivities*

The estimated fair value of the Asia Pacific reporting unit is highly sensitive to changes in these projections and assumptions; therefore, in some instances changes in these assumptions could impact whether the fair value of a reporting unit is greater than its carrying value. For example, an increase in the discount rate and decline in the projected cumulative cash flow of a reporting unit could cause the fair value of certain reporting units to be below its carrying value. We perform sensitivity analyses around these assumptions in order to assess the reasonableness of the assumptions and the resulting estimated fair values. Ultimately, future potential changes in these assumptions may impact the estimated fair value of a reporting unit and cause the fair value of the reporting unit to be below its carrying value. Due to the lower cushion when compared to other reporting units, Asia Pacific is more sensitive to changes in the assumptions noted above that could result in a fair value that is less than its carrying value. The excess of fair value over carrying value for the Asia Pacific reporting unit was greater than 10% as of September 30, 2023 and December 1, 2023.

Given the relatively smaller excess of fair value over carrying value for the Asia Pacific reporting unit, we believe that it is at risk of a possible future goodwill impairment. The future impact of changes in economic conditions, including rising interest rates and inflation, remains uncertain. Avoidance of a future impairment will be dependent on continued growth during current economic conditions and our ability to execute on initiatives to grow revenue and operating margin and manage expenses prudently. We will continue to monitor the performance of this reporting unit to ensure no interim indications of possible impairment have occurred before our next annual goodwill impairment assessment in December 2024.

#### **Loss Contingencies**

We are subject to various proceedings, lawsuits and claims arising in the normal course of our business. We determine whether to disclose and/or accrue for loss contingencies based on our assessment of whether the potential loss is estimable, probable, reasonably possible or remote.

In 2017, we experienced a material cybersecurity incident following a criminal attack on our systems that involved the theft of personal information of consumers. As a result of the 2017 cybersecurity incident, we were subject to proceedings and investigations as described in "Item 3. Legal Proceedings" in this Form 10-K. The Company will continue to evaluate information as it becomes known and adjust accruals for new information and further developments in accordance with ASC 450-20-25. While it is reasonably possible that losses exceeding the amount accrued may be incurred, it is not possible at this time to estimate the additional possible loss in excess of the amount already accrued that might result from adverse judgments, settlements, penalties or other resolution of the proceedings and investigations described in "Item 3. Legal Proceedings" in this Form 10-K.

*Judgments and uncertainties* — We periodically review claims and legal proceedings and assess whether we have potential financial exposure based on consultation with internal and outside legal counsel and other advisors. If the likelihood of an adverse outcome from any claim or legal proceeding is probable and the amount can be reasonably estimated, we record a liability on our Consolidated Balance Sheets for the estimated amount. If the likelihood of an adverse outcome is reasonably possible, but not probable, we provide disclosures related to the potential loss contingency. Our assumptions related to loss contingencies are inherently subjective.

*Effect if actual results differ from assumptions* — We do not believe there is a reasonable likelihood that there will be a material change in the future estimates or assumptions we use to determine loss contingencies. However, if facts and circumstances change in the future that change our belief regarding assumptions used to determine our estimates, we may be exposed to a loss that could be material.

## Income Taxes

We record deferred income taxes using enacted tax laws and rates for the years in which the taxes are expected to be paid. We assess the likelihood that our deferred tax assets will be recovered from future taxable income or other tax planning strategies. To the extent that we believe that recovery is not likely, we must establish a valuation allowance to reduce the deferred tax assets to the amount we estimate will be recoverable.

Our income tax provisions are based on assumptions and calculations which will be subject to examination by various tax authorities. We record tax benefits for positions in which we believe are more likely than not of being sustained under such examinations. We assess the potential outcome of such examinations to determine the adequacy of our income tax accruals.

*Judgments and uncertainties* — We consider accounting for income taxes critical because management is required to make significant judgments in determining our provision for income taxes, our deferred tax assets and liabilities, and our future taxable income for purposes of assessing our ability to realize any future benefit from our deferred tax assets. These judgments and estimates are affected by our expectations of future taxable income, mix of earnings among different taxing jurisdictions, and timing of the reversal of deferred tax assets and liabilities.

We also use our judgment to determine whether it is more likely than not that we will sustain positions that we have taken on tax returns and, if so, the amount of benefit to initially recognize within our financial statements. We review our uncertain tax positions and adjust our unrecognized tax benefits in light of changes in facts and circumstances, such as changes in tax law, interactions with taxing authorities and developments in case law. These adjustments to our unrecognized tax benefits may affect our income tax expense. Settlement of uncertain tax positions may require use of our cash. At December 31, 2023, \$48.9 million was recorded for uncertain tax benefits, including interest and penalties, of which it is reasonably possible that up to \$14.4 million of our unrecognized tax benefit may change within the next twelve months.

*Effect if actual results differ from assumptions* — Although management believes that the judgments and estimates discussed herein are reasonable, actual results could differ, and we may be exposed to increases or decreases in income tax expense that could be material.

## Purchase Accounting for Acquisitions

We account for acquisitions under Accounting Standards Codification 805, Business Combinations. In general, the acquisition method of accounting requires companies to record assets acquired and liabilities assumed at their respective fair market values at the date of acquisition. We primarily estimate fair value of identified intangible assets using discounted cash flow analyses based on market participant based inputs. Any amount of the purchase price paid that is in excess of the estimated fair values of net assets acquired is recorded in the line item Goodwill in our Consolidated Balance Sheets. Transaction costs, as well as costs to reorganize acquired companies, are expensed as incurred in our Consolidated Statements of Income.

*Judgments and uncertainties* — We consider accounting for business combinations critical because management's judgment is used to determine the estimated fair values assigned to assets acquired and liabilities assumed and amortization periods for intangible assets which can materially affect our results of operations.

*Effect if actual results differ from assumptions* — Although management believes that the judgments and estimates discussed herein are reasonable, actual results could differ and we may be exposed to an impairment charge if we are unable to recover the value of the recorded net assets.



## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of our business, we are exposed to market risk, primarily from changes in foreign currency exchange rates and interest rates that could impact our results of operations and financial position. We manage our exposure to these market risks through our regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments, such as interest rate swaps, to hedge certain of these exposures. We use derivative financial instruments as risk management tools and not for speculative or trading purposes.

### Foreign Currency Exchange Rate Risk

A substantial majority of our revenue, expense and capital expenditure activities are transacted in U.S. dollars. However, we do transact business in other currencies, primarily the Australian dollar, the Canadian dollar, the British pound, the Brazilian real, the Chilean peso, the Argentine peso and the Euro. For most of these foreign currencies, we are a net recipient, and, therefore, benefit from a weaker U.S. dollar and are adversely affected by a stronger U.S. dollar relative to the foreign currencies in which we transact significant amounts of business.

We are required to translate, or express in U.S. dollars, the assets and liabilities of our foreign subsidiaries that are denominated or measured in foreign currencies at the applicable year-end rate of exchange on our Consolidated Balance Sheets and income statement items of our foreign subsidiaries at the average rates prevailing during the year. We record the resulting translation adjustment, and gains and losses resulting from the translation of intercompany balances of a long-term investment nature within other comprehensive income, as a component of our shareholders' equity. Foreign currency transaction gains and losses, which have historically been immaterial, are recorded on our Consolidated Statements of Income. We generally do not mitigate the risks associated with fluctuating exchange rates, although we may from time to time through forward contracts or other derivative instruments hedge a portion of our translational foreign currency exposure or exchange rate risks associated with material transactions which are denominated in a foreign currency.

For the year ended December 31, 2023, a 10% weaker U.S. dollar against the currencies of all foreign countries in which we had operations during 2023 would have increased our revenue by \$116.0 million and our pre-tax operating profit by \$9.9 million. For the year ended December 31, 2022, a 10% weaker U.S. dollar against the currencies of all foreign countries in which we had operations during 2022 would have increased our revenue by \$105.8 million and our pre-tax operating profit by \$8.2 million. A 10% stronger U.S. dollar would have resulted in similar decreases to our revenue and pre-tax operating profit for 2023 and 2022.

On average across our mix of international businesses, foreign currencies at December 31, 2023 were weaker against the U.S. dollar than the average foreign exchange rates that prevailed across the full year 2022. As a result, if foreign exchange rates were unchanged throughout 2023, foreign exchange translation would increase growth as reported in U.S. dollars. As foreign exchange rates change daily, there can be no assurance that foreign exchange rates will remain constant throughout 2024, and rates could go either higher or lower.

### Interest Rate Risk

Our exposure to market risk for changes in interest rates relates to our variable-rate commercial paper, Revolver and term loan borrowings. We attempt to achieve the lowest all-in weighted-average cost of debt while simultaneously taking into account the mix of our fixed- and variable-rate debt and the average life and scheduled maturities of our debt. At December 31, 2023, our weighted average cost of debt was 4.2% and weighted-average life of debt was 4.9 years. At December 31, 2023, 84% of our debt was fixed rate and the remaining 16% was variable rate. Occasionally, we use derivatives to manage our exposure to changes in interest rates by entering into interest rate swaps. A 100 basis point increase in the weighted-average interest rate on our variable-rate debt would have increased our 2023 interest expense by \$8.9 million.

Based on the amount of outstanding variable-rate debt, we have exposure to interest rate risk. In the future, if our mix of fixed-rate and variable-rate debt were to change due to additional borrowings under existing or new variable-rate debt, we could have additional exposure to interest rate risk. The nature and amount of our long-term and short-term debt, as well as the proportionate amount of fixed-rate and variable-rate debt, can be expected to vary as a result of future business requirements, market conditions and other factors.

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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## **Report of Independent Registered Public Accounting Firm**

To the Shareholders and the Board of Directors of Equifax Inc.

### **Opinion on Internal Control Over Financial Reporting**

We have audited Equifax Inc.'s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("2013 framework") (the COSO criteria). In our opinion, Equifax Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, cash flows and shareholders' equity and accumulated other comprehensive loss for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) and our report dated February 22, 2024 expressed an unqualified opinion thereon.

### **Basis for Opinion**

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### **Definition and Limitations of Internal Control Over Financial Reporting**

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

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

/s/ Ernst & Young LLP

Atlanta, Georgia  
February 22, 2024

## **Report of Independent Registered Public Accounting Firm**

To the Shareholders and the Board of Directors of Equifax Inc.

### **Opinion on the Consolidated Financial Statements**

We have audited the accompanying consolidated balance sheets of Equifax Inc. (the Company) as of December 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, cash flows, and shareholders' equity and accumulated other comprehensive loss for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 22, 2024 expressed an unqualified opinion thereon.

### **Basis for Opinion**

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

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

### **Critical Audit Matter**

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

*Description of the Matter*

***Goodwill impairment test for the Asia Pacific reporting unit***

At December 31, 2023, the Company's goodwill was \$6.8 billion and the goodwill attributed to the Asia Pacific reporting unit was \$1.4 billion. As discussed in Note 4 of the consolidated financial statements, goodwill is tested for impairment at least annually at the reporting unit level. The Company's goodwill is initially assigned to its reporting units as of the acquisition date. The Company determined that a quantitative impairment test was required for the Asia Pacific reporting unit. Therefore, the Company determined the fair value of this reporting unit as of the annual goodwill impairment testing date.

In relation to the limited excess fair value of the Asia Pacific reporting unit over the carrying value of the net assets of the reporting unit, auditing management's annual goodwill impairment test for the Asia Pacific reporting unit required judgement due to the estimation required in determining the fair value of the reporting unit. In particular, the fair value estimate was sensitive to significant assumptions such as the revenue growth rate and the projected EBITDA margins for certain businesses, long-term growth rate, and weighted average cost of capital, which are affected by expectations about future market or economic conditions and the economic performance of the Asia Pacific reporting unit.

*How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's process to quantitatively test the Company's Asia Pacific reporting unit's goodwill balance for impairment including among others, controls related to management's review of the significant assumptions described above and resulting fair value for the Asia Pacific reporting unit.

To test the estimated fair value of the Asia Pacific reporting unit used in the annual goodwill impairment test, we performed audit procedures that included, among others, assessing the methodologies used to determine the fair value of the Asia Pacific reporting unit, testing the significant assumptions discussed above and testing the underlying data used by the Company in its analysis. We compared the significant assumptions used by management to historical results and current industry and economic trends. We also evaluated any identified contrary evidence, assessed the historical accuracy of management's estimates and performed sensitivity analyses of significant assumptions to evaluate the changes in the fair value of the reporting unit that would result from changes in the assumptions. In addition, we utilized more experienced members of the audit team and involved our internal valuation specialists to assist in the evaluation and testing of the significant valuation assumptions discussed above.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2002.

Atlanta, Georgia  
February 22, 2024

# CONSOLIDATED STATEMENTS OF INCOME

|                                                                                                         | Twelve Months Ended<br>December 31, |            |            |
|---------------------------------------------------------------------------------------------------------|-------------------------------------|------------|------------|
|                                                                                                         | 2023                                | 2022       | 2021       |
| <i>(In millions, except per share amounts)</i>                                                          |                                     |            |            |
| Operating revenue                                                                                       | \$ 5,265.2                          | \$ 5,122.2 | \$ 4,923.9 |
| Operating expenses:                                                                                     |                                     |            |            |
| Cost of services (exclusive of depreciation and amortization below)                                     | 2,335.1                             | 2,177.2    | 1,980.9    |
| Selling, general and administrative expenses                                                            | 1,385.7                             | 1,328.9    | 1,324.6    |
| Depreciation and amortization                                                                           | 610.8                               | 560.1      | 480.4      |
| Total operating expenses                                                                                | 4,331.6                             | 4,066.2    | 3,785.9    |
| Operating income                                                                                        | 933.6                               | 1,056.0    | 1,138.0    |
| Interest expense                                                                                        | (241.4)                             | (183.0)    | (145.6)    |
| Other income (expense), net                                                                             | 25.7                                | 56.7       | (43.2)     |
| Consolidated income before income taxes                                                                 | 717.9                               | 929.7      | 949.2      |
| Provision for income taxes                                                                              | (166.2)                             | (229.5)    | (200.7)    |
| Consolidated net income                                                                                 | 551.7                               | 700.2      | 748.5      |
| Less: Net income attributable to noncontrolling interests including redeemable noncontrolling interests | (6.4)                               | (4.0)      | (4.3)      |
| Net income attributable to Equifax                                                                      | \$ 545.3                            | \$ 696.2   | \$ 744.2   |
| Basic earnings per common share:                                                                        |                                     |            |            |
| Net income attributable to Equifax                                                                      | \$ 4.44                             | \$ 5.69    | \$ 6.11    |
| Weighted-average shares used in computing basic earnings per share                                      | 122.9                               | 122.4      | 121.9      |
| Diluted earnings per common share:                                                                      |                                     |            |            |
| Net income attributable to Equifax                                                                      | \$ 4.40                             | \$ 5.65    | \$ 6.02    |
| Weighted-average shares used in computing diluted earnings per share                                    | 123.9                               | 123.3      | 123.6      |
| Dividends per common share                                                                              | \$ 1.56                             | \$ 1.56    | \$ 1.56    |

See Notes to Consolidated Financial Statements.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| Twelve Months Ended December 31,                                                                             |                      |                                                         |          |                      |                                                         |          |                      |                                                         |          |
|--------------------------------------------------------------------------------------------------------------|----------------------|---------------------------------------------------------|----------|----------------------|---------------------------------------------------------|----------|----------------------|---------------------------------------------------------|----------|
|                                                                                                              | 2023                 |                                                         |          | 2022                 |                                                         |          | 2021                 |                                                         |          |
|                                                                                                              | Equifax Shareholders | Noncontrolling Interests including Redeemable Interests | Total    | Equifax Shareholders | Noncontrolling Interests including Redeemable Interests | Total    | Equifax Shareholders | Noncontrolling Interests including Redeemable Interests | Total    |
| Net income                                                                                                   | \$ 545.3             | \$ 6.4                                                  | \$ 551.7 | \$ 696.2             | \$ 4.0                                                  | \$ 700.2 | \$ 744.2             | \$ 4.3                                                  | \$ 748.5 |
| Other comprehensive income (loss):                                                                           |                      |                                                         |          |                      | (In millions)                                           |          |                      |                                                         |          |
| Foreign currency translation adjustment                                                                      | 42.6                 | (0.5)                                                   | 42.1     | (176.8)              | (0.8)                                                   | (177.6)  | (124.1)              | (0.6)                                                   | (124.7)  |
| Change in unrecognized prior service cost related to our pension and other postretirement benefit plans, net | (0.2)                | —                                                       | (0.2)    | (1.5)                | —                                                       | (1.5)    | 0.1                  | —                                                       | 0.1      |
| Change in cumulative gain from cash flow hedging transactions, net                                           | 0.1                  | —                                                       | 0.1      | —                    | —                                                       | —        | —                    | —                                                       | —        |
| Other comprehensive income (loss)                                                                            | 42.5                 | (0.5)                                                   | 42.0     | (178.3)              | (0.8)                                                   | (179.1)  | (124.0)              | (0.6)                                                   | (124.6)  |
| Comprehensive income                                                                                         | \$ 587.8             | \$ 5.9                                                  | \$ 593.7 | \$ 517.9             | \$ 3.2                                                  | \$ 521.1 | \$ 620.2             | \$ 3.7                                                  | \$ 623.9 |

See Notes to Consolidated Financial Statements.

## CONSOLIDATED BALANCE SHEETS

|                                                                                                                                                                                                  | December 31, |             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|
|                                                                                                                                                                                                  | 2023         | 2022        |
| <i>(In millions, except par values)</i>                                                                                                                                                          |              |             |
| <b>ASSETS</b>                                                                                                                                                                                    |              |             |
| Current assets:                                                                                                                                                                                  |              |             |
| Cash and cash equivalents                                                                                                                                                                        | \$ 216.8     | \$ 285.2    |
| Trade accounts receivable, net of allowance for doubtful accounts of \$16.7 and \$19.1 at December 31, 2023 and 2022, respectively                                                               | 908.2        | 857.7       |
| Prepaid expenses                                                                                                                                                                                 | 142.5        | 134.3       |
| Other current assets                                                                                                                                                                             | 88.8         | 93.3        |
| Total current assets                                                                                                                                                                             | 1,356.3      | 1,370.5     |
| Property and equipment:                                                                                                                                                                          |              |             |
| Capitalized internal-use software and system costs                                                                                                                                               | 2,541.0      | 2,139.1     |
| Data processing equipment and furniture                                                                                                                                                          | 247.9        | 281.4       |
| Land, buildings and improvements                                                                                                                                                                 | 272.9        | 261.6       |
| Total property and equipment                                                                                                                                                                     | 3,061.8      | 2,682.1     |
| Less accumulated depreciation and amortization                                                                                                                                                   | (1,227.8)    | (1,095.1)   |
| Total property and equipment, net                                                                                                                                                                | 1,834.0      | 1,587.0     |
| Goodwill                                                                                                                                                                                         | 6,829.9      | 6,383.9     |
| Indefinite-lived intangible assets                                                                                                                                                               | 94.8         | 94.8        |
| Purchased intangible assets, net                                                                                                                                                                 | 1,858.8      | 1,818.5     |
| Other assets, net                                                                                                                                                                                | 306.2        | 293.2       |
| Total assets                                                                                                                                                                                     | \$ 12,280.0  | \$ 11,547.9 |
| <b>LIABILITIES AND EQUITY</b>                                                                                                                                                                    |              |             |
| Current liabilities:                                                                                                                                                                             |              |             |
| Short-term debt and current maturities of long-term debt                                                                                                                                         | \$ 963.4     | \$ 967.2    |
| Accounts payable                                                                                                                                                                                 | 197.6        | 250.8       |
| Accrued expenses                                                                                                                                                                                 | 245.1        | 229.0       |
| Accrued salaries and bonuses                                                                                                                                                                     | 168.7        | 138.7       |
| Deferred revenue                                                                                                                                                                                 | 109.5        | 132.9       |
| Other current liabilities                                                                                                                                                                        | 334.7        | 296.6       |
| Total current liabilities                                                                                                                                                                        | 2,019.0      | 2,015.2     |
| Long-term debt                                                                                                                                                                                   | 4,747.8      | 4,820.1     |
| Deferred income tax liabilities, net                                                                                                                                                             | 474.9        | 460.3       |
| Long-term pension and other postretirement benefit liabilities                                                                                                                                   | 100.1        | 100.4       |
| Other long-term liabilities                                                                                                                                                                      | 250.7        | 178.6       |
| Total liabilities                                                                                                                                                                                | 7,592.5      | 7,574.6     |
| Commitments and Contingencies (see Note 6)                                                                                                                                                       |              |             |
| Redeemable noncontrolling interests                                                                                                                                                              | 135.1        | —           |
| Equifax shareholders' equity:                                                                                                                                                                    |              |             |
| Preferred stock, \$0.01 par value: Authorized shares - 10.0; Issued shares - none                                                                                                                | —            | —           |
| Common stock, \$1.25 par value: Authorized shares - 300.0; Issued shares - 189.3 at December 31, 2023 and 2022; Outstanding shares - 123.3 and 122.5 at December 31, 2023 and 2022, respectively | 236.6        | 236.6       |
| Paid-in capital                                                                                                                                                                                  | 1,761.3      | 1,594.2     |
| Retained earnings                                                                                                                                                                                | 5,608.6      | 5,256.0     |
| Accumulated other comprehensive loss                                                                                                                                                             | (431.2)      | (473.7)     |
| Treasury stock, at cost, 65.4 shares and 66.2 shares at December 31, 2023 and 2022, respectively                                                                                                 | (2,635.3)    | (2,650.7)   |
| Stock held by employee benefits trusts, at cost, 0.6 shares at December 31, 2023 and 2022                                                                                                        | (5.9)        | (5.9)       |
| Total Equifax shareholders' equity                                                                                                                                                               | 4,534.1      | 3,956.5     |
| Noncontrolling interests                                                                                                                                                                         | 18.3         | 16.8        |
| Total shareholders' equity                                                                                                                                                                       | 4,552.4      | 3,973.3     |
| Total liabilities, redeemable noncontrolling interests, and shareholders' equity                                                                                                                 | \$ 12,280.0  | \$ 11,547.9 |

See Notes to Consolidated Financial Statements.



## CONSOLIDATED STATEMENTS OF CASH FLOWS

| <i>(In millions)</i>                                                                           | Twelve Months Ended<br>December 31, |          |           |
|------------------------------------------------------------------------------------------------|-------------------------------------|----------|-----------|
|                                                                                                | 2023                                | 2022     | 2021      |
| Operating activities:                                                                          |                                     |          |           |
| Consolidated net income                                                                        | \$ 551.7                            | \$ 700.2 | \$ 748.5  |
| Adjustments to reconcile consolidated net income to net cash provided by operating activities: |                                     |          |           |
| Depreciation and amortization                                                                  | 619.8                               | 568.6    | 489.6     |
| Stock-based compensation expense                                                               | 71.8                                | 62.6     | 54.9      |
| Deferred income taxes                                                                          | (70.2)                              | 88.1     | 9.3       |
| (Gain) Loss on fair market value adjustment and gain on sale of equity investments             | (13.8)                              | (36.8)   | 63.6      |
| (Gain) on sale of asset                                                                        | —                                   | —        | (4.6)     |
| (Gain) on divestiture                                                                          | —                                   | —        | (0.2)     |
| Changes in assets and liabilities, excluding effects of acquisitions:                          |                                     |          |           |
| Accounts receivable, net                                                                       | (23.3)                              | (138.6)  | (66.2)    |
| Other assets, current and long-term                                                            | (13.0)                              | (22.4)   | 16.4      |
| Current and long-term liabilities, excluding debt                                              | (6.2)                               | (464.6)  | 23.5      |
| Cash provided by operating activities                                                          | 1,116.8                             | 757.1    | 1,334.8   |
| Investing activities:                                                                          |                                     |          |           |
| Capital expenditures                                                                           | (601.3)                             | (624.5)  | (469.0)   |
| Acquisitions, net of cash acquired                                                             | (283.8)                             | (433.8)  | (2,935.6) |
| Cash received from sale of asset                                                               | —                                   | —        | 4.9       |
| Cash received from divestitures                                                                | 6.9                                 | 98.8     | 1.5       |
| Cash used in investing activities                                                              | (878.2)                             | (959.5)  | (3,398.2) |
| Financing activities:                                                                          |                                     |          |           |
| Net short-term (payments) borrowings                                                           | (371.2)                             | 242.2    | 323.4     |
| Payments on long-term debt                                                                     | (579.3)                             | (500.0)  | (1,100.2) |
| Proceeds from issuance of long-term debt                                                       | 872.9                               | 749.3    | 1,697.1   |
| Treasury stock purchases                                                                       | —                                   | —        | (69.9)    |
| Dividends paid to Equifax shareholders                                                         | (191.8)                             | (191.1)  | (190.0)   |
| Distributions paid to noncontrolling interests                                                 | (45.6)                              | (3.1)    | (6.5)     |
| Proceeds from exercise of stock options and employee stock purchase plan                       | 32.3                                | 16.9     | 46.8      |
| Payment of taxes related to settlement of equity awards                                        | (17.3)                              | (33.9)   | (57.3)    |
| Purchase of redeemable noncontrolling interests                                                | —                                   | (0.4)    | (11.2)    |
| Debt issuance costs                                                                            | (6.2)                               | (6.2)    | (14.5)    |
| Cash (used in) provided by financing activities                                                | (306.2)                             | 273.7    | 617.7     |
| Effect of foreign currency exchange rates on cash and cash equivalents                         | (0.8)                               | (10.8)   | (14.2)    |
| (Decrease) increase in cash and cash equivalents                                               | (68.4)                              | 60.5     | (1,459.9) |
| Cash and cash equivalents, beginning of period                                                 | 285.2                               | 224.7    | 1,684.6   |
| Cash and cash equivalents, end of period                                                       | \$ 216.8                            | \$ 285.2 | \$ 224.7  |

See Notes to Consolidated Financial Statements.

# CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND ACCUMULATED OTHER COMPREHENSIVE LOSS

|                                                                              | Equifax Shareholders |          |                 |                   |                                      |                |                                        |                          |                            |
|------------------------------------------------------------------------------|----------------------|----------|-----------------|-------------------|--------------------------------------|----------------|----------------------------------------|--------------------------|----------------------------|
|                                                                              | Common Stock         |          | Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive Loss | Treasury Stock | Stock Held By Employee Benefits Trusts | Noncontrolling Interests | Total Shareholders' Equity |
|                                                                              | Shares Outstanding   | Amount   |                 |                   |                                      |                |                                        |                          |                            |
| <i>(In millions, except per share values)</i>                                |                      |          |                 |                   |                                      |                |                                        |                          |                            |
| Balance, December 31, 2020                                                   | 121.8                | \$ 236.6 | \$1,470.7       | \$4,185.4         | \$ (171.4)                           | \$ (2,547.0)   | \$ (5.9)                               | \$ 41.9                  | \$ 3,210.3                 |
| Net income                                                                   | —                    | —        | —               | 744.2             | —                                    | —              | —                                      | 4.3                      | 748.5                      |
| Other comprehensive loss                                                     | —                    | —        | —               | —                 | (124.0)                              | —              | —                                      | (0.6)                    | (124.6)                    |
| Shares issued under stock and benefit plans, net of minimum tax withholdings | 0.7                  | —        | 11.9            | —                 | —                                    | (22.3)         | —                                      | —                        | (10.4)                     |
| Treasury stock purchased under share repurchase program (\$197.52 per share) | (0.4)                | —        | —               | —                 | —                                    | (69.9)         | —                                      | —                        | (69.9)                     |
| Cash dividends (\$1.56 per share)                                            | —                    | —        | —               | (191.2)           | —                                    | —              | —                                      | —                        | (191.2)                    |
| Dividends paid to employee benefits trusts                                   | —                    | —        | 1.2             | —                 | —                                    | —              | —                                      | —                        | 1.2                        |
| Stock-based compensation expense                                             | —                    | —        | 54.9            | —                 | —                                    | —              | —                                      | —                        | 54.9                       |
| Redeemable noncontrolling interest adjustment                                | —                    | —        | —               | 13.2              | —                                    | —              | —                                      | (13.2)                   | —                          |
| Dividends paid to noncontrolling interests                                   | —                    | —        | —               | —                 | —                                    | —              | —                                      | (6.5)                    | (6.5)                      |
| Purchases of noncontrolling and redeemable noncontrolling interests          | —                    | —        | (1.8)           | —                 | —                                    | —              | —                                      | (9.4)                    | (11.2)                     |
| Other                                                                        | —                    | —        | (0.2)           | —                 | —                                    | —              | —                                      | 0.3                      | 0.1                        |
| Balance, December 31, 2021                                                   | 122.1                | 236.6    | 1,536.7         | 4,751.6           | (295.4)                              | (2,639.2)      | (5.9)                                  | 16.8                     | 3,601.2                    |
| Net income                                                                   | —                    | —        | —               | 696.2             | —                                    | —              | —                                      | 4.0                      | 700.2                      |
| Other comprehensive loss                                                     | —                    | —        | —               | —                 | (178.3)                              | —              | —                                      | (0.8)                    | (179.1)                    |
| Shares issued under stock and benefit plans, net of minimum tax withholdings | 0.4                  | —        | (5.5)           | —                 | —                                    | (11.5)         | —                                      | —                        | (17.0)                     |
| Cash dividends (\$1.56 per share)                                            | —                    | —        | —               | (191.8)           | —                                    | —              | —                                      | —                        | (191.8)                    |
| Dividends paid to employee benefits trusts                                   | —                    | —        | 0.7             | —                 | —                                    | —              | —                                      | —                        | 0.7                        |
| Stock-based compensation expense                                             | —                    | —        | 62.6            | —                 | —                                    | —              | —                                      | —                        | 62.6                       |
| Dividends paid to noncontrolling interests                                   | —                    | —        | —               | —                 | —                                    | —              | —                                      | (3.1)                    | (3.1)                      |
| Purchases of noncontrolling and redeemable noncontrolling interests          | —                    | —        | (0.3)           | —                 | —                                    | —              | —                                      | (0.1)                    | (0.4)                      |
| Balance, December 31, 2022                                                   | 122.5                | 236.6    | 1,594.2         | 5,256.0           | (473.7)                              | (2,650.7)      | (5.9)                                  | 16.8                     | 3,973.3                    |
| Net income                                                                   | —                    | —        | —               | 545.3             | —                                    | —              | —                                      | 4.9                      | 550.2                      |
| Other comprehensive income (loss)                                            | —                    | —        | —               | —                 | 42.5                                 | —              | —                                      | (0.5)                    | 42.0                       |
| Shares issued under stock and benefit plans, net of minimum tax withholdings | 0.3                  | —        | 19.1            | —                 | —                                    | (3.9)          | —                                      | —                        | 15.2                       |
| Cash dividends (\$1.56 per share)                                            | —                    | —        | —               | (192.7)           | —                                    | —              | —                                      | —                        | (192.7)                    |
| Dividends paid to employee benefits trusts                                   | —                    | —        | 0.9             | —                 | —                                    | —              | —                                      | —                        | 0.9                        |
| Stock-based compensation expense                                             | —                    | —        | 71.8            | —                 | —                                    | —              | —                                      | —                        | 71.8                       |
| Shares issued in acquisition of Boa Vista Serviços                           | 0.5                  | —        | 75.3            | —                 | —                                    | 19.3           | —                                      | —                        | 94.6                       |
| Dividends paid to noncontrolling interests                                   | —                    | —        | —               | —                 | —                                    | —              | —                                      | (2.8)                    | (2.8)                      |
| Other                                                                        | —                    | —        | —               | —                 | —                                    | —              | —                                      | (0.1)                    | (0.1)                      |
| Balance, December 31, 2023                                                   | 123.3                | \$ 236.6 | \$1,761.3       | \$5,608.6         | \$ (431.2)                           | \$ (2,635.3)   | \$ (5.9)                               | \$ 18.3                  | \$ 4,552.4                 |

\* At December 31, 2023, \$520.2 million was authorized for future repurchases of our common stock.

See Notes to Consolidated Financial Statements.

# **CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND ACCUMULATED OTHER COMPREHENSIVE LOSS**

**Accumulated Other Comprehensive Loss consists of the following components:**

|                                                                                                                                                                                      | <b>December 31,</b>  |                   |                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------|-------------------|
|                                                                                                                                                                                      | <b>2023</b>          | <b>2022</b>       | <b>2021</b>       |
|                                                                                                                                                                                      | <i>(In millions)</i> |                   |                   |
| Foreign currency translation                                                                                                                                                         | \$ (426.7)           | \$ (469.3)        | \$ (292.5)        |
| Unrecognized prior service cost related to our pension and other postretirement benefit plans, net of accumulated tax of \$1.2, \$1.2 and \$0.4 in 2023, 2022 and 2021, respectively | (3.6)                | (3.4)             | (1.9)             |
| Cash flow hedging transactions, net of tax of \$0.5, \$0.6 and \$0.6 in 2023, 2022 and 2021, respectively                                                                            | (0.9)                | (1.0)             | (1.0)             |
| Accumulated other comprehensive loss                                                                                                                                                 | <u>\$ (431.2)</u>    | <u>\$ (473.7)</u> | <u>\$ (295.4)</u> |

See Notes to Consolidated Financial Statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As used herein, the terms Equifax, the Company, we, our and us refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

**Nature of Operations.** We collect, organize and manage various types of financial, demographic, employment, criminal justice data and marketing information. Our products and services enable businesses to make credit and service decisions, manage their portfolio risk, automate or outsource certain payroll-related, tax and human resources business processes, and develop marketing strategies concerning consumers and commercial enterprises. We serve customers across a wide range of industries, including the financial services, mortgage, retail, telecommunications, utilities, automotive, brokerage, healthcare and insurance industries, as well as government agencies. We also enable consumers to manage and protect their financial health through a portfolio of products offered directly to consumers. As of December 31, 2023, we operated in the following countries: Argentina, Australia, Brazil, Canada, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, India, Ireland, Mexico, New Zealand, Paraguay, Peru, Portugal, Spain, the U.K., Uruguay, and the U.S. We also have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia, Singapore and Brazil. On August 7, 2023, we purchased the remaining interest in our equity investment in a consumer and commercial credit information company in Brazil.

We develop, maintain and enhance secured proprietary information databases through the compilation of consumer specific data, including credit, income, employment, criminal justice data, asset, liquidity, net worth and spending activity, and business data, including credit and business demographics, that we obtain from a variety of sources, such as credit granting institutions, payroll processors, and income and tax information primarily from large to mid-sized companies in the U.S. We process this information utilizing our proprietary information management systems. We also provide information, technology and services to support debt collections and recovery management.

**Basis of Consolidation.** Our Consolidated Financial Statements and the accompanying notes, which are prepared in accordance with U.S. generally accepted accounting principles, or GAAP, include Equifax and all its subsidiaries. We consolidate all majority-owned and controlled subsidiaries as well as variable interest entities in which we are the primary beneficiary. Other parties' interests in consolidated entities are reported as redeemable noncontrolling interests or noncontrolling interests. We use the equity method of accounting for investments in which we are able to exercise significant influence. Non-consolidated equity investments are recorded at fair value when readily determinable or at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions when the fair value of the investment is not readily determinable. All intercompany transactions and balances are eliminated.

Our Consolidated Financial Statements reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the periods presented and are of a normal recurring nature.

**Segments.** We manage our business and report our financial results through the following three reportable segments, which are our operating segments:

- Workforce Solutions
- U.S. Information Solutions (USIS)
- International

Workforce Solutions is our largest reportable segment with 44% of total operating revenue for 2023. Our most significant foreign operations are located in Australia, the U.K. and Canada.

**Use of Estimates.** The preparation of our Consolidated Financial Statements requires us to make estimates and assumptions in accordance with GAAP. Accordingly, we make these estimates and assumptions after exercising judgment. We believe that the estimates and assumptions inherent in our Consolidated Financial Statements are reasonable, based upon information available to us at the time they are made, including the consideration of events that have occurred up until the point these Consolidated Financial Statements have been filed. These estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from these estimates.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Revenue Recognition and Deferred Revenue.** In accordance with Accounting Standards Codification ("ASC") 606, "Revenue from Contracts with Customers," we recognize revenue when a performance obligation has been satisfied by transferring a promised good or service to a customer and the customer obtains control of the good or service. In order to recognize revenue, we note that the two parties must have an agreement that creates enforceable rights, the performance obligations must be distinct and the transaction price can be determined. Our revenue is derived from the provision of information services to our customers on a transactional basis, in which distinct services are delivered over time as the customer simultaneously receives and consumes the benefits of the services delivered. To measure our performance over time, the output method is utilized to measure the value to the customer based on the transfer to date of the services promised, with no rights of return once consumed. In these cases, revenue on transactional contracts with a defined price but an undefined quantity is recognized utilizing the right to invoice expedient resulting in revenue being recognized when the service is provided and billed. Additionally, multi-year contracts with defined pricing but an undefined quantity that utilize tier pricing would be defined as a series of distinct performance obligations satisfied over time utilizing the same method of measurement, the output method, with no rights of return once consumed. This measurement method is applied on a monthly basis resulting in revenue being recognized when the service is provided and billed.

Additionally, we recognize revenue from subscription-based contracts under which a customer pays a preset fee for a predetermined or unlimited number of transactions or services provided during the subscription period, generally one year. Revenue from subscription-based contracts having a preset number of transactions is recognized as the services are provided, using an effective transaction rate as the actual transactions are delivered. Any remaining revenue related to unfulfilled units is not recognized until the end of the related contract's subscription period. Revenue from subscription-based contracts having an unlimited volume is recognized ratably during the contract term. Multi-year subscription contracts are analyzed to determine the full contract transaction price over the term of the contract and the subsequent price is ratably recognized over the full term of the contract.

Revenue is recorded net of sales taxes.

If at the outset of an arrangement, we determine that collectability is not reasonably assured, revenue is deferred until the earlier of when collectability becomes probable or the receipt of payment from the customer. If there is uncertainty as to the customer's acceptance of the performance obligation, revenue is not recognized until the earlier of receipt of customer acceptance or expiration of the acceptance period.

We sell certain offerings that contain multiple performance obligations. These obligations may include consumer or commercial information, file updates for certain solutions, services provided by our decisioning technologies personnel, training services, statistical models and other services. In order to account for each of these obligations separately, the delivered promises within our contracts must meet the criterion to be considered distinct performance obligations to our customer. If we determine that the arrangement does not contain separate distinct obligations, the performance obligations are bundled together until a distinct obligation is achieved. This may lead to the arrangement consideration being recognized as the final contract obligation is delivered to our customer or ratably over the term of the contract.

Some of our arrangements with multiple performance obligations involve the delivery of services generated by a combination of services provided by one or more of our operating segments. No individual information service impacts the value or usage of other information services included in an arrangement and each service can be sold alone or, in most cases, purchased from another vendor without affecting the quality of use or value to the customer of the other information services included in the arrangement. Some of our products require the installation of interfaces or platforms by our technology personnel that allow our customers to interact with our proprietary information databases. These installation services do not meet the requirement for being distinct, thus any related installation fees are deferred when billed and are recognized over the expected period that the customer will benefit from the related services. Revenue from the delivery of one-time files and models is recognized as the service is provided and accepted, assuming all other revenue recognition criteria are met. The direct costs of installation of a customer are capitalized and amortized over the useful life of the identifiable asset.

We record revenue on a net basis for those sales in which we have in substance acted as an agent or broker in the transaction and therefore do not have control.

In certain instances within our debt collections and recovery management services in our International operating segment and certain tax management services within our Workforce Solutions operating segment, variable consideration is constrained due to the fact that the revenue is contingent on a particular outcome. Within our debt collections and recovery management businesses, revenue is calculated as a percentage of debt collected on behalf of the customer and, as such, is primarily recognized when the debt is collected assuming all other revenue recognition criteria are met. Within our Workforce Solutions operating segment, the fees for certain of our tax credits and incentives revenue are based on a percentage of the

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

credit delivered to our clients. Revenue for these arrangements is recognized based on the achievement of milestones, upon calculation of the credit, approval from a regulatory agency or when the credit is utilized by our client, depending on the provisions of the client contract.

Certain costs incurred prior to the satisfaction of a performance obligation are deferred as contract costs and are amortized on a systematic basis consistent with the pattern of transfer of the related goods and services. These costs generally consist of labor costs directly relating to the implementation and setup of the contract.

*Judgments and Uncertainties* – Each performance obligation within a contract must be considered separately to ensure that appropriate accounting is performed for these distinct goods or services. These considerations include assessing the price at which the element is sold compared to its standalone selling price; concluding when the element will be delivered; evaluating collectability; and determining whether any contingencies exist in the related customer contract that impact the prices paid to us for the services.

*Contract Balances* – The contract balances are generated when revenue recognized varies from billing in a given period. A contract asset is created when an entity transfers a good or service to a customer and recognizes more revenue than what has been billed. As of December 31, 2023, the contract asset balance was \$23.3 million. A contract liability is created when an entity transfers a good or service to a customer and recognizes less than what has been billed. Deferred revenue is recognized when we have an obligation to transfer goods or services to a customer and have already received consideration from the customer. We generally expect to recognize our deferred revenue as revenue within twelve months of being recorded based on the terms of the contracts.

*Remaining Performance Obligation* – We have elected to disclose only the remaining performance obligations for those contracts with an expected duration of greater than 1 year and do not disclose the value of remaining performance obligations for contracts in which we recognize revenue at the amount to which we have the right to invoice. We expect to recognize as revenue the following amounts related to our remaining performance obligations as of December 31, 2023, inclusive of the foreign exchange impact:

| Performance Obligation                 | Balance       |
|----------------------------------------|---------------|
|                                        | (In millions) |
| Less than 1 year                       | \$ 29.6       |
| 1 to 3 years                           | 33.2          |
| 3 to 5 years                           | 15.0          |
| Thereafter                             | 20.1          |
| Total remaining performance obligation | \$ 97.9       |

**Cost of Services.** Cost of services consist primarily of (1) data acquisition, royalty fees and revenue share, which represents the cost of amounts owed to our partners for records utilized; (2) costs to collect information to update and maintain our proprietary databases; (3) costs to develop and maintain product application fulfillment platforms; (4) costs to provide consumer and customer support, including call centers; (5) hardware and software expense associated with transaction processing systems; (6) telecommunication, cloud computing and computer network expense; and (7) occupancy costs associated with facilities where these functions are performed by Equifax employees.

**Selling, General and Administrative Expenses.** Selling, general and administrative expenses consist primarily of personnel-related costs including sales incentives, corporate costs, fees for professional and consulting services, advertising costs, restructuring costs and other costs of administration.

**Advertising.** Advertising costs, which are expensed as incurred, totaled \$67.0 million, \$70.1 million and \$70.2 million during 2023, 2022 and 2021, respectively.

**Stock-Based Compensation.** We recognize the cost of stock-based payment transactions in the financial statements over the period services are rendered according to the fair value of the stock-based awards issued. When employees are identified as retirement eligible and are not required to render additional services to receive the award, the associated expense is recorded at the time of grant. All of our stock-based awards, which are stock options and nonvested stock, are classified as equity instruments.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Income Taxes.** We account for income taxes under the liability method. We record deferred income taxes using enacted tax laws and rates for the years in which the taxes are expected to be paid. Deferred income tax assets and liabilities are recorded based on the differences between the financial reporting and income tax bases of assets and liabilities. We assess whether it is more likely than not that we will generate sufficient taxable income to realize our deferred tax assets. We record a valuation allowance, as necessary, to reduce our deferred tax assets to the amount of future tax benefit that we estimate is more likely than not to be realized.

We record tax benefits for positions that we believe are more likely than not of being sustained under audit examinations. We assess the potential outcome of such examinations to determine the adequacy of our income tax accruals. We recognize interest and penalties accrued related to unrecognized tax benefits in the provision for income taxes on our Consolidated Statements of Income. We adjust our income tax provision during the period in which we determine that the actual results of the examinations may differ from our estimates or when statutory terms expire. Changes in tax laws and rates are reflected in our income tax provision in the period in which they are enacted.

**Earnings Per Share.** Our basic earnings per share, or EPS, is calculated as net income attributable to Equifax divided by the weighted-average number of common shares outstanding during the reporting period. Diluted EPS is calculated to reflect the potential dilution that would occur if stock options or other contracts to issue common stock were exercised and resulted in additional common shares outstanding. The net income amounts used in both our basic and diluted EPS calculations are the same. A reconciliation of the weighted-average outstanding shares used in the two calculations is as follows:

|                                               | Twelve Months Ended<br>December 31, |       |       |
|-----------------------------------------------|-------------------------------------|-------|-------|
|                                               | 2023                                | 2022  | 2021  |
|                                               | <i>(In millions)</i>                |       |       |
| Weighted-average shares outstanding (basic)   | 122.9                               | 122.4 | 121.9 |
| Effect of dilutive securities:                |                                     |       |       |
| Stock options and restricted stock units      | 1.0                                 | 0.9   | 1.7   |
| Weighted-average shares outstanding (diluted) | 123.9                               | 123.3 | 123.6 |

For the twelve months ended December 31, 2023, 0.7 million stock options were anti-dilutive and therefore excluded from this calculation. For the twelve months ended December 31, 2022, 0.6 million stock options were anti-dilutive and therefore excluded from this calculation. For the twelve months ended December 31, 2021, stock options with an anti-dilutive effect were not material.

**Cash Equivalents.** We consider all highly-liquid investments with an original maturity of three months or less to be cash equivalents.

**Trade Accounts Receivable and Allowance for Doubtful Accounts.** Accounts receivable are stated at cost and are due in less than a year. Significant payment terms for customers are identified in the contract. We do not recognize interest income on our trade accounts receivable. Additionally, we generally do not require collateral from our customers related to our trade accounts receivable.

The allowance for doubtful accounts is based on management's estimate for expected credit losses for outstanding trade accounts receivables. We determine expected credit losses based on historical write-off experience, an analysis of the aging of outstanding receivables, customer payment patterns, the establishment of specific reserves for customers in an adverse financial condition and adjusted based upon our expectations of changes in macroeconomic conditions that may impact the collectability of outstanding receivables. We reassess the adequacy of the allowance for doubtful accounts each reporting period. Increases to the allowance for doubtful accounts are recorded as bad debt expense, which are included in selling, general and administrative expenses on the accompanying Consolidated Statements of Income. Below is a rollforward of our allowance for doubtful accounts for the twelve months ended December 31, 2023 and 2022:



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

|                                                      | Twelve Months Ended<br>December 31, |               |
|------------------------------------------------------|-------------------------------------|---------------|
|                                                      | 2023                                | 2022          |
|                                                      | <i>(In millions)</i>                |               |
| Allowance for doubtful accounts, beginning of period | \$19.1                              | \$13.9        |
| Current period bad debt expense                      | 11.4                                | 8.5           |
| Write-offs, net of recoveries                        | (13.8)                              | (3.3)         |
| Allowance for doubtful accounts, end of period       | <u>\$16.7</u>                       | <u>\$19.1</u> |

**Other Current Assets.** Other current assets on our Consolidated Balance Sheets primarily include amounts receivable related to vendor rebates and from tax authorities. As of December 31, 2023 and 2022, these assets were approximately \$40.9 million and \$55.3 million, respectively. Additionally, other current assets include amounts in specifically designated accounts that hold the funds that are due to customers from our debt collection and recovery management services. As of December 31, 2023 and 2022, these assets were approximately \$34.5 million and \$27.0 million, respectively, with a corresponding balance in other current liabilities. These amounts are restricted as to their current use and will be released according to the specific customer agreements.

**Long-Lived Assets.** Property and equipment are stated at cost less accumulated depreciation and amortization. The cost of additions is capitalized. Property and equipment are depreciated on a straight-line basis over the assets' estimated useful lives, which are generally three to seven years for data processing equipment and capitalized internal-use software and systems costs. Leasehold improvements are depreciated over the shorter of their estimated useful lives or lease terms that are reasonably assured. Buildings are depreciated over the shorter of their estimated useful lives or a forty-year period. Other fixed assets are depreciated over three to seven years. Upon sale or retirement of an asset, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is recognized and included in income from operations on the Consolidated Statements of Income with the classification of any gain or loss dependent on the characteristics of the asset sold or retired.

Certain internal-use software and system development costs are capitalized. Accordingly, the specifically identified costs incurred to develop or obtain software, which is intended for internal use, are not capitalized until the preliminary project stage is completed and management, with the relevant authority, authorizes and commits to funding a software project and it is probable that the project will be completed and the software will be used to perform the function intended. Costs incurred during a software development project's preliminary stage and post-implementation stage are expensed as incurred. Application development activities that are eligible for capitalization include software design and configuration, development of interfaces, coding, testing and installation. Capitalized internal-use software and systems costs are subsequently amortized on a straight-line basis generally over a three- to seven-year period after project completion and when the related software or system is ready for its intended use.

Depreciation and amortization expense related to property and equipment was \$360.1 million, \$323.4 million and \$304.0 million during the twelve months ended December 31, 2023, 2022 and 2021, respectively.

**Impairment of Long-Lived Assets.** We monitor the status of our long-lived assets in order to determine if conditions exist or events and circumstances indicate that an asset group may be impaired in that its carrying amount may not be recoverable. Significant factors that are considered that could be indicative of impairment include: changes in business strategy, market conditions or the manner in which an asset group is used; underperformance relative to historical or expected future operating results; and negative industry or economic trends. If potential indicators of impairment exist, we estimate recoverability based on the asset group's ability to generate cash flows greater than the carrying value of the asset group. We estimate the undiscounted future cash flows arising from the use and eventual disposition of the related long-lived asset group. If the carrying value of the long-lived asset group exceeds the estimated future undiscounted cash flows, an impairment loss is recorded based on the amount by which the asset group's carrying amount exceeds its fair value. We utilize estimates of discounted future cash flows to determine the asset group's fair value. We did not record any material impairment losses of long-lived assets in any of the periods presented.

**Goodwill and Indefinite-Lived Intangible Assets.** Goodwill represents the cost in excess of the fair value of the net assets of acquired businesses. Goodwill is not amortized. We are required to test goodwill for impairment at the reporting unit level on an annual basis and on an interim basis if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. We performed our annual goodwill impairment test as of September 30. During the fourth quarter of 2023, the Company voluntarily changed its goodwill and indefinite-lived intangible asset annual impairment test date from September 30 to December 1. Refer to Note 4 for further information.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Under ASC 350, we have an option to perform a “qualitative” assessment of our reporting units to determine whether further impairment testing is necessary. For reporting units that we determine meet these criteria, we perform a qualitative assessment. In this qualitative assessment, we consider the following items for each of the reporting units: macroeconomic conditions, industry and market conditions, overall financial performance and other entity specific events. In addition, for each of these reporting units, we assess whether the most recent fair value determination results in an amount that exceeds the carrying amount of the reporting units. Based on these assessments, we determine whether the likelihood that a current fair value determination would be less than the current carrying amount of the reporting unit is not more likely than not. If it is determined it is not more likely than not, no further testing is required. If further testing is required, we continue with the quantitative impairment test.

In analyzing goodwill for potential impairment in the quantitative impairment test, we use the market approach, when available and appropriate, or a combination of the income and market approaches to estimate the reporting unit’s fair value. Under the income approach, we calculate the fair value of a reporting unit based on estimated future discounted cash flows which require assumptions about short and long-term revenue growth rates, operating margins for the reporting unit, discount rates, foreign currency exchange rates and estimates of capital expenditures. The assumptions we use are based on what we believe a hypothetical marketplace participant would use in estimating fair value. Under the market approach, we estimate the fair value based on market multiples of earnings before income taxes, depreciation and amortization, for benchmark companies or guideline transactions. If the fair value of a reporting unit exceeds its carrying value, then no further testing is required. However, if a reporting unit’s fair value were to be less than its carrying value, we would then determine the amount of the impairment charge, if any, which would be the amount that the carrying value of the reporting unit’s goodwill exceeded its fair value.

Indefinite-lived reacquired rights represent the value of rights which we had granted to various affiliate credit reporting agencies that were reacquired in the U.S. and Canada. A portion of our reacquired rights are perpetual in nature and, therefore, the useful lives are considered indefinite in accordance with the accounting guidance in place at the time of the acquisitions. Indefinite-lived intangible assets are not amortized. We are required to test indefinite-lived intangible assets for impairment annually and whenever events and circumstances indicate that there may be an impairment of the asset value. We performed our annual indefinite-lived intangible asset impairment test as of September 30. During the fourth quarter of 2023, the Company voluntarily changed its goodwill and indefinite-lived intangible asset annual impairment test date from September 30 to December 1. Refer to Note 4 for further information. We perform the impairment test for our indefinite-lived intangible assets by first assessing qualitative factors to determine whether it is necessary to perform a quantitative impairment test. If the qualitative assessment indicates that we need to perform a quantitative impairment test, we compare the asset’s fair value to its carrying value. We estimate the fair value based on projected discounted future cash flows. An impairment charge is recognized if the asset’s estimated fair value is less than its carrying value.

We completed our annual impairment testing for goodwill and indefinite-lived intangible assets during the twelve months ended December 31, 2023, 2022 and 2021 and we determined that there was no impairment in any of these years.

**Purchased Intangible Assets.** Purchased intangible assets represent the estimated acquisition date fair value of acquired intangible assets used in our business. Purchased data files represent the estimated fair value of consumer and commercial data files acquired through our acquisitions of various companies, including a fraud and identity solutions provider and independent credit reporting agencies in the U.S., Australia, Brazil, Canada, and Dominican Republic. We expense the cost of modifying and updating credit files in the period such costs are incurred. We amortize purchased data files, which primarily consist of acquired credit files, on a straight-line basis. All of our other purchased intangible assets are also amortized on a straight-line basis.

| Asset                            | Useful Life<br>(In years) |
|----------------------------------|---------------------------|
| Purchased data files             | 5 to 15                   |
| Acquired software and technology | 3 to 8                    |
| Non-compete agreements           | 3 to 15                   |
| Proprietary database             | 6 to 15                   |
| Customer relationships           | 3 to 25                   |
| Trade names                      | 2 to 17                   |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Other Assets.** Other assets on our Consolidated Balance Sheets primarily represent our investments in unconsolidated affiliates, the Company's operating lease right-of-use assets, employee benefit trust assets, assets related to life insurance policies covering certain officers of the Company and long-term deferred tax assets.

*Equity Investment.* On August 7, 2023, we purchased the remaining interest of our equity investment in Boa Vista Serviços S.A. ("BVS"), a consumer and commercial credit information bureau in Brazil. Up until the date of acquisition, we recorded this equity investment within Other Assets at fair value, using observable Level 1 inputs. The carrying value of the investment was adjusted to \$88.9 million as of the close date, August 7, 2023 based on quoted market prices, resulting in a gain of \$7.0 million for the twelve months December 31, 2023. The carrying value of the investment was \$74.5 million as of December 31, 2022, resulting in an unrealized gain of \$13.3 million for the twelve months ended December 31, 2022. The carrying value of the investment was \$56.4 million as of December 31, 2021, resulting in an unrealized loss of \$64.0 million for the twelve months ended December 31, 2021. All gains or losses on this investment were recorded in Other Income (Expense), Net within the Consolidated Statements of Income.

During the second quarter of 2023, in addition to the BVS activity mentioned above, we sold our interest in a separate equity investment. The overall sale proceeds exceeded the total carrying value of the investment, and we recorded a gain of \$6.2 million in Other Income (Expense), Net within the Consolidated Statements of Income. During the second quarter of 2022, we sold our interest in two other equity investments. The overall sale proceeds exceeded the total carrying value of the investments, and we recorded a total gain of \$27.5 million recorded in Other Income (Expense), Net within the Consolidated Statements of Income. We previously had a joint venture in Russia that offered consumer credit services; however, during the third quarter of 2022, we completed the sale of this equity method investment. All unrealized gains or losses on these investments are recorded in Other Income (Expense), Net within the Consolidated Statements of Income.

**Other Current Liabilities.** Other current liabilities on our Consolidated Balance Sheets consist of the current portion of our operating lease liabilities and various accrued liabilities such as interest expense, income taxes, accrued employee benefits, and insurance expense. Other current liabilities also include accrued revenue share of \$79.6 million and \$71.3 million as of December 31, 2023 and 2022, respectively, which represents accruals for royalty costs associated with records utilized. Other current liabilities also include the offset to other current assets related to amounts in specifically designated accounts that hold the funds that are due to customers from our debt collection and recovery management services. These funds were approximately \$34.5 million and \$27.0 million as of December 31, 2023 and 2022, respectively. These amounts are restricted as to their current use and will be released according to the specific customer agreements.

**Benefit Plans.** We sponsor various pension and defined contribution plans. We also maintain certain healthcare and life insurance benefit plans for eligible retired U.S. employees. Benefits under the pension and other postretirement benefit plans are generally based on age at retirement and years of service and for some pension plans, benefits are also based on the employee's annual earnings. The net periodic cost of our pension and other postretirement plans is determined using several actuarial assumptions, the most significant of which are the discount rate and the expected return on plan assets. The expected rate of return on plan assets is based on both our historical returns and forecasted future investment returns by asset class, as provided by our external investment advisor. Our Consolidated Balance Sheets reflect the funded status of the pension and other postretirement plans.

**Foreign Currency Translation.** The functional currency of each of our foreign operating subsidiaries is that subsidiary's local currency except for Costa Rica and Argentina. Argentina has experienced multiple periods of increasing inflation rates, devaluation of the peso and increasing borrowing rates. As such, Argentina was deemed a highly inflationary economy by accounting policymakers. Beginning in the third quarter of 2018, we accounted for Argentina as a highly inflationary economy by remeasuring the peso denominated monetary assets and liabilities which resulted in the recognition of \$3.8 million of foreign currency losses for the twelve months ended December 31, 2023 and foreign currency gains of \$0.2 million and \$0.8 million during the twelve months ended December 31, 2022 and 2021, respectively. Foreign currency gains and losses are recorded in Other Income (Expense), Net in our Consolidated Statements of Income.

Other than Argentina and Costa Rica, we translate the assets and liabilities of foreign subsidiaries at the year-end rate of exchange and revenue and expenses at the monthly average rates during the year. We record the resulting translation adjustment in other comprehensive loss, included in accumulated other comprehensive loss, a component of shareholders' equity. We also record gains and losses resulting from the translation of intercompany balances of a long-term investment nature in foreign currency translation in other comprehensive income (loss) and accumulated other comprehensive loss. For the year ended December 31, 2023, we recorded \$3.6 million of foreign currency transaction losses. For the years ended December 31, 2022 and 2021, we recorded foreign currency transaction losses of \$1.8 million and foreign currency transaction gains of \$2.6 million, respectively, in our Consolidated Statements of Income.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Financial Instruments.** Our financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable and short and long-term debt. The carrying amounts of these items, other than long-term debt, approximate their fair market values due to the short-term nature of these instruments. The fair value of our fixed-rate debt is determined using Level 2 inputs such as quoted market prices for publicly traded instruments, and for non-publicly traded instruments, through valuation techniques depending on the specific characteristics of the debt instrument, taking into account credit risk. As of December 31, 2023 and 2022, the fair value of our long-term debt, including the current portion, based on observable inputs was \$5.3 billion and \$4.8 billion, respectively, compared to its carrying value of \$5.5 billion and \$5.3 billion, respectively.

**Fair Value Measurements.** Fair value is determined based on the assumptions marketplace participants use in pricing an asset or liability. We use a three level fair value hierarchy to prioritize the inputs used in valuation techniques between observable inputs that reflect quoted prices in active markets, inputs other than quoted prices with observable market data and unobservable data (e.g., a company's own data).

The following table presents assets and liabilities measured at fair value on a recurring basis:

| Description                                         | Fair Value at<br>December 31, 2023 | Fair Value Measurements at Reporting Date Using:                        |                                                        |                                                    |
|-----------------------------------------------------|------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------|
|                                                     |                                    | Quoted Prices in<br>Active Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs (Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <i>(In millions)</i>                                |                                    |                                                                         |                                                        |                                                    |
| Assets and Liabilities:                             |                                    |                                                                         |                                                        |                                                    |
| Deferred Compensation Plan Assets <sup>(1)</sup>    | \$ 43.4                            | \$ 43.4                                                                 | \$ —                                                   | \$ —                                               |
| Deferred Compensation Plan Liability <sup>(1)</sup> | (43.4)                             | —                                                                       | (43.4)                                                 | —                                                  |
| Total assets and liabilities                        | \$ —                               | \$ 43.4                                                                 | \$ (43.4)                                              | \$ —                                               |

- (1) We maintain deferred compensation plans that allow for certain management employees to defer the receipt of compensation (such as salary and incentive compensation) until a later date based on the terms of the plans. The liability representing benefits accrued for plan participants is valued at the quoted market prices of the participants' investment elections. The asset consists of mutual funds reflective of the participants investment selections and is valued at daily quoted market prices.

*Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis.* As disclosed in Note 3, we completed various acquisitions during the years ended December 31, 2023, 2022 and 2021. The values of net assets acquired were recorded at fair value using Level 3 inputs. The majority of the related current assets acquired and liabilities assumed were recorded at their carrying values as of the date of acquisition, as their carrying values approximated their fair values due to their short-term nature. The fair values of definite-lived intangible assets acquired in these acquisitions were estimated primarily based on the income and cost approaches. The income approach estimates fair value based on the present value of the cash flows that the assets are expected to generate in the future. We developed internal estimates for the expected cash flows and discount rates in the present value calculations. The cost approach estimates fair value based on determining the amount of money required to replace the asset with another asset with equivalent utility or future service capability.

**Variable Interest Entities.** We hold interests in certain entities, including credit data and information solutions companies, that are considered variable interest entities, or VIEs. These variable interests relate to ownership interests that require financial support for these entities. Our investments related to these VIEs totaled \$0.3 million at both December 31, 2023 and 2022, representing our maximum exposure to loss, with the exception of the guarantees referenced in Note 6. We are not the primary beneficiary and are not required to consolidate any of these VIEs.

In evaluating whether we have the power to direct the activities of a VIE that most significantly impact its economic performance, we consider the purpose for which the VIE was created, the importance of each of the activities in which it is engaged and our decision-making role, if any, in those activities that significantly determine the entity's economic performance as compared to other economic interest holders. This evaluation requires consideration of all facts and circumstances relevant to decision-making that affects the entity's future performance and the exercise of professional judgment in deciding which decision-making rights are most important.

In determining whether we have the right to receive benefits or the obligation to absorb losses that could potentially be significant to the VIE, we evaluate all of our economic interests in the entity, regardless of form (debt, equity, management and servicing fees, and other contractual arrangements). This evaluation considers all relevant factors of the entity's design,

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

including: the entity's capital structure, contractual rights to earnings (losses), subordination of our interests relative to those of other investors, contingent payments, as well as other contractual arrangements that have the potential to be economically significant. The evaluation of each of these factors in reaching a conclusion about the potential significance of our economic interests is a matter that requires the exercise of professional judgment.

**Redeemable Noncontrolling Interest.** As part of the merger consideration issued to complete the acquisition of BVS, we issued shares of one of our subsidiaries, Equifax do Brasil, thus resulting in a noncontrolling interest. We recognized the noncontrolling interest at fair value at the date of acquisition. These shares were issued with specific rights allowing the holders to sell the shares back to Equifax, at fair value during specified future time periods starting at the fifth anniversary and only when certain conditions exist. Additionally, the shareholder agreements provide Equifax the right to buy the shares back at fair value at future dates beginning after the tenth anniversary of the acquisition, however Equifax is not required to execute this right at any point.

We determined the noncontrolling interest shareholder rights meet the requirements to be considered redeemable. Therefore, we have classified the noncontrolling interest outside of permanent equity within our Consolidated Balance Sheet. Currently, the noncontrolling interest is not redeemable but it is probable that it will become redeemable in the future. The redeemable noncontrolling interest is reflected using the redemption method as of the balance sheet date. Redeemable noncontrolling interest adjustments to the redemption values are reflected in retained earnings. The adjustment of redemption value at the period end that reflects a redemption value to an amount other than fair value is included as an adjustment to net income attributable to Equifax stockholders for the purposes of the calculation of earnings per share. None of the current period adjustments reflect a redemption value in excess of fair value.

The Company's redeemable noncontrolling interests activities for the year ended December 31, 2023 are summarized as follows:

|                                                                              | <b>Twelve Months Ended<br/>December 31,</b> |
|------------------------------------------------------------------------------|---------------------------------------------|
|                                                                              | <b>2023</b>                                 |
|                                                                              | <i>(In millions)</i>                        |
| Redeemable noncontrolling interests, beginning of period                     | \$ —                                        |
| Fair value of the redeemable noncontrolling interest at the acquisition date | 176.4                                       |
| Net income attributable to redeemable noncontrolling interest                | 1.5                                         |
| Return of capital to redeemable noncontrolling interests                     | (42.8)                                      |
| Redeemable noncontrolling interests, end of period                           | <u>\$ 135.1</u>                             |

**Adoption of New Accounting Standards. Business Combinations.** In October 2021, the Financial Accounting Standards Board ("FASB") issued ASU No. 2021-08 "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers." The update provides clarifying guidance to reduce diversity in practice stating that contract assets, contract liabilities and deferred revenue acquired in business combinations should be measured in accordance with Accounting Standards Topic 606, rather than the fair value principles of Accounting Standards topic 805. ASU 2021-08 is effective for all public business entities for annual periods beginning after December 15, 2022. As of January 1, 2023, we have adopted this standard as it relates to our current year business combinations. The adoption of this guidance did not have a material impact on our financial position, results of operations or cash flows.

**Reference Rate Reform.** In March 2020, the FASB issued ASU No. 2020-04 "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." The update provides optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) contract modifications on financial reporting, caused by reference rate reform. ASU 2020-04 is effective for all entities as of March 12, 2020 through December 31, 2022. In December 2022, the FASB issued ASU No. 2022-06 "Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848." The update extends the sunset date from ASU No. 2020-04 from December 31, 2022 to December 31, 2024. After this date, entities will no longer be permitted to apply the relief in Topic 848. The adoption of the standard did not have a material impact on our Consolidated Financial Statements.

**Recent Accounting Pronouncements. Income Taxes.** In December 2023, the FASB issued ASU No. 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." The new ASU requires public business entities, on an annual basis, to provide a tabular rate reconciliation (using both percentages and reporting currency amounts) of (1) the reported income tax expense (or benefit) from continuing operations, to (2) the product of the income (or loss) from continuing

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

operations before income taxes and the applicable statutory federal (national) income tax rate of the jurisdiction (country) of domicile using specific categories and separate disclosure for any reconciling items within certain categories that are equal to or greater than a specified quantitative threshold. A public business entity is required to provide an explanation, if not otherwise evident, of the individual reconciling items disclosed, such as the nature, effect, and underlying causes of the reconciling items and the judgment used in categorizing the reconciling items. For each annual period presented, the ASU requires all reporting entities to disclose the year-to-date amount of income taxes paid (net of refunds received) disaggregated by federal (national), state, and foreign. It also requires additional disaggregated information on income taxes paid (net of refunds received) to an individual jurisdiction equal to or greater than 5% of total income taxes paid (net of refunds received). The ASU requires that all reporting entities disclose income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign, and income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign. The ASU is effective for public entities for annual periods beginning after December 15, 2024. We are still evaluating the impact on our financial statement disclosures.

*Segment Reporting.* In November 2023, the FASB issued ASU No. 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." The amendments in this update address the requirement for a public entity to disclose its significant segment expense categories and amounts for each reportable segment. A significant segment expense is any significant expense incurred by the segment, including direct expenses, shared expenses, allocated corporate overhead, or interest expense that is regularly reported to the chief operating decision maker and is included in the measure of segment profit or loss. The disclosure of significant segment expenses is in addition to the current specifically-enumerated segment expenses required to be disclosed, such as depreciation and interest expense. If a public entity does not disclose any significant segment expenses for a reportable segment, it is required to disclose narratively the nature of the expenses used by the chief operating decision maker to manage the segment's operations. The ASU is effective for public entities for fiscal years beginning after December 15, 2023, and interim periods in fiscal years beginning after December 15, 2024. We are still evaluating the impact, but do not expect the adoption of the standard to have a material impact on our Consolidated Financial Statements.

*Business Combinations.* In August 2023, the FASB issued ASU No. 2023-05 "Business Combinations—Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement." The amendments in this update address the accounting for contributions made to a joint venture, upon formation, in a joint venture's separate financial statements. The update requires that a joint venture apply a new basis of accounting upon formation. By applying a new basis of accounting, a joint venture, upon formation, will recognize and initially measure its assets and liabilities at fair value (with exceptions to fair value measurement that are consistent with the business combinations guidance). The amendments in this update are effective prospectively for all joint venture formations with a formation date on or after January 1, 2025. This update will impact us if we enter into any joint venture agreements after January 1, 2025 and we will evaluate the impact accordingly.

## 2. REVENUE

*Revenue Recognition.* Based on the information that management reviews internally for evaluating operating segment performance and nature, amount, timing, and uncertainty of revenue and cash flows affected by economic factors, we



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disaggregate revenue as follows:

| Consolidated Operating Revenue   | Twelve Months Ended<br>December 31, |            |            | Change    |       | Change   |       |
|----------------------------------|-------------------------------------|------------|------------|-----------|-------|----------|-------|
|                                  |                                     |            |            | 2023      | 2022  | 2022     | 2021  |
|                                  | 2023                                | 2022       | 2021       | \$        | %     | \$       | %     |
| <i>(In millions)</i>             |                                     |            |            |           |       |          |       |
| Verification Services            | \$ 1,846.2                          | \$ 1,871.0 | \$ 1,608.9 | \$ (24.8) | (1)%  | \$ 262.1 | 16 %  |
| Employer Services                | 469.6                               | 454.4      | 426.5      | 15.2      | 3 %   | 27.9     | 7 %   |
| Total Workforce Solutions        | 2,315.8                             | 2,325.4    | 2,035.4    | (9.6)     | — %   | 290.0    | 14 %  |
| Online Information Solutions     | 1,375.2                             | 1,295.4    | 1,349.8    | 79.8      | 6 %   | (54.4)   | (4)%  |
| Mortgage Solutions               | 113.7                               | 138.3      | 190.4      | (24.6)    | (18)% | (52.1)   | (27)% |
| Financial Marketing Services     | 231.5                               | 224.0      | 246.5      | 7.5       | 3 %   | (22.5)   | (9)%  |
| Total U.S. Information Solutions | 1,720.4                             | 1,657.7    | 1,786.7    | 62.7      | 4 %   | (129.0)  | (7)%  |
| Asia Pacific                     | 345.3                               | 348.4      | 356.0      | (3.1)     | (1)%  | (7.6)    | (2)%  |
| Europe                           | 333.2                               | 327.8      | 319.9      | 5.4       | 2 %   | 7.9      | 2 %   |
| Latin America                    | 290.9                               | 206.8      | 175.9      | 84.1      | 41 %  | 30.9     | 18 %  |
| Canada                           | 259.6                               | 256.1      | 250.0      | 3.5       | 1 %   | 6.1      | 2 %   |
| Total International              | 1,229.0                             | 1,139.1    | 1,101.8    | 89.9      | 8 %   | 37.3     | 3 %   |
| Total operating revenue          | \$ 5,265.2                          | \$ 5,122.2 | \$ 4,923.9 | \$ 143.0  | 3 %   | \$ 198.3 | 4 %   |

### 3. ACQUISITIONS AND INVESTMENTS

**2023 Acquisitions and Investments.** In the first quarter of 2023, the Company acquired 100% of The Food Industry Credit Bureau, which is a provider of credit information for the food industry in Canada, from Profile Credit, within the International operating segment. The Company accounted for this acquisition in accordance with ASC 805, Business Combinations, which requires the assets acquired and the liabilities assumed to be measured at fair value at the date of the acquisition. The purchase price allocation for this acquisition is final as of December 31, 2023.

#### *Acquisition of Boa Vista Serviços*

On August 7, 2023, we acquired the remaining interest of our investment in BVS, a consumer and commercial credit information company in Brazil, within the International operating segment for approximately \$510 million in cash, 2,171,615 shares of Equifax do Brasil, and 479,725 shares of Equifax Inc. common stock (the "Acquisition"). We previously owned a 10% investment in BVS.

The following table summarizes the fair value of consideration exchanged to complete the acquisition of BVS:

| Fair value of consideration                                                  | Amount               |
|------------------------------------------------------------------------------|----------------------|
|                                                                              | <i>(In millions)</i> |
| Cash transferred <sup>(1)</sup>                                              | \$ 509.7             |
| Equifax do Brasil common shares issued <sup>(2)</sup>                        | 176.4                |
| Equifax Brazilian Depositary Receipts ("Equifax BDRs") issued <sup>(3)</sup> | 94.6                 |
| Fair value of 10% investment                                                 | 88.9                 |
| Total value of consideration                                                 | \$ 869.6             |

(1) The cash transferred represents the actual cash transferred as part of the transaction. The cash portion of the consideration was funded primarily with borrowings under our commercial paper program.

(2) The fair value of the 2,171,615 Equifax do Brasil common shares issued was determined based on the offer price for the outstanding BVS shares.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(3) One Equifax BDR represents one share of Equifax Inc. common stock. The fair value of the 479,725 Equifax BDRs issued was determined based on the share price of Equifax Inc. as of August 7, 2023.

The Company accounted for this acquisition in accordance with ASC 805, Business Combinations, which requires the assets acquired and the liabilities assumed to be measured at fair value at the date of the acquisition. The purchase price allocation for the acquisition is not yet finalized and open areas relate to the measurement of intangible assets, noncontrolling interest, income taxes, working capital and other reserves, as well as the assignment of goodwill recognized in the transaction. Accordingly, adjustments may be made to the values of the assets acquired and liabilities assumed as additional information is obtained about the facts and circumstances that existed at the valuation date.

The preliminary valuation of acquired assets and assumed liabilities at the date of the acquisition, include the following:

| <b>Net assets acquired:</b>                        | <b>Amount</b>        |
|----------------------------------------------------|----------------------|
|                                                    | <i>(In millions)</i> |
| Cash and cash equivalents                          | \$ 239.5             |
| Trade accounts receivable and other current assets | 36.2                 |
| Other assets, net                                  | 48.6                 |
| Purchased intangible assets <sup>(1)</sup>         | 241.9                |
| Goodwill <sup>(2)</sup>                            | \$ 407.2             |
| Total assets acquired                              | \$ 973.4             |
| Total liabilities assumed                          | \$ (103.8)           |
| Net assets acquired                                | <u>\$ 869.6</u>      |

(1) Purchased intangible assets are further disaggregated in the following table.

(2) The goodwill related to BVS is included in the Latin America reporting unit within our International reportable segment.

The goodwill recognized in connection with the transaction was due to expanded growth opportunities from expanding geographically into Brazil, the opportunity to create new or enhanced product offerings, as well as cost savings from improved technology and the elimination of duplicative activities that are not recognized as assets apart from goodwill.

| <b>Purchased intangible assets</b>        | <b>Amount</b>        | <b>Weighted-average useful life</b> |
|-------------------------------------------|----------------------|-------------------------------------|
|                                           | <i>(In millions)</i> | <i>(In years)</i>                   |
| Customer relationships                    | \$ 172.4             | 10.0                                |
| Purchased data files                      | 64.3                 | 5.6                                 |
| Trade names and other intangible assets   | 5.2                  | 2.4                                 |
| Total acquired definite-lived intangibles | <u>\$ 241.9</u>      |                                     |

### Redeemable Noncontrolling Interest

As part of the merger consideration issued to complete the acquisition of BVS, we issued shares of one of our subsidiaries, Equifax do Brasil, thus resulting in a noncontrolling interest. We recognized the noncontrolling interest at fair value at the date of acquisition. These shares were issued with specific rights allowing the holders to sell the shares back to Equifax, at fair value during specified future time periods starting at the fifth anniversary and only when certain conditions exist. Additionally, the shareholder agreements provide Equifax the right to buy the shares back at fair value at future dates beginning after the tenth anniversary of the acquisition, however Equifax is not required to execute this right at any point.

We determined the noncontrolling interest shareholder rights meet the requirements to be considered redeemable. Refer to Note 1 for further information on how we have accounted for the redeemable noncontrolling interest.

**2022 Acquisitions and Investments.** In the first quarter of 2022, the Company acquired 100% of Efficient Hire, a provider of cloud recruiting, onboarding and human resources management solutions, within the Workforce Solutions operating

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

segment, and Data Crédito, a consumer credit reporting agency in the Dominican Republic, within the International operating segment. In the third quarter of 2022, the Company acquired 100% of LawLogix, a provider of cloud-based I-9 software and immigration case management software, within the Workforce Solutions operating segment, and Midigator, a provider of post-transaction fraud mitigation solutions, within the USIS business segment. We have completed the allocation of the purchase prices for the 2022 acquisitions.

**2021 Acquisitions and Investments.** In February 2021, the Company acquired 100% of Kount, a provider of fraud prevention and digital identity solutions for \$640 million within the USIS business unit. Additionally in the first quarter of 2021, the Company acquired 100% of HIREtech and i2Verify within the Workforce Solutions business unit as well as a small acquisition and purchase of the remaining noncontrolling interest of a business within our International business unit. In the third quarter of 2021, the Company acquired 100% of Health e(fx) and Teletrack within the Workforce Solutions and USIS business units, respectively, as well as the purchase of the remaining noncontrolling interest of a business within our International business unit. Additionally, the Company acquired 100% of Appriss Insights within the Workforce Solutions business unit in October 2021, for cash consideration of approximately \$1.825 billion. Appriss Insights is a source of risk and criminal justice intelligence information.

**Purchase Price Allocation.** The following table summarizes the estimated fair value of the net assets acquired and the liabilities assumed at the acquisition dates during 2023 and 2022.

|                                              | December 31,         |                 |
|----------------------------------------------|----------------------|-----------------|
|                                              | 2023                 | 2022            |
|                                              | <i>(In millions)</i> |                 |
| Cash                                         | \$ 239.6             | \$ 10.8         |
| Accounts receivable and other current assets | 36.2                 | 5.9             |
| Other assets                                 | 49.3                 | 6.0             |
| Purchased intangible assets <sup>(1)</sup>   | 242.7                | 187.4           |
| Goodwill <sup>(2)</sup>                      | 413.2                | 283.9           |
| Total assets acquired                        | 981.0                | 494.0           |
| Total liabilities assumed                    | (107.7)              | (49.4)          |
| Net assets acquired                          | <u>\$ 873.3</u>      | <u>\$ 444.6</u> |

(1) Purchased intangible assets are further disaggregated in the following table.

(2) The goodwill related to the 2023 acquisitions was recognized in the International operating segments. An immaterial amount of the goodwill related to the 2023 acquisitions was tax deductible. The balance includes purchase price allocation adjustments made during the year. The goodwill related to the 2022 acquisitions was recognized in the Workforce Solutions, USIS and International operating segments. \$196.1 million of goodwill related to the 2022 acquisitions was tax deductible, which excludes goodwill related to Data Crédito within International and a portion of goodwill related to Midigator within USIS.

The primary reasons the purchase price of these acquisitions exceeded the fair value of the net assets acquired, which resulted in the recognition of goodwill, were expanded growth opportunities from new or enhanced product offerings and geographies, cost savings from the elimination of duplicative activities and the acquisition of an assembled workforce that are



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

not recognized as assets apart from goodwill.

| Intangible asset category               | December 31,    |                              |                 |                              |
|-----------------------------------------|-----------------|------------------------------|-----------------|------------------------------|
|                                         | 2023            |                              | 2022            |                              |
|                                         | Fair value      | Weighted-average useful life | Fair value      | Weighted-average useful life |
|                                         | (in millions)   | (in years)                   | (in millions)   | (in years)                   |
| Purchased data files                    | \$ 64.3         | 5.6                          | \$ 14.9         | 15.0                         |
| Customer relationships                  | 172.9           | 10.0                         | 89.5            | 10.0                         |
| Acquired software and technology        | 0.5             | 5.0                          | 74.8            | 6.6                          |
| Trade names and other intangible assets | 4.8             | 2.0                          | 4.5             | 2.0                          |
| Non-compete agreements                  | 0.2             | 5.0                          | 3.7             | 7.9                          |
| Total acquired intangibles              | <u>\$ 242.7</u> |                              | <u>\$ 187.4</u> |                              |

### 4. GOODWILL AND INTANGIBLE ASSETS

**Goodwill.** Goodwill represents the cost in excess of the fair value of the net assets acquired in a business combination. As discussed in Note 1, goodwill is tested for impairment at the reporting unit level on an annual basis and on an interim basis if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value.

During the fourth quarter of 2023, the Company voluntarily changed its goodwill and indefinite-lived intangible asset annual impairment test date from September 30 to December 1. This voluntary change is preferable under the circumstances as it results in better alignment with the Company's strategic business planning and budgeting process. The voluntary change in accounting principle related to the annual test date did not delay, accelerate or avoid an impairment charge. Retrospective application of this accounting change to prior periods is impracticable as the Company is unable to objectively determine, without the use of hindsight, the significant assumptions and estimates that would be used in those earlier periods. Accordingly, the change will be applied prospectively. We conducted our goodwill and indefinite-lived intangible asset impairment testing as of September 30, 2023 and December 1, 2023 and did not identify any impairment charges.

The fair value estimates for our reporting units were determined using the market approach, when available and appropriate, or a combination of the income and market approaches in accordance with the Company's methodology. Our annual impairment test as of September 30, 2023 and as of December 1, 2023 resulted in no impairment of goodwill. Our annual impairment tests as of September 30, 2022 and September 30, 2021 resulted in no impairment of goodwill.

Changes in the amount of goodwill for the twelve months ended December 31, 2023 and 2022, are as follows:

|                                                  | Workforce Solutions | U.S. Information Solutions | International     | Total             |
|--------------------------------------------------|---------------------|----------------------------|-------------------|-------------------|
|                                                  | (In millions)       |                            |                   |                   |
| Balance, December 31, 2021                       | \$ 2,365.4          | \$ 1,900.1                 | \$ 1,992.6        | \$ 6,258.1        |
| Acquisitions                                     | 145.0               | 111.8                      | 27.0              | 283.8             |
| Adjustments to initial purchase price allocation | 10.7                | (7.1)                      | (3.5)             | 0.1               |
| Foreign currency translation                     | (0.3)               | —                          | (133.2)           | (133.5)           |
| Divestitures                                     | —                   | —                          | (24.6)            | (24.6)            |
| Balance, December 31, 2022                       | <u>2,520.8</u>      | <u>2,004.8</u>             | <u>1,858.3</u>    | <u>6,383.9</u>    |
| Acquisitions                                     | —                   | —                          | 410.4             | 410.4             |
| Adjustments to initial purchase price allocation | (0.7)               | 1.4                        | 2.1               | 2.8               |
| Foreign currency translation                     | 0.1                 | —                          | 32.7              | 32.8              |
| Balance, December 31, 2023                       | <u>\$ 2,520.2</u>   | <u>\$ 2,006.2</u>          | <u>\$ 2,303.5</u> | <u>\$ 6,829.9</u> |

Refer to Note 3 for the acquisitions during the periods presented.

**Indefinite-Lived Intangible Assets.** Indefinite-lived intangible assets consist of indefinite-lived reacquired rights representing the value of rights which we had granted to various affiliate credit reporting agencies that were reacquired in the

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. and Canada. At the time we acquired these agreements, they were considered perpetual in nature under the accounting guidance in place at that time and, therefore, the useful lives are considered indefinite. Indefinite-lived intangible assets are not amortized. We are required to test indefinite-lived intangible assets for impairment annually and whenever events or circumstances indicate that there may be an impairment of the asset value. During the fourth quarter of 2023, the Company voluntarily changed its goodwill and indefinite-lived intangible asset annual impairment test date from September 30 to December 1. We conducted our goodwill and indefinite-lived intangible asset impairment testing as of September 30, 2023 and December 1, 2023 and did not identify any impairment charges.

As of both December 31, 2023 and 2022, indefinite-lived intangible assets were approximately \$94.8 million.

**Purchased Intangible Assets.** Purchased intangible assets, net, recorded on our Consolidated Balance Sheets at December 31, 2023 and 2022, consisted of the following:

|                                                                 | December 31, 2023    |                          |                   | December 31, 2022 |                          |                   |
|-----------------------------------------------------------------|----------------------|--------------------------|-------------------|-------------------|--------------------------|-------------------|
|                                                                 | Gross                | Accumulated Amortization | Net               | Gross             | Accumulated Amortization | Net               |
| <b>Definite-lived intangible assets:</b>                        | <i>(In millions)</i> |                          |                   |                   |                          |                   |
| Purchased data files                                            | \$ 1,158.5           | \$ (604.2)               | \$ 554.3          | \$ 1,090.0        | \$ (527.8)               | \$ 562.2          |
| Proprietary database                                            | 705.8                | (171.5)                  | 534.3             | 705.9             | (115.0)                  | 590.9             |
| Customer relationships                                          | 1,053.5              | (484.2)                  | 569.3             | 874.6             | (407.4)                  | 467.2             |
| Acquired software and technology                                | 222.5                | (75.4)                   | 147.1             | 225.4             | (42.6)                   | 182.8             |
| Trade names, non-compete agreements and other intangible assets | 79.6                 | (25.8)                   | 53.8              | 41.2              | (25.8)                   | 15.4              |
| Total definite-lived intangible assets                          | <u>\$ 3,219.9</u>    | <u>\$ (1,361.1)</u>      | <u>\$ 1,858.8</u> | <u>\$ 2,937.1</u> | <u>\$ (1,118.6)</u>      | <u>\$ 1,818.5</u> |

Amortization expense related to purchased intangible assets was \$250.7 million, \$236.7 million, and \$176.4 million during the twelve months ended December 31, 2023, 2022, and 2021, respectively.

Estimated future amortization expense related to definite-lived purchased intangible assets at December 31, 2023 is as follows:

| Years ending December 31, | Amount               |
|---------------------------|----------------------|
|                           | <i>(In millions)</i> |
| 2024                      | \$ 265.9             |
| 2025                      | 257.9                |
| 2026                      | 241.9                |
| 2027                      | 229.2                |
| 2028                      | 173.1                |
| Thereafter                | 690.8                |
|                           | <u>\$ 1,858.8</u>    |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 5. DEBT

Debt outstanding at December 31, 2023 and 2022 was as follows:

|                                                    | December 31,         |            |
|----------------------------------------------------|----------------------|------------|
|                                                    | 2023                 | 2022       |
|                                                    | <i>(In millions)</i> |            |
| Commercial paper ("CP")                            | \$ 196.0             | \$ 566.8   |
| Notes, 3.95%, due June 2023                        | —                    | 400.0      |
| Notes, 2.60%, due December 2024                    | 750.0                | 750.0      |
| Notes, 2.60%, due December 2025                    | 400.0                | 400.0      |
| Notes, 3.25%, due June 2026                        | 275.0                | 275.0      |
| Term loan, due August 2026                         | 695.6                | 700.0      |
| Notes, 5.10%, due December 2027                    | 750.0                | 750.0      |
| Notes, 5.10%, due June 2028                        | 700.0                | —          |
| Debentures, 6.90%, due July 2028                   | 125.0                | 125.0      |
| Notes, 3.1%, due May 2030                          | 600.0                | 600.0      |
| Notes, 2.35%, due September 2031                   | 1,000.0              | 1,000.0    |
| Notes, 7.00%, due July 2037                        | 250.0                | 250.0      |
| Other                                              | —                    | 0.4        |
| Total debt                                         | 5,741.6              | 5,817.2    |
| Less short-term debt and current maturities        | (963.4)              | (967.2)    |
| Less unamortized discounts and debt issuance costs | (30.4)               | (29.9)     |
| Total long-term debt, net                          | \$ 4,747.8           | \$ 4,820.1 |

Scheduled future maturities of debt at December 31, 2023, are as follows:

| Years ending December 31, | Amount               |
|---------------------------|----------------------|
|                           | <i>(In millions)</i> |
| 2024                      | \$ 963.4             |
| 2025                      | 417.6                |
| 2026                      | 935.6                |
| 2027                      | 750.0                |
| 2028                      | 825.0                |
| Thereafter                | 1,850.0              |
| Total debt                | \$ 5,741.6           |

**5.1% Senior Notes.** In May 2023, we issued \$700.0 million aggregate principal amount of 5.1% five-year Senior Notes due 2028 (the "2028 Notes") in an underwritten public offering. Interest on the 2028 Notes accrues at a rate of 5.1% per year and is payable semi-annually in arrears on June 1 and December 1 of each year. The net proceeds of the sale of the 2028 Notes were ultimately used to repay our then-outstanding \$400.0 million 3.95% Senior Notes due June 2023 at maturity. The remaining proceeds were used for general corporate purposes, including the repayment of borrowings under our CP program. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2028 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

**5.1% Senior Notes.** In September 2022, we issued \$750.0 million aggregate principal amount of 5.1% five-year Senior Notes due 2027 (the "2027 Notes") in an underwritten public offering. Interest on the 2027 Notes accrues at a rate of 5.1% per year and is payable semi-annually in arrears on June 15 and December 15 of each year. The net proceeds of the sale of the 2027 Notes were ultimately used to repay our then-outstanding \$500.0 million 3.30% Senior Notes due December 2022. The remaining proceeds were used for general corporate purposes, including the repayment of borrowings under our CP program. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

transactions, as well as mergers and sales of substantially all of our assets. The 2027 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

**2.35% Senior Notes.** On August 11, 2021, we issued \$1.0 billion aggregate principal amount of 2.35% ten-year Senior Notes due 2031 (the "2031 Notes") in an underwritten public offering. Interest on the 2031 Notes accrues at a rate of 2.35% per year and is payable semi-annually in arrears on March 15 and September 15 of each year. The net proceeds of the sale of the 2031 Notes were used to repay the \$300.0 million 3.6% Senior Notes due 2021 and \$300.0 million Floating Rate Notes due 2021. The remaining proceeds were used for general corporate purposes, including the repayment of borrowings under our CP program and the funding of acquisitions, including the Company's \$1.825 billion acquisition of Appriss Insights. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2031 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

**2.6% and 3.1% Senior Notes.** On April 22, 2020, we issued \$400.0 million aggregate principal amount of 2.6% five-year Senior Notes due 2025 (the "2025 Notes") and \$600.0 million aggregate principal amount of 3.1% ten-year Senior Notes due 2030 (the "2030 Notes") in an underwritten public offering. Interest on the 2025 Notes accrues at a rate of 2.6% per year and is payable semi-annually in arrears on June 15 and December 15 of each year. Interest on the 2030 Notes accrues at a rate of 3.1% per year and is payable semi-annually in arrears on May 15 and November 15 of each year. The net proceeds of the sale of the notes were used to repay borrowings under our Receivables Facility and our \$1.5 billion five-year unsecured revolving credit facility (the "Revolver"), while the remaining funds were used for general corporate purposes, including the repayment of a portion of the 2021 debt maturities. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2025 Notes and 2030 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

**2.6% Senior Notes.** On November 15, 2019, we issued \$750.0 million aggregate principal amount of 2.6% five-year Senior Notes due 2024 (the "2024 Notes") in an underwritten public offering. Interest on the 2024 Notes accrues at a rate of 2.6% per year and is payable semi-annually in arrears on June 1 and December 1 of each year of each year. The net proceeds of the sale of the notes were used to repay borrowings under our Receivables Facility and our CP program and for general corporate purposes. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2024 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

**3.6%, 3.95%, and Floating Rate Senior Notes.** In May 2018, we issued \$300.0 million aggregate principal amount of 3.6% Senior Notes due 2021 (the "2021 Notes"), \$400.0 million aggregate principal amount of 3.95% Senior Notes due 2023 (the "2023 Notes"), and \$300.0 million aggregate principal amount Floating Rate Notes due 2021 (the "Floating Rate Notes") in an underwritten public offering. Interest on the 2021 Notes accrued from their date of issuance at a rate of 3.6% per year and was payable in cash semi-annually in arrears on February 15 and August 15 of each year. Interest on the 2023 Notes accrues from their date of issuance at a rate of 3.95% per year and is payable in cash semi-annually in arrears on June 15 and December 15 of each year beginning on December 15, 2018. Interest on the Floating Rate Notes for a particular interest period was a rate equal to three-month LIBOR on the interest determination date plus 0.87% per annum and was payable in cash quarterly in arrears on February 15, May 15, August 15 and November 15 of each year. The net proceeds of the sale of the 2021 Notes, 2023 Notes and Floating Rate Notes were used to repay borrowings under our Revolver, our prior \$800.0 million three-year delayed draw term loan facility ("Term Loan") and our CP program. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2021 Notes, 2023 Notes and Floating Rate Notes were unsecured and rank equally with all of our unsecured and unsubordinated indebtedness. In August 2021, we repaid the 2021 Notes and Floating Rate Notes using the proceeds from the 2031 Notes. In the second quarter of 2023, we repaid the 2023 Notes using the proceeds from the 2028 Notes.

**Senior Credit Facilities.** We have access to a \$1.5 billion five-year unsecured revolving credit facility (the Revolver) and a \$700.0 million delayed draw term loan ("Term Loan"), collectively known as the "Senior Credit Facilities," both of which mature in August 2026. In March 2023, we amended our Senior Credit Facilities agreement to adjust our debt covenant requirements and incorporate the Secured Overnight Financing Rate (SOFR) into our agreement, among other changes. Borrowings under the Senior Credit Facilities may be used for working capital, for capital expenditures, to refinance existing debt, to finance acquisitions and for other general corporate purposes. The Revolver includes an option to request a maximum of three one-year extensions of the maturity date any time after the first anniversary of the closing date of the Revolver. Availability of the Revolver is reduced by the outstanding principal balance of our commercial paper notes and by any letters of credit issued under the Revolver. As of December 31, 2023, there were \$196.0 million of outstanding CP notes, \$0.4 million of

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

letters of credit outstanding, no outstanding borrowings under the Revolver and \$695.6 million outstanding under the Term Loan. Availability under the Revolver was \$1,303.6 million at December 31, 2023.

Under the Senior Credit Facilities, the Company must comply with various financial and non-financial covenants. In March 2023, we amended the Senior Credit Facilities, resulting in a modification of our required maximum leverage ratio, among other changes. As amended, the Senior Credit Facilities require a maximum leverage ratio, defined as consolidated funded debt divided by consolidated EBITDA, of (i) 4.25 to 1.0 commencing with the fourth quarter of 2022 through the fourth quarter of 2023 and (ii) 3.75 to 1.0 commencing with the first quarter of 2024 and for each fiscal quarter ending thereafter through the remaining term of the Senior Credit Facilities. We may also elect to increase the maximum leverage ratio by 0.5 to 1.0 (subject to a maximum leverage ratio of 4.75 to 1.0) in connection with certain material acquisitions if we satisfy certain requirements. The Senior Credit Facilities also permit cash in excess of \$175 million to be netted against debt in the calculation of the leverage ratio, subject to certain restrictions. Compliance with this financial covenant is tested quarterly. The non-financial covenants include limitations on liens, subsidiary debt, mergers, liquidations, asset dispositions and certain government regulations. As of December 31, 2023, we were in compliance with our covenants under the Revolver and Term Loan. Our borrowings under these facilities, which have not been guaranteed by any of our subsidiaries, are unsecured and will rank on parity in right of payment with all of our other unsecured and unsubordinated indebtedness from time to time outstanding.

At December 31, 2023, interest was payable on borrowings under the Revolver and Term Loan at the base rate or Secured Overnight Financing Rate, or SOFR, plus a specified margin. The Company is required to pay on a quarterly basis a commitment fee with respect to our Revolver, which is calculated based upon the amount of daily usage of the Revolver over the available aggregate lender commitments thereunder during the applicable quarterly period. Both the applicable interest rate and the commitment fee are subject to adjustment based on the Company's debt ratings.

**Commercial Paper Program.** Our \$1.5 billion CP program has been established through the private placement of CP notes from time-to-time, in which borrowings may bear interest at either a variable or a fixed rate, plus the applicable margin. Maturities of CP can range from overnight to 397 days. Because the CP is backstopped by our Revolver, the amount of CP which may be issued under the program is reduced by the outstanding face amount of any letters of credit issued and by the outstanding borrowings under our Revolver. At December 31, 2023, there were \$196.0 million of outstanding CP notes. We have disclosed the net short-term borrowing activity for the year ended December 31, 2023 in the Consolidated Statements of Cash Flows. There are no CP borrowings or payments with a maturity date greater than 90 days and less than 365 days for the twelve months ended December 31, 2023. The amount disclosed includes CP borrowings of \$161.0 million and payments of \$346.8 million with a maturity date greater than 90 days and less than 365 days for the twelve months ended December 31, 2022.

**2.3% and 3.25% Senior Notes.** On May 12, 2016, we issued \$500.0 million principal amount of 2.3%, five-year senior notes and \$275.0 million principal amount of 3.25%, ten-year senior notes in an underwritten public offering. Interest is payable semi-annually in arrears on June 1 and December 1 of each year. The net proceeds of the sale of the notes were used to repay borrowings under our prior revolving credit facility and a portion of the borrowings under our CP incurred to finance the acquisition of Veda. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The senior notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness. In May 2021, we repaid the 2.3% Senior Notes with cash on hand.

**7.0% Senior Notes.** On June 28, 2007, we issued \$250.0 million principal amount of 7.0%, thirty-year senior notes in underwritten public offerings. Interest is payable semi-annually in arrears on January 1 and July 1 of each year. The net proceeds of the financing were used to repay short-term indebtedness, a substantial portion of which was incurred in connection with an acquisition. We must comply with various non-financial covenants, including certain limitations on liens, additional debt and mortgages, mergers, asset dispositions and sale-leaseback arrangements. The senior notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

**6.9% Debentures.** We have \$125.0 million of debentures outstanding with a maturity date of 2028. The debentures are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

Cash paid for interest was \$231.5 million, \$161.7 million and \$139.7 million during the twelve months ended December 31, 2023, 2022 and 2021, respectively.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 6. COMMITMENTS AND CONTINGENCIES

#### Remaining Matters Related to 2017 Cybersecurity Incident

*Canadian Class Actions.* Five putative Canadian class actions, four of which are on behalf of a national class of approximately 19,000 Canadian consumers, are pending against us in Ontario, British Columbia and Alberta. Each of the proposed Canadian class actions asserts a number of common law and statutory claims seeking monetary damages and other related relief in connection with a material cybersecurity incident in 2017. In addition to seeking class certification on behalf of Canadian consumers whose personal information was allegedly impacted by the 2017 cybersecurity incident, in some cases, plaintiffs also seek class certification on behalf of a larger group of Canadian consumers who had contracts for subscription products with Equifax around the time of the incident or earlier and were not impacted by the incident. The Ontario class action has been certified in part but is otherwise at a preliminary stage. All other purported class actions are at preliminary stages or stayed.

*FCA Investigation.* The U.K.'s Financial Conduct Authority ("FCA") opened an enforcement investigation against our U.K. subsidiary, Equifax Limited, in October 2017 in connection with the 2017 cybersecurity incident. We received a notice with the FCA's findings on October 13, 2023, and paid a penalty of \$13.5 million to resolve the matter.

#### Data Processing, Outsourcing Services and Other Agreements

We have separate agreements with Google, Amazon Web Services, UST Global, Kyndryl and others to outsource portions of our network and security infrastructure, computer data processing operations, applications development, business continuity and recovery services, help desk service and desktop support functions, operation of our voice and data networks, maintenance and related functions and to provide certain other administrative and operational services. The agreements expire between 2024 and 2029. The estimated aggregate minimum contractual obligation remaining under these agreements is approximately \$1.4 billion as of December 31, 2023, with no future year's minimum contractual obligation expected to exceed approximately \$405 million. Annual payment obligations in regard to these agreements vary due to factors such as the volume of data processed; changes in our servicing needs as a result of new product offerings, acquisitions or divestitures; the introduction of significant new technologies; foreign currency; or the general rate of inflation. In certain circumstances (e.g., a change in control or for our convenience), we may terminate these data processing and outsourcing agreements, and, in doing so, certain of these agreements require us to pay significant termination fees.

Under our agreement with Google, we have agreed to purchase cloud platform services and cloud marketplace software and we have outsourced certain areas of our network and security infrastructure. The estimated future minimum contractual obligation under the agreement is approximately \$1.0 billion for the remaining term, with no individual year's minimum expected to exceed approximately \$228 million. We may terminate certain portions of this agreement without penalty in the event that Google is in material breach of the terms of the agreement. During 2023, 2022 and 2021, we paid approximately \$171 million, \$152 million and \$62 million, respectively, for these services.

Under our agreement with Amazon Web Services, we have outsourced certain areas of our network and security infrastructure. The estimated future minimum contractual obligation under the agreement is approximately \$173 million for the remaining term, with no individual year's minimum expected to exceed approximately \$52 million. During 2023, 2022 and 2021, we paid approximately \$52 million, \$74 million and \$58 million, respectively, for these services.

#### Change in Control Agreements

In February 2019, we adopted the Equifax Inc. Change in Control Severance Plan (the "CIC Plan") for certain key executives. The CIC Plan does not apply to Mark W. Begor, our Chief Executive Officer, whose severance benefits in a change of control are contained in his employment agreement with the Company. The CIC Plan and Mr. Begor's agreement provide for, among other things, certain payments and benefits in the event of a qualifying termination of employment (i.e., termination of employment by the executive for "good reason" or termination of employment by the Company without "cause," each as defined in the applicable document) following a change in control of the Company. In the event of a qualifying termination, the executive will become entitled to continuation of certain employee benefits for two years, as well as a lump sum severance payment, all of which differs by executive.

Change in control events potentially triggering benefits under the CIC Plan and Mr. Begor's agreement would occur, subject to certain exceptions, if (1) any person acquires 20% or more of our voting stock; (2) upon a merger or other business combination, our shareholders receive less than two-thirds of the common stock and combined voting power of the new company; (3) members of the current Board of Directors ceasing to constitute a majority of the Board of Directors, except for new directors that are regularly elected; (4) we sell or otherwise dispose of all or substantially all of our assets; or (5) we

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

liquidate or dissolve. If these change in control benefits had been triggered as of December 31, 2023, payments of approximately \$34.3 million would have been made.

Under the Company's existing employee stock benefit plans, upon a change in control, outstanding awards will continue to vest in accordance with the terms. However, if outstanding awards are not assumed or continued in the change in control transaction or if the executive incurs a qualifying termination in connection with the change in control, then all outstanding stock options and nonvested stock awards will vest. With respect to unvested performance based share awards dependent upon the Company's three-year relative total shareholder return, if at least one calendar year of performance during the performance period has been completed prior to the change in control event, the awards will be paid out based on the Company's performance at that time; otherwise the payout of shares will be at 100% of the target award. Under the Company's existing director stock benefit plans, upon a change in control, all outstanding nonvested stock awards will vest.

### Guarantees

We will from time to time issue standby letters of credit, performance or surety bonds or other guarantees in the normal course of business. The aggregate notional amount of all performance bonds, surety bonds and standby letters of credit is not material at December 31, 2023 and generally have a remaining maturity of one year or less. We may issue other guarantees in the ordinary course of business. The maximum potential future payments we could be required to make under the guarantees is not material at December 31, 2023. We have agreed to guarantee the liabilities and performance obligations (some of which have limitations) of a certain debt collections and recovery management subsidiary under its commercial agreements. We cannot reasonably estimate our potential future payments under the guarantees and related provisions described above because we cannot predict when and under what circumstances these provisions may be triggered. We had no accruals related to guarantees on our Consolidated Balance Sheets at December 31, 2023.

### General Indemnifications

Many of our commercial agreements contain commercially standard indemnification obligations related to tort, material breach or other liabilities that arise during the course of performance under the agreement. These indemnification obligations are typically mutual.

We are the lessee under many real estate leases. It is common in these commercial lease transactions for us, as the lessee, to agree to indemnify the lessor and other related third parties for tort, environmental and other liabilities that arise out of or relate to our use or occupancy of the leased premises. This type of indemnity would typically make us responsible to indemnified parties for liabilities arising out of the conduct of, among others, contractors, licensees and invitees at or in connection with the use or occupancy of the leased premises. This indemnity often extends to related liabilities arising from the negligence of the indemnified parties, but usually excludes any liabilities caused by either their sole or gross negligence and their willful misconduct.

Certain of our credit agreements include provisions which require us to make payments to preserve an expected economic return to the lenders if that economic return is diminished due to certain changes in law or regulations. In certain of these credit agreements, we also bear the risk of certain changes in tax laws that would be subject to payments to non-U.S. lenders to withholding taxes.

In conjunction with certain transactions, such as sales or purchases of operating assets or services in the ordinary course of business, or the disposition of certain assets or businesses, we sometimes provide routine indemnifications, the terms of which range in duration and sometimes are not limited.

The Company has entered into indemnification agreements with its directors and executive officers. Under these agreements, the Company has agreed to indemnify such individuals to the fullest extent permitted by law against liabilities that arise by reason of their status as directors or officers and to advance expenses incurred by such individuals in connection with the related legal proceedings. The Company maintains directors and officers liability insurance coverage to reduce its exposure to such obligations.

We cannot reasonably estimate our potential future payments under the indemnities and related provisions described above because we cannot predict when and under what circumstances these provisions may be triggered. We have no accrual related to indemnifications on our Consolidated Balance Sheets at December 31, 2023 and 2022.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Subsidiary Dividend and Fund Transfer Limitations

The ability of some of our subsidiaries and associated companies to transfer funds to us is limited, in some cases, by certain restrictions imposed by foreign governments, which do not, individually or in the aggregate, materially limit our ability to service our indebtedness, meet our current obligations or pay dividends.

### Contingencies

In addition to the matters set forth above, we are involved in legal and regulatory matters, government investigations, claims and litigation arising in the ordinary course of business. We periodically assess our exposure related to these matters based on the information which is available. We have recorded accruals in our Consolidated Financial Statements for those matters in which it is probable that we have incurred a loss and the amount of the loss, or range of loss, can be reasonably estimated.

Although the final outcome of these matters cannot be predicted with certainty, any possible adverse outcome arising from these matters is not expected to have a material impact on our Consolidated Financial Statements, either individually or in the aggregate. However, our evaluation of the likely impact of these matters may change in the future. We accrue for unpaid legal fees for services performed to date.

## 7. INCOME TAXES

The provision for income taxes consisted of the following:

|                            | Twelve Months Ended December 31, |                 |                 |
|----------------------------|----------------------------------|-----------------|-----------------|
|                            | 2023                             | 2022            | 2021            |
|                            | <i>(In millions)</i>             |                 |                 |
| Current:                   |                                  |                 |                 |
| Federal                    | \$ 155.5                         | \$ 73.4         | \$ 108.1        |
| State                      | 24.2                             | 27.7            | 39.3            |
| Foreign                    | 56.7                             | 40.3            | 44.0            |
|                            | <u>236.4</u>                     | <u>141.4</u>    | <u>191.4</u>    |
| Deferred:                  |                                  |                 |                 |
| Federal                    | (50.2)                           | 68.6            | 43.3            |
| State                      | 12.4                             | 19.0            | 4.7             |
| Foreign                    | (32.4)                           | 0.5             | (38.7)          |
|                            | <u>(70.2)</u>                    | <u>88.1</u>     | <u>9.3</u>      |
| Provision for income taxes | <u>\$ 166.2</u>                  | <u>\$ 229.5</u> | <u>\$ 200.7</u> |

Domestic and foreign income before income taxes was as follows:

|         | Twelve Months Ended December 31, |                 |                 |
|---------|----------------------------------|-----------------|-----------------|
|         | 2023                             | 2022            | 2021            |
|         | <i>(In millions)</i>             |                 |                 |
| U.S.    | \$ 573.2                         | \$ 794.7        | \$ 885.6        |
| Foreign | 144.7                            | 135.0           | 63.6            |
|         | <u>\$ 717.9</u>                  | <u>\$ 929.7</u> | <u>\$ 949.2</u> |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The provision for income taxes reconciles with the U.S. federal statutory rate, as follows:

|                                                   | Twelve Months Ended December 31, |                 |                 |
|---------------------------------------------------|----------------------------------|-----------------|-----------------|
|                                                   | 2023                             | 2022            | 2021            |
|                                                   | <i>(In millions)</i>             |                 |                 |
| Federal statutory rate                            | 21.0 %                           | 21.0 %          | 21.0 %          |
| Provision computed at federal statutory rate      | \$ 150.8                         | \$ 195.2        | \$ 199.3        |
| State and local taxes, net of federal tax benefit | 30.0                             | 34.7            | 34.9            |
| Foreign differential                              | 20.5                             | 14.8            | (10.4)          |
| Federal research & development credit             | (24.2)                           | (28.5)          | (16.6)          |
| Equity compensation                               | (3.2)                            | (6.8)           | (14.0)          |
| Tax reserves                                      | 5.8                              | 4.9             | (0.8)           |
| Reversal of BVS deferred tax liability            | (27.3)                           | —               | —               |
| Excess officer's compensation                     | 8.4                              | 6.1             | 5.8             |
| Valuation allowance                               | 1.9                              | 3.8             | 0.5             |
| Other                                             | 3.5                              | 5.3             | 2.0             |
| Provision for income taxes                        | <u>\$ 166.2</u>                  | <u>\$ 229.5</u> | <u>\$ 200.7</u> |
| Effective income tax rate                         | <u>23.2 %</u>                    | <u>24.7 %</u>   | <u>21.2 %</u>   |

We record deferred income taxes using enacted tax laws and rates for the years in which the taxes are expected to be paid. Deferred income tax assets and liabilities are recorded based on the differences between the financial reporting and income tax bases of assets and liabilities. For additional information about our income tax policy see Note 1 of the Notes to Consolidated Financial Statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Components of the deferred income tax assets and liabilities at December 31, 2023 and 2022, were as follows:

|                                                | <b>December 31,</b>  |             |
|------------------------------------------------|----------------------|-------------|
|                                                | <b>2023</b>          | <b>2022</b> |
|                                                | <i>(In millions)</i> |             |
| Deferred income tax assets:                    |                      |             |
| Net operating and capital loss carryforwards   | \$ 101.2             | \$ 110.2    |
| Goodwill and intangible assets                 | 116.0                | 114.6       |
| Employee compensation programs                 | 59.8                 | 45.3        |
| Foreign tax credits                            | 17.2                 | 17.2        |
| Employee pension benefits                      | 26.6                 | 26.7        |
| Reserves and accrued expenses                  | 6.4                  | 10.1        |
| Accrued legal expense                          | 9.1                  | 7.1         |
| Research and development costs                 | 22.3                 | 32.6        |
| Operating lease asset                          | 25.0                 | 19.3        |
| Other                                          | 24.3                 | 18.3        |
| Gross deferred income tax assets               | 407.9                | 401.4       |
| Valuation allowance                            | (178.5)              | (185.1)     |
| Total deferred income tax assets, net          | 229.4                | 216.3       |
| Deferred income tax liabilities:               |                      |             |
| Goodwill and intangible assets                 | (615.9)              | (582.6)     |
| Undistributed earnings of foreign subsidiaries | (6.2)                | (6.0)       |
| Depreciation                                   | (29.8)               | (26.6)      |
| Operating lease liability                      | (25.0)               | (19.3)      |
| Prepaid expenses                               | (15.0)               | (11.3)      |
| Investment basis difference                    | (0.1)                | (23.4)      |
| Other                                          | (2.1)                | (0.8)       |
| Total deferred income tax liability            | (694.1)              | (670.0)     |
| Net deferred income tax liability              | \$ (464.7)           | \$ (453.7)  |

Our deferred income tax assets and deferred income tax liabilities at December 31, 2023 and 2022 are included in the accompanying Consolidated Balance Sheets as follows:

|                                                                | <b>December 31,</b>  |             |
|----------------------------------------------------------------|----------------------|-------------|
|                                                                | <b>2023</b>          | <b>2022</b> |
|                                                                | <i>(In millions)</i> |             |
| Long-term deferred income tax assets, included in other assets | \$ 10.2              | \$ 6.6      |
| Long-term deferred income tax liabilities                      | (474.9)              | (460.3)     |
| Net deferred income tax liability                              | \$ (464.7)           | \$ (453.7)  |

We record deferred income taxes on the temporary differences of our foreign subsidiaries, except for the temporary differences related to undistributed earnings of subsidiaries which we consider indefinitely invested. As of December 31, 2023, we have indefinitely invested \$314.4 million attributable to undistributed earnings of our Canadian and Chilean subsidiaries. If these earnings were not considered indefinitely invested, we estimate that \$21.3 million of deferred withholding tax liability would have been provided. Further, we are permanently invested with respect to the original investment in foreign subsidiaries. Therefore, we have not provided the deferred tax assets on the outside basis of these subsidiaries as we have no intent to sell or divest of these subsidiaries. However, the Company has provided for local country withholding taxes related to these earnings.

At December 31, 2023, we had U.S. federal and state net operating loss carryforwards of \$11.6 million and \$384.5 million, respectively, which will expire at various times between 2024 and 2041. We also had foreign net operating loss carryforwards totaling \$264.2 million of which \$17.7 million will expire between 2024 and 2040 and the remaining \$246.5

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

million will carryforward indefinitely. Foreign capital loss carryforwards of \$17.1 million may be carried forward indefinitely. We had foreign tax credit carryforwards of \$17.2 million which will expire in the years 2025 through 2028. Additionally, we had state and foreign research and development credit carryforwards of \$22.3 million. The state credits expire between 2029 through 2033 and the foreign credits have an indefinite expiration period. We have state §163(j) interest limitation carryovers of \$620.2 million which have an indefinite expiration period. The tax effected amount of the state §163(j) interest limitation carryovers is \$4.3 million. The deferred tax asset related to the net operating loss, capital loss carryforwards, foreign tax credit carryforwards, §163(j) carryforwards and research and development credit is \$144.9 million of which \$56.1 million has been fully reserved in the deferred tax valuation allowance.

Cash paid for income taxes, net of amounts refunded, was \$203.2 million, \$152.4 million and \$192.3 million during the twelve months ended December 31, 2023, 2022 and 2021, respectively.

We recognize interest and penalties accrued related to unrecognized tax benefits in the provision for income taxes on our Consolidated Statements of Income.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

|                                                                      | 2023                 | 2022           |
|----------------------------------------------------------------------|----------------------|----------------|
|                                                                      | <i>(In millions)</i> |                |
| Beginning balance (January 1)                                        | \$ 56.2              | \$ 48.5        |
| Increases related to prior year tax positions                        | 3.1                  | 7.7            |
| Decreases related to prior year tax positions                        | (2.0)                | (1.0)          |
| Increases related to current year tax positions                      | 10.6                 | 12.2           |
| Decreases related to settlements                                     | (0.3)                | (1.0)          |
| Expiration of the statute of limitations for the assessment of taxes | (12.0)               | (9.9)          |
| Currency translation adjustment                                      | (0.1)                | (0.3)          |
| Ending balance (December 31)                                         | <u>\$ 55.5</u>       | <u>\$ 56.2</u> |

We recorded liabilities of \$48.9 million and \$42.7 million for unrecognized tax benefits as of December 31, 2023 and 2022, respectively, which included interest and penalties of \$8.2 million and \$6.5 million, respectively. As of December 31, 2023 and 2022, the total amount of unrecognized benefits that, if recognized, would have affected the effective tax rate was \$47.5 million and \$41.1 million, respectively, which included interest and penalties of \$7.5 million and \$5.9 million, respectively. During 2023 and 2022, gross interest and penalties of \$2.7 million and \$2.2 million, respectively, were accrued.

As of December 31, 2023 and 2022, the gross amount of unrecognized tax benefits was \$55.5 million and \$56.2 million, respectively. Of the total, \$14.8 million in 2023 and \$19.9 million in 2022 relate to unrecognized tax benefits for which no liability has been recorded associated with the carryforward of certain state and foreign attributes. If we were to prevail on all uncertain tax positions, the net effect would be a benefit of \$40.7 million and \$36.3 million in 2023 and 2022, respectively, exclusive of any benefits related to interest and penalties.

Equifax and its subsidiaries are subject to U.S. federal, state and international income taxes. We are generally no longer subject to federal, state or international income tax examinations by tax authorities for years before 2020. Due to the potential for resolution of state and foreign examinations, and the expiration of various statutes of limitations, it is reasonably possible that Equifax's gross unrecognized tax benefit balance may change within the next twelve months by a range of zero to \$14.4 million.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 8. STOCK-BASED COMPENSATION

We have two active share-based award plans, the amended and restated 2008 Omnibus Incentive Plan (the "2008 Plan") and the 2023 Omnibus Incentive Plan (the "2023 Plan" and, together with the 2008 Plan, the "Omnibus Plans"). The 2008 Plan was originally approved by our shareholders in 2008 and was amended and restated with shareholder approval in May 2013 to, among other things, increase the reserve for awards under the 2008 Plan by 11 million shares. The 2023 Plan was approved by our shareholders on May 4, 2023, at which time the 2008 Plan was terminated other than with respect to then-outstanding awards under the 2008 Plan. The Omnibus Plans provide our directors, officers and certain key employees (and, in the case of the 2023 Plan, certain consultants and advisors) with stock options, restricted stock units and performance share awards. The Omnibus Plans are described below. We expect to issue common shares held as either treasury stock or new issue shares upon the exercise of stock options or once shares vest pursuant to restricted stock units or performance share awards. Total stock-based compensation expense in our Consolidated Statements of Income during the twelve months ended December 31, 2023, 2022 and 2021, was as follows:

|                                                       | Twelve Months Ended December 31, |                |                |
|-------------------------------------------------------|----------------------------------|----------------|----------------|
|                                                       | 2023                             | 2022           | 2021           |
|                                                       | <i>(In millions)</i>             |                |                |
| Cost of services                                      | \$ 14.5                          | \$ 12.4        | \$ 12.0        |
| Selling, general and administrative expenses          | 57.3                             | 50.2           | 42.9           |
| Stock-based compensation expense, before income taxes | <u>\$ 71.8</u>                   | <u>\$ 62.6</u> | <u>\$ 54.9</u> |

The total income tax benefit recognized for stock-based compensation expense was \$17.3 million, \$14.8 million and \$13.0 million for the twelve months ended December 31, 2023, 2022 and 2021, respectively.

**Stock Options.** The Omnibus Plans provide that qualified and nonqualified stock options may be granted to officers and other employees. The Omnibus Plans require that stock options be granted at exercise prices not less than market value on the date of grant. Generally, stock options are subject to graded vesting for periods of up to three years based on service, with 33.3% vesting for each year of completed service, and expire ten years from the grant date.

We use the binomial model to calculate the fair value of stock options granted. The binomial model incorporates assumptions regarding anticipated employee exercise behavior, expected stock price volatility, dividend yield and risk-free interest rate. Anticipated employee exercise behavior and expected post-vesting cancellations over the contractual term used in the binomial model were primarily based on historical exercise patterns. These historical exercise patterns indicated there was not significantly different exercise behavior between employee groups. For our expected stock price volatility assumption, we weighted historical volatility and implied volatility. We used daily observations for historical volatility, while our implied volatility assumption was based on actively traded options related to our common stock. The expected term is derived from the binomial model based on assumptions incorporated into the binomial model as described above.

The fair value for stock options granted during the twelve months ended December 31, 2023, 2022 and 2021, was estimated at the date of grant, using the binomial model with the following weighted-average assumptions:

|                                                      | Twelve Months Ended December 31, |                 |                 |
|------------------------------------------------------|----------------------------------|-----------------|-----------------|
|                                                      | 2023                             | 2022            | 2021            |
| Dividend yield                                       | 0.8 %                            | 0.7 %           | 1.0 %           |
| Expected volatility                                  | 33.1 %                           | 31.5 %          | 28.5 %          |
| Risk-free interest rate                              | 3.9 %                            | 2.4 %           | 0.5 %           |
| Expected term (in years)                             | 4.8                              | 5.0             | 4.8             |
| Weighted-average fair value of stock options granted | <u>\$ 63.70</u>                  | <u>\$ 59.70</u> | <u>\$ 39.63</u> |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes changes in outstanding stock options during the twelve months ended December 31, 2023, as well as stock options that are vested and expected to vest and stock options exercisable at December 31, 2023:

|                                                  | Shares<br>(In thousands) | Weighted-Average<br>Exercise<br>Price | Weighted-Average<br>Remaining<br>Contractual<br>Term<br>(In years) | Aggregate<br>Intrinsic<br>Value<br>(In millions) |
|--------------------------------------------------|--------------------------|---------------------------------------|--------------------------------------------------------------------|--------------------------------------------------|
| Outstanding at December 31, 2022                 | 1,964                    | \$ 164.72                             |                                                                    |                                                  |
| Granted (all at market price)                    | 259                      | \$ 210.37                             |                                                                    |                                                  |
| Exercised                                        | (218)                    | \$ 143.98                             |                                                                    |                                                  |
| Forfeited and canceled                           | (44)                     | \$ 205.81                             |                                                                    |                                                  |
| Outstanding at December 31, 2023                 | 1,961                    | \$ 171.93                             | 4.7                                                                | \$ 148.4                                         |
| Vested and expected to vest at December 31, 2023 | 1,945                    | \$ 171.55                             | 4.7                                                                | \$ 148.0                                         |
| Exercisable at December 31, 2023                 | 1,326                    | \$ 150.58                             | 3.3                                                                | \$ 128.3                                         |

The aggregate intrinsic value amounts in the table above represent the difference between the closing price of Equifax's common stock on December 31, 2023 and the exercise price, multiplied by the number of in-the-money stock options as of the same date. This represents the value that would have been received by the stock option holders if they had all exercised their stock options on December 31, 2023. In future periods, this amount will change depending on fluctuations in Equifax's stock price. The total intrinsic value of stock options exercised during the twelve months ended December 31, 2023, 2022 and 2021, was \$14.0 million, \$5.9 million and \$41.9 million, respectively. At December 31, 2023, our total unrecognized compensation cost related to stock options was \$8.3 million with a weighted-average recognition period of 1.6 years.

The following table summarizes changes in outstanding options and the related weighted-average exercise price per share for the twelve months ended December 31, 2022 and 2021:

|                                          | December 31,             |                                       |                          |                                       |
|------------------------------------------|--------------------------|---------------------------------------|--------------------------|---------------------------------------|
|                                          | 2022                     |                                       | 2021                     |                                       |
|                                          | Shares<br>(In thousands) | Weighted-Average<br>Exercise<br>Price | Shares<br>(In thousands) | Weighted-Average<br>Exercise<br>Price |
| Outstanding at the beginning of the year | 1,710                    | \$ 149.67                             | 1,831                    | \$ 137.01                             |
| Granted (all at market price)            | 369                      | \$ 232.28                             | 314                      | \$ 184.03                             |
| Exercised                                | (76)                     | \$ 136.84                             | (341)                    | \$ 114.35                             |
| Forfeited and canceled                   | (39)                     | \$ 198.34                             | (94)                     | \$ 145.92                             |
| Outstanding at the end of the year       | 1,964                    | \$ 164.72                             | 1,710                    | \$ 149.67                             |
| Exercisable at end of year               | 1,268                    | \$ 141.40                             | 522                      | \$ 129.57                             |

**Other Stock Awards.** The Omnibus Plans also provide for awards of restricted stock units and performance shares or units that are settled in shares of our common stock. Such stock awards are generally subject to cliff vesting over a period between one to three years based on service and may also have vesting conditions based on meeting specified performance goals.

The fair value of these stock awards is based on the fair market value of our common stock on the date of grant and include the right to dividends or dividend equivalents, which are accrued and payable only if and when the underlying stock vests and is payable.

Pursuant to the Omnibus Plans, certain executives have been granted performance shares pursuant to which the number of shares earned is dependent upon the Company's three-year total shareholder return relative to the three-year total shareholder return of the companies in the S&P 500 stock index, as comprised on the grant date, subject to adjustment. Beginning in 2022, certain executives have been granted performance shares pursuant to which the number of shares earned is dependent upon the Company's adjusted EBITDA growth over the three-year performance period.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The number of shares which could potentially be issued under these performance share awards ranges from zero to 200% of the target award. The grants outstanding subject to market performance as of December 31, 2023 would result in 332,840 shares outstanding at 100% of target and 665,680 at 200% of target at the end of the vesting period. Compensation expense for shares earned based on the Company's three-year total shareholder return is recognized on a straight-line basis over the measurement period and is based upon the fair market value of the shares estimated to be earned at the date of grant using a Monte-Carlo simulation. Compensation expense for shares earned based on the Company's adjusted EBITDA is recognized on a straight-line basis over the measurement period and is based upon the fair market value.

The following table summarizes changes in these other stock awards during the twelve months ended December 31, 2023, 2022 and 2021 and the related weighted-average grant date fair value:

|                                | Shares         | Weighted-Average Grant Date Fair Value |
|--------------------------------|----------------|----------------------------------------|
|                                | (In thousands) |                                        |
| Nonvested at December 31, 2020 | 927            | \$ 128.04                              |
| Granted                        | 396            | \$ 175.51                              |
| Vested                         | (465)          | \$ 130.96                              |
| Forfeited                      | (79)           | \$ 141.73                              |
| Nonvested at December 31, 2021 | 779            | \$ 159.73                              |
| Granted                        | 483            | \$ 196.97                              |
| Vested                         | (406)          | \$ 133.26                              |
| Forfeited                      | (72)           | \$ 202.70                              |
| Nonvested at December 31, 2022 | 784            | \$ 192.47                              |
| Granted                        | 373            | \$ 205.98                              |
| Vested                         | (215)          | \$ 172.62                              |
| Forfeited                      | (86)           | \$ 194.11                              |
| Nonvested at December 31, 2023 | 856            | \$ 203.17                              |

The total fair value of stock awards that vested during the twelve months ended December 31, 2023, 2022 and 2021, was \$43.7 million, \$85.9 million and \$106.7 million, respectively, based on the weighted-average fair value on the vesting date, and \$37.1 million, \$54.2 million and \$61.0 million, respectively, based on the weighted-average fair value on the date of grant. At December 31, 2023, our total unrecognized compensation cost related to these nonvested stock awards was \$53.0 million with a weighted-average recognition period of 1.8 years.

**Employee Stock Purchase Plan.** Effective July 1, 2020, the Equifax Board of Directors approved the 2020 Employee Stock Purchase Plan ("ESPP"). Under the ESPP, participating employees have the option to withhold 1% to 10% of their annual salary, up to \$25,000 annually, to purchase Equifax stock at a 5% discount based on the closing stock price of the final day of the offering period. The ESPP is noncompensatory in nature and is treated as any other sale of the Company's equity instruments.

## 9. BENEFIT PLANS

We have defined benefit pension plans and defined contribution plans. We also maintain certain healthcare and life insurance benefit plans for eligible retired employees. The measurement date for our defined benefit pension plans and other postretirement benefit plans is December 31 of each year.

**Pension Benefits.** Pension benefits are provided through U.S., and previously, Canadian defined benefit pension plans and three supplemental executive defined benefit pension plans.

**U.S. and Canadian Retirement Plans.** We sponsor a qualified defined benefit retirement plan, the U.S. Retirement Income Plan ("USRIP"), that covers approximately 6% of current U.S. salaried employees who were hired on or before June 30, 2007, the last date on which an individual could be hired and enter the plan before the USRIP was closed to new participation at December 31, 2008. This plan also covers retirees as well as certain terminated but vested individuals not yet in retirement status. We also sponsored a retirement plan with both defined benefit and defined contribution components that

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

covered most salaried and hourly employees in Canada, the Canadian Retirement Income Plan (“CRIP”), until it was settled in 2022.

In 2023, the Company announced a program to offer a voluntary lump-sum pension payout to certain eligible active employees and former employees in the USRIP which would settle the Company’s obligation to them. The program provided participants with a limited time opportunity to elect to receive a lump-sum settlement of their pension benefit or begin to receive their benefit in the form of a monthly annuity in December 2023. As a result, the Company paid \$31.8 million from plan assets and was relieved of the corresponding pension obligation of \$33.4 million. The remaining activity was recorded through net periodic benefit cost related to the annual mark-to-market remeasurement.

Effective December 31, 2014, the USRIP plan was frozen for all participants eligible to accrue benefits. Accordingly, pension plan participants earn no new benefits under the plan formula. Additionally, the CRIP, a registered defined benefit pension plan, was changed for employees who did not meet retirement-eligibility status under the CRIP as of December 31, 2012 (“Non-Grandfathered” participants). Under the plan amendment, the service credit for Non-Grandfathered participants froze, but these participants continued to receive credit for salary increases and vesting service. Additionally, Non-Grandfathered employees and certain other employees not eligible to participate in the CRIP (i.e., new hires on or after October 1, 2011) are eligible to participate in an enhanced defined contribution plan. In 2019, the Compensation Committee of the Board of Directors approved the termination of the plan. The CRIP was frozen effective December 31, 2020 at which date we ceased accruing benefits for all active members. During the third quarter of 2022, we settled the liabilities under the CRIP with lump sum payments and an annuity purchase.

During the twelve months ended December 31, 2023, we made no voluntary contributions to the USRIP. During the twelve months ended December 31, 2022, we made no voluntary contributions to the USRIP and made contributions of \$15.5 million to the CRIP. At December 31, 2023, the USRIP met or exceeded ERISA’s minimum funding requirements.

The annual report produced by our consulting actuaries specifies the funding requirements for our plans based on projected benefits for plan participants, historical investment results on plan assets, current discount rates for liabilities, assumptions for future demographic developments and recent changes in statutory requirements. We may elect to make additional discretionary contributions to our plans in excess of minimum funding requirements, subject to statutory limitations.

*Supplemental Retirement Plans.* We maintain three supplemental executive retirement programs for certain key employees. The plans, which are unfunded, provide supplemental retirement payments based on salary and years of service.

**Other Benefits.** We maintain certain healthcare and life insurance benefit plans for eligible retired employees. Substantially all of our U.S. employees may become eligible for the retiree healthcare benefits if they reach retirement age while working for us and satisfy certain years of service requirements. Employees hired on or after January 1, 2009 are required to pay the full cost of coverage after retirement. The retiree life insurance program covers employees who retired on or before December 31, 2003. We accrue the cost of providing healthcare benefits over the active service period of the employee.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Obligations and Funded Status.** A reconciliation of the projected benefit obligations, plan assets and funded status of the plans is as follows:

|                                               | Pension Benefits  |                   | Other Benefits  |                 |
|-----------------------------------------------|-------------------|-------------------|-----------------|-----------------|
|                                               | 2023              | 2022              | 2023            | 2022            |
| <i>(In millions)</i>                          |                   |                   |                 |                 |
| <b>Change in projected benefit obligation</b> |                   |                   |                 |                 |
| Benefit obligation at January 1,              | \$ 501.1          | \$ 731.9          | \$ 12.8         | \$ 17.1         |
| Service cost                                  | 1.2               | 1.5               | 0.1             | 0.2             |
| Interest cost                                 | 27.4              | 20.1              | 0.7             | 0.5             |
| Plan participants' contributions              | —                 | —                 | —               | —               |
| Amendments                                    | —                 | —                 | 0.3             | —               |
| Actuarial loss (gain)                         | 11.3              | (151.7)           | (1.5)           | (3.3)           |
| Foreign currency exchange rate changes        | —                 | (1.1)             | —               | (0.1)           |
| Settlements                                   | (34.5)            | (57.4)            | —               | —               |
| Benefits paid                                 | (40.4)            | (42.2)            | (1.3)           | (1.6)           |
| Projected benefit obligation at December 31,  | <u>466.1</u>      | <u>501.1</u>      | <u>11.1</u>     | <u>12.8</u>     |
| <b>Change in plan assets</b>                  |                   |                   |                 |                 |
| Fair value of plan assets at January 1,       | 399.0             | 600.5             | 10.7            | 15.0            |
| Actual return on plan assets                  | 30.6              | (124.4)           | 1.0             | (3.3)           |
| Employer contributions                        | 7.0               | 22.4              | 0.2             | 0.1             |
| Plan participants' contributions              | —                 | —                 | —               | —               |
| Foreign currency exchange rate changes        | —                 | (0.9)             | —               | —               |
| Other disbursements                           | (0.9)             | (56.4)            | —               | —               |
| Settlements                                   | (31.8)            | —                 | —               | —               |
| Benefits paid                                 | (40.4)            | (42.2)            | (1.2)           | (1.1)           |
| Fair value of plan assets at December 31,     | <u>363.5</u>      | <u>399.0</u>      | <u>10.7</u>     | <u>10.7</u>     |
| <b>Funded status of plan</b>                  | <u>\$ (102.6)</u> | <u>\$ (102.1)</u> | <u>\$ (0.4)</u> | <u>\$ (2.1)</u> |

The accumulated benefit obligation for the USRIP and Supplemental Retirement Plans was \$466.1 million at December 31, 2023. The accumulated benefit obligation for the USRIP, CRIP and Supplemental Retirement Plans was \$500.6 million at December 31, 2022.

At December 31, 2023, the USRIP had projected benefit obligations and accumulated benefit obligations in excess of the plan's respective assets. The fair value of plan assets for this plan were \$363.5 million and the projected benefit obligation and accumulated benefit obligation were \$377.9 million at December 31, 2023.

At December 31, 2023, the Supplemental Retirement Plans had projected benefit obligations and accumulated benefit obligations in excess of those plans' respective assets. The projected benefit obligation and accumulated benefit obligation for these plans in the aggregate were \$88.2 million and these plans did not have any plan assets at December 31, 2023.

At December 31, 2022, the USRIP had projected benefit obligations and accumulated benefit obligations in excess of the plan's respective assets. The fair value of plan assets for this plan were \$398.1 million and the projected benefit obligation and accumulated benefit obligation were \$412.3 million at December 31, 2022.

At December 31, 2022, the Supplemental Retirement Plans had projected benefit obligations and accumulated benefit obligations in excess of those plans' respective assets. The projected benefit obligation and accumulated benefit obligation for these plans in the aggregate were \$87.9 million and \$87.4 million, respectively, and these plans did not have any plan assets at December 31, 2022.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table represents the net amounts recognized, or the funded status of our pension and other postretirement benefit plans, in our Consolidated Balance Sheets at December 31, 2023 and 2022:

|                                                                               | Pension Benefits     |                   | Other Benefits  |                 |
|-------------------------------------------------------------------------------|----------------------|-------------------|-----------------|-----------------|
|                                                                               | 2023                 | 2022              | 2023            | 2022            |
| <b>Amounts recognized in the statements of financial position consist of:</b> | <i>(In millions)</i> |                   |                 |                 |
| Noncurrent assets                                                             | \$ —                 | \$ —              | \$ 0.9          | \$ —            |
| Current liabilities                                                           | (6.7)                | (6.7)             | (0.1)           | (0.1)           |
| Long-term liabilities                                                         | (95.9)               | (95.4)            | (1.2)           | (2.0)           |
| Net amount recognized                                                         | <u>\$ (102.6)</u>    | <u>\$ (102.1)</u> | <u>\$ (0.4)</u> | <u>\$ (2.1)</u> |

At December 31, 2023 and 2022 amounts included in accumulated other comprehensive loss related to pension benefit plans consisted of prior service cost of \$3.6 million and \$3.4 million, net of accumulated taxes of \$1.2 million and \$1.2 million, respectively. For the twelve months ended December 31, 2023 and 2022, we recognized a \$0.1 million loss and \$1.4 million gain, respectively, through net periodic benefit cost related to the annual mark-to-market remeasurement of our pension and postretirement plans. For the twelve months ended December 31, 2023 and 2022, amounts recognized through net periodic benefit cost related to prior service cost, curtailments and settlements were not material.

### Components of Net Periodic Benefit Cost

|                                                   | Pension Benefits     |                 |                | Other Benefits  |             |                 |
|---------------------------------------------------|----------------------|-----------------|----------------|-----------------|-------------|-----------------|
|                                                   | 2023                 | 2022            | 2021           | 2023            | 2022        | 2021            |
|                                                   | <i>(In millions)</i> |                 |                |                 |             |                 |
| Service cost                                      | \$ 1.2               | \$ 1.5          | \$ 1.4         | \$ 0.1          | \$ 0.2      | \$ 0.2          |
| Interest cost                                     | 27.4                 | 20.1            | 19.0           | 0.7             | 0.5         | 0.5             |
| Expected return on plan assets                    | (22.8)               | (24.8)          | (28.7)         | (0.6)           | (0.7)       | (0.7)           |
| Amortization of prior service cost                | 0.4                  | (1.7)           | (1.8)          | (0.5)           | (0.5)       | (0.1)           |
| Recognized actuarial loss (gain) - mark to market | 1.9                  | (2.7)           | 21.0           | (1.8)           | 0.5         | (0.8)           |
| Settlements                                       | —                    | (1.0)           | —              | —               | —           | —               |
| Total net periodic benefit cost (income)          | <u>\$ 8.1</u>        | <u>\$ (8.6)</u> | <u>\$ 10.9</u> | <u>\$ (2.1)</u> | <u>\$ —</u> | <u>\$ (0.9)</u> |

### Weighted-Average Assumptions

| Weighted-average assumptions used to determine benefit obligations at December 31, | Pension Benefits |        | Other Benefits |        |
|------------------------------------------------------------------------------------|------------------|--------|----------------|--------|
|                                                                                    | 2023             | 2022   | 2023           | 2022   |
| Discount rate                                                                      | 5.44 %           | 5.70 % | 5.37 %         | 5.65 % |
| Rate of compensation increase                                                      | 6.00 %           | 6.00 % | N/A            | N/A    |

| Weighted-average assumptions used to determine net periodic benefit cost at December 31, | Pension Benefits |        |        | Other Benefits |        |        |
|------------------------------------------------------------------------------------------|------------------|--------|--------|----------------|--------|--------|
|                                                                                          | 2023             | 2022   | 2021   | 2023           | 2022   | 2021   |
| Discount rate                                                                            | 5.71 %           | 2.85 % | 2.56 % | 5.65 %         | 2.86 % | 2.47 % |
| Expected return on plan assets                                                           | 6.00 %           | 4.27 % | 4.65 % | 6.00 %         | 4.60 % | 4.80 % |
| Rate of compensation increase                                                            | 6.00 %           | 6.00 % | 6.00 % | N/A            | N/A    | N/A    |

During 2021, we adopted the MP-2021 mortality improvement projections in determining the liability for the U.S. plans. The updated mortality tables and projection scale contributed to a slight increase in the projected benefit obligation, partially offsetting the increase in the discount rates in 2021, the net of which resulted in the decrease of the projected benefit obligation as of December 31, 2021. During 2022 and 2023, we continued to use the MP-2021 mortality projection scale as a new version was not issued during either year.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Discount Rates.** We determine our discount rates primarily based on high-quality, fixed-income investments and yield-to-maturity analyses specific to our estimated future benefit payments available as of the measurement date. Discount rates are reset annually on the measurement date to reflect current market conditions. To determine the discount rate for our U.S. pension and postretirement benefit plans, we use a bond matching approach to select specific bonds that would satisfy our projected benefit payments. We believe the bond matching approach reflects the process we would employ to settle our pension and postretirement benefit obligations.

**Expected and Actual Return on Plan Assets.** We use a mark-to-market approach to recognize actuarial gains and losses and expected return on plan assets for our defined benefit pension and other postretirement benefit plans. Under this accounting principle, the expected returns on plan assets are used to estimate pension expense throughout the year and remeasurement of the projected benefit obligation and plan assets are immediately recognized in earnings through net periodic benefit cost within Other Income (Expense) on the Consolidated Statements of Income (Loss) with pension and postretirement plans remeasured annually in the fourth quarter.

We estimate that the future benefits payable for our retirement and postretirement plans are as follows at December 31, 2023:

| Years ending December 31,                   | U.S. Defined Benefit Plans | Other Benefit Plans |
|---------------------------------------------|----------------------------|---------------------|
|                                             | (In millions)              |                     |
| 2024                                        | \$ 40.6                    | \$ 1.4              |
| 2025                                        | \$ 40.5                    | \$ 1.3              |
| 2026                                        | \$ 40.4                    | \$ 1.3              |
| 2027                                        | \$ 39.4                    | \$ 1.2              |
| 2028                                        | \$ 38.5                    | \$ 1.2              |
| Next five fiscal years to December 31, 2033 | \$ 176.6                   | \$ 4.8              |

**Fair Value of Plan Assets.** The fair value of the pension assets at December 31, 2023 and 2022, are as follows:

|                      |     |                                 | Fair Value Measurements at Reporting Date Using:               |                                               |                                           |
|----------------------|-----|---------------------------------|----------------------------------------------------------------|-----------------------------------------------|-------------------------------------------|
| Description          |     | Fair Value at December 31, 2023 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|                      |     |                                 | (In millions)                                                  |                                               |                                           |
| U.S. Equity          | (2) | \$ 40.9                         | \$ —                                                           | \$ 40.9                                       | \$ —                                      |
| International Equity | (2) | 35.6                            | —                                                              | 35.6                                          | —                                         |
| Fixed Income         | (2) | 243.3                           | —                                                              | 243.3                                         | —                                         |
| Private Equity       | (3) | 13.8                            | —                                                              | —                                             | 13.8                                      |
| Real Assets          | (4) | 4.8                             | —                                                              | —                                             | 4.8                                       |
| Cash                 | (1) | 25.1                            | 25.1                                                           | —                                             | —                                         |
| Total                |     | \$ 363.5                        | \$ 25.1                                                        | \$ 319.8                                      | \$ 18.6                                   |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

| Description          |     | Fair Value at<br>December 31,<br>2022 | Fair Value Measurements at Reporting Date Using:                           |                                                        |                                                 |
|----------------------|-----|---------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------|
|                      |     |                                       | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs (Level 2) | Significant<br>Unobservable<br>Inputs (Level 3) |
|                      |     |                                       | (In millions)                                                              |                                                        |                                                 |
| U.S. Equity          | (1) | \$ 33.9                               | \$ 33.9                                                                    | \$ —                                                   | \$ —                                            |
| International Equity | (2) | 30.8                                  | —                                                                          | 30.8                                                   | —                                               |
| Fixed Income         | (2) | 313.5                                 | —                                                                          | 313.5                                                  | —                                               |
| Private Equity       | (3) | 13.1                                  | —                                                                          | —                                                      | 13.1                                            |
| Real Assets          | (4) | 4.8                                   | —                                                                          | —                                                      | 4.8                                             |
| Cash                 | (1) | 2.9                                   | 2.9                                                                        | —                                                      | —                                               |
| Total                |     | \$ 399.0                              | \$ 36.8                                                                    | \$ 344.3                                               | \$ 17.9                                         |

- (1) Fair value is based on observable market prices for the assets.
- (2) For the portion of this asset class categorized as Level 2, fair value is determined using dealer and broker quotations, certain pricing models, bid prices, quoted prices for similar assets and liabilities in active markets, or other inputs that are observable or can be corroborated by observable market data.
- (3) Private equity investments are initially valued at cost. Fund managers periodically review the valuations utilizing subsequent company-specific transactions or deterioration in the company's financial performance to determine if fair value adjustments are necessary. Private equity investments are typically viewed as long term, less liquid investments with return of capital coming via cash distributions from the sale of underlying fund assets. The Plan intends to hold these investments through each fund's normal life cycle and wind down period. As of December 31, 2023 and 2022, we had \$10.0 million and \$12.2 million, respectively, of remaining commitments related to these private equity investments.
- (4) The fair value of Real Assets are reported by the fund manager based on a combination of the following valuation approaches: current replacement cost less deterioration and obsolescence, a discounted cash flow model of income streams and comparable market sales. As of both December 31, 2023 and 2022, we had \$0.2 million of remaining commitments related to the real asset investments.

The following table shows a reconciliation of the beginning and ending balances for assets valued using significant unobservable inputs for the years ended December 31, 2023 and 2022:

|                              | Private<br>Equity | Hedge Funds | Real Assets   |
|------------------------------|-------------------|-------------|---------------|
| <i>(In millions)</i>         |                   |             |               |
| Balance at December 31, 2021 | \$ 16.1           | \$ 0.1      | \$ 4.4        |
| Return on plan assets:       |                   |             |               |
| Unrealized                   | 1.0               | (0.1)       | 0.2           |
| Realized                     | (0.8)             | —           | —             |
| Purchases                    | 2.5               | —           | 0.2           |
| Sales                        | (5.7)             | —           | —             |
| Balance at December 31, 2022 | <u>\$ 13.1</u>    | <u>\$ —</u> | <u>\$ 4.8</u> |
| Return on plan assets:       |                   |             |               |
| Unrealized                   | \$ 0.7            | \$ —        | \$ —          |
| Realized                     | (0.3)             | —           | —             |
| Purchases                    | 1.7               | —           | —             |
| Sales                        | (1.4)             | —           | —             |
| Balance at December 31, 2023 | <u>\$ 13.8</u>    | <u>\$ —</u> | <u>\$ 4.8</u> |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The fair value of the postretirement assets at December 31, 2023 and 2022, are as follows:

|                      |     |                                       | Fair Value Measurements at Reporting Date Using:                           |                                                        |                                                 |  |
|----------------------|-----|---------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------|--|
|                      |     |                                       | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs (Level 2) | Significant<br>Unobservable<br>Inputs (Level 3) |  |
| Description          |     | Fair Value at<br>December 31,<br>2023 |                                                                            |                                                        |                                                 |  |
| (In millions)        |     |                                       |                                                                            |                                                        |                                                 |  |
| U.S. Equity          | (2) | \$ 1.2                                | \$ —                                                                       | \$ 1.2                                                 | \$ —                                            |  |
| International Equity | (2) | 1.0                                   | —                                                                          | 1.0                                                    | —                                               |  |
| Fixed Income         | (2) | 7.2                                   | —                                                                          | 7.2                                                    | —                                               |  |
| Private Equity       | (3) | 0.4                                   | —                                                                          | —                                                      | 0.4                                             |  |
| Real Assets          | (4) | 0.1                                   | —                                                                          | —                                                      | 0.1                                             |  |
| Cash                 | (1) | 0.8                                   | 0.8                                                                        | —                                                      | —                                               |  |
| Total                |     | \$ 10.7                               | \$ 0.8                                                                     | \$ 9.4                                                 | \$ 0.5                                          |  |

|                      |     |                                       | Fair Value Measurements at Reporting Date Using:                           |                                                        |                                                 |  |
|----------------------|-----|---------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------|--|
|                      |     |                                       | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs (Level 2) | Significant<br>Unobservable<br>Inputs (Level 3) |  |
| Description          |     | Fair Value at<br>December 31,<br>2022 |                                                                            |                                                        |                                                 |  |
| (In millions)        |     |                                       |                                                                            |                                                        |                                                 |  |
| U.S. Equity          | (1) | \$ 0.9                                | \$ 0.9                                                                     | \$ —                                                   | \$ —                                            |  |
| International Equity | (2) | 0.8                                   | —                                                                          | 0.8                                                    | —                                               |  |
| Fixed Income         | (2) | 8.4                                   | —                                                                          | 8.4                                                    | —                                               |  |
| Private Equity       | (3) | 0.4                                   | —                                                                          | —                                                      | 0.4                                             |  |
| Real Assets          | (4) | 0.1                                   | —                                                                          | —                                                      | 0.1                                             |  |
| Cash                 | (1) | 0.1                                   | 0.1                                                                        | —                                                      | —                                               |  |
| Total                |     | \$ 10.7                               | \$ 1.0                                                                     | \$ 9.2                                                 | \$ 0.5                                          |  |

(1) Fair value is based on observable market prices for the assets.

(2) For the portion of this asset class categorized as Level 2, fair value is determined using dealer and broker quotations, certain pricing models, bid prices, quoted prices for similar assets and liabilities in active markets, or other inputs that are observable or can be corroborated by observable market data.

(3) Private equity investments are initially valued at cost. Fund managers periodically review the valuations utilizing subsequent company-specific transactions or deterioration in the company's financial performance to determine if fair value adjustments are necessary. Private equity investments are typically viewed as long term, less liquid investments with return of capital coming via cash distributions from the sale of underlying fund assets. The Plan intends to hold these investments through each fund's normal life cycle and wind down period.

(4) The fair value of Real Assets are reported by the fund manager based on a combination of the following valuation approaches: current replacement cost less deterioration and obsolescence, a discounted cash flow model of income streams and comparable market sales.

Gross realized and unrealized gains and losses, purchases and sales for Level 3 postretirement assets were not material for the twelve months ended December 31, 2023.

**USRIP, or the Plan, Investment and Asset Allocation Strategies.** The primary goal of the asset allocation strategy of the Plan is to produce a total investment return which will satisfy future annual cash benefit payments to participants and minimize future contributions from the Company. Additionally, this strategy will diversify the plan assets to minimize nonsystemic risk and provide reasonable assurance that no single security or class of security will have a disproportionate negative impact on the Plan. Investment managers are required to abide by the provisions of ERISA. Standards of performance

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for each manager include an expected return versus an assigned benchmark, a measure of volatility and a time period of evaluation.

The asset allocation strategy and investment manager recommendations are determined by the Investment Committee, with the advice of our external advisor. The asset allocation and ranges are approved by our in-house Investment Committee and Plan Administrators, who are Named Fiduciaries under ERISA.

In an effort to meet asset allocation and funded status objectives of the Plan, assets are categorized as Liability-Hedging Assets and Return-Seeking Assets. During 2020, the Investment Committee made the decision to reduce exposure to Return-Seeking Assets due to the plan's high funded status. As of December 31, 2023, the approved allocation ranges are set forth in the table below, with an 80% targeted allocation to Liability-Hedging Assets and a 20% targeted allocation to Return-Seeking Assets. Liability-Hedging Assets represent investments which are meant to provide a hedge relative to the Plan's liabilities and consist primarily of fixed income securities. Return-Seeking Assets include any asset class not intended to hedge the Plan's liabilities. At December 31, 2023, these assets included domestic and international equities, private equity (including secondary private equity) and real assets. Additionally, the Plan allows certain of their managers, subject to specific risk constraints, to utilize derivative instruments in order to enhance asset return, reduce volatility or both. Derivatives are primarily employed by the Plans in their fixed income portfolios and in the hedge fund-of-funds area. Derivatives can be used for hedging purposes to reduce risk.

No shares of Equifax common stock were directly owned by the Plan at December 31, 2023 or 2022. Not more than 5% of the portfolio (at cost), and 10% of the equity portfolio's market value, shall be invested in the securities of any one issuer, except the U.S. Government and U.S. Government Agencies.

The following asset allocation ranges and actual allocations were in effect as of December 31, 2023 and 2022:

| USRIP                | Range      |            | Actual |        |
|----------------------|------------|------------|--------|--------|
|                      | 2023       | 2022       | 2023   | 2022   |
| U.S. Equity          | 0% - 20%   | 0% - 20%   | 11.3 % | 8.5 %  |
| International Equity | 0% - 10%   | 0% - 10%   | 9.8 %  | 7.7 %  |
| Private Equity       | 0% - 10%   | 0% - 10%   | 3.8 %  | 3.3 %  |
| Hedge Funds          | 0% - 10%   | 0% - 10%   | — %    | — %    |
| Real Assets          | 0% - 10%   | 0% - 10%   | 1.3 %  | 1.2 %  |
| Fixed Income         | 65% - 100% | 65% - 100% | 67.0 % | 78.8 % |
| Cash                 | 0% - 15%   | 0% - 15%   | 6.8 %  | 0.5 %  |

**Equifax Retirement Savings Plans.** Equifax sponsors a U.S. tax qualified defined contribution plan, the Equifax Inc. 401(k) Plan, or the Plan. Beginning with the 2019 plan year, we provide a discretionary match of participants' contributions, up to five or six percent of employees eligible pay depending on certain eligibility rules under the Plan. Prior to the 2019 plan year, we also provided a discretionary direct contribution to certain eligible employees, the percentage of which was based upon an employee's credited years of service. Company contributions for the Plan during the twelve months ended December 31, 2023, 2022 and 2021 were \$38.3 million, \$38.1 million and \$34.5 million, respectively.

**Foreign Retirement Plans.** We also maintain defined contribution plans for certain employees in Canada and Spain and meet certain compulsory contribution requirements to retirement funds for employees in Australia, the U.K. and Ireland. For the years ended December 31, 2023, 2022 and 2021, our contributions related to these plans were \$15.2 million, \$15.0 million and \$15.7 million, respectively.

**Deferred Compensation Plans.** We maintain deferred compensation plans that allow for certain management employees and the Equifax Board of Directors to defer the receipt of compensation (such as salary, incentive compensation or shares payable under vested restricted stock units and performance shares) until a later date based on the terms of the plans. The Company also makes contributions to the accounts of certain executives who are not eligible to participate in either of the Supplemental Retirement Plans. The benefits under our deferred compensation plans are guaranteed by the assets of a grantor trust which, through our funding, make investments in certain mutual funds. The purpose of this trust is to ensure, subject to the claims of the Company's creditors in the event of the Company's insolvency, the distribution of benefits accrued by participants of the deferred compensation plans, and to ensure full funding, upon a change in control, of the present value of accrued benefits payable to participants or beneficiaries under the plans.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Annual Incentive Plan.** We have a shareholder-approved Annual Incentive Plan, which is a component of the Omnibus Plans, for certain key officers that provides for annual or long-term cash awards at the end of various measurement periods, based on the earnings per share, revenue and/or various other criteria over the measurement period. Our total accrued incentive compensation for all incentive plans included in accrued salaries and bonuses on our Consolidated Balance Sheets was \$88.0 million and \$45.5 million at December 31, 2023 and 2022, respectively.

**Employee Benefit Trusts.** We maintain two employee benefit trusts for the purpose of satisfying obligations under the two Supplemental Retirement Plans. One of these trusts held 0.6 million shares of Equifax stock with a value, at cost, of \$5.9 million at December 31, 2023 and December 31, 2022, as well as cash, which was not material for both periods presented. These employee benefits trust assets are dedicated to ensure the payment of benefits accrued under our Supplemental Retirement Plans, and to ensure full funding of the accrued benefits in case of a change in control, as defined in the trust agreements. The assets in these plan trusts which are recorded on our Consolidated Balance Sheets are subject to creditor's claims in case of insolvency of Equifax Inc.

### 10. ACCUMULATED OTHER COMPREHENSIVE LOSS

Changes in accumulated other comprehensive loss by component, after tax, for the twelve months ended December 31, 2023, are as follows:

|                                                                | Foreign<br>currency<br>translation<br>adjustment | Pension and<br>other<br>postretirement<br>benefit plans | Cash flow<br>hedging<br>transactions | Total             |
|----------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------------|--------------------------------------|-------------------|
|                                                                | <i>(In millions)</i>                             |                                                         |                                      |                   |
| Balance, December 31, 2022                                     | \$ (469.3)                                       | \$ (3.4)                                                | \$ (1.0)                             | \$ (473.7)        |
| Other comprehensive loss before reclassifications              | 42.6                                             | —                                                       | 0.1                                  | 42.7              |
| Amounts reclassified from accumulated other comprehensive loss | —                                                | (0.2)                                                   | —                                    | (0.2)             |
| Balance, December 31, 2023                                     | <u>\$ (426.7)</u>                                | <u>\$ (3.6)</u>                                         | <u>\$ (0.9)</u>                      | <u>\$ (431.2)</u> |

Changes in accumulated other comprehensive loss related to noncontrolling interests were not material as of December 31, 2023.

### 11. RESTRUCTURING CHARGES

Restructuring costs consist of severance costs, contract termination and associated costs, and other exit and disposal costs. Severance costs relate to a reduction in headcount, contract termination costs primarily relate to penalties for early termination of contracts and associated costs of transition, and other exit and disposal costs primarily relate to real estate exit costs.

During the twelve months ended December 31, 2023, we recorded \$37.6 million of restructuring charges, all of which was recorded in selling, general and administrative expenses within our Consolidated Statements of Income. These charges were recorded to general corporate expense and resulted from our continuing efforts to realign our internal resources to support the Company's strategic objectives and primarily relate to a reduction in headcount and contract termination and associated costs. As of December 31, 2023, \$19.6 million of the 2023 restructuring charges have been paid.

In the fourth quarter of 2022, we recorded \$24.0 million (\$18.0 million, net of tax) of restructuring charges, all of which were recorded in selling, general and administrative expenses on our Consolidated Statements of Income. These charges were recorded to general corporate expense and resulted from our continuing efforts to realign our internal resources to support the Company's strategic objectives and primarily relate to a reduction in headcount. As of December 31, 2023, payments for the 2022 restructuring charge were substantially completed.

In the fourth quarter of 2021, we recorded \$8.6 million (\$6.5 million, net of tax) of restructuring charges, all of which were recorded in selling, general and administrative expenses on our Consolidated Statements of Income. These charges were recorded to general corporate expense and resulted from our continuing efforts to realign our internal resources to support the Company's strategic objectives and primarily relate to a reduction in headcount. As of December 31, 2023, payments for the 2021 restructuring charge were substantially completed.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The changes in the liabilities associated with the restructuring charges recorded during 2023, including expenses incurred and cash payments, are as follows:

| <b>Restructuring charges:</b>                    | <b>Liability<br/>balance as of<br/>12/31/2022</b> | <b>Expenses Incurred</b> | <b>Cash Payments</b> | <b>Liability<br/>balance as of<br/>12/31/2023</b> |
|--------------------------------------------------|---------------------------------------------------|--------------------------|----------------------|---------------------------------------------------|
|                                                  |                                                   | <i>(In millions)</i>     |                      |                                                   |
| Severance costs                                  | \$ 24.1                                           | \$ 26.8                  | \$ (37.5)            | \$ 13.4                                           |
| Contract terminations and other associated costs | —                                                 | 9.0                      | (4.1)                | 4.9                                               |
| Other exit and disposal costs                    | —                                                 | 1.8                      | (1.8)                | —                                                 |
| Total                                            | \$ 24.1                                           | \$ 37.6                  | \$ (43.4)            | \$ 18.3                                           |

## 12. LEASES

We determine if an arrangement is a lease at inception. Operating lease right-of-use (“ROU”) assets and liabilities are included in other assets, net and other current and long-term liabilities, respectively, in our Consolidated Balance Sheets.

Operating lease ROU assets and lease liabilities are recognized based on the present value of the future fixed lease payments over the lease term at the commencement date. As most of our leases do not provide an implicit rate, we use our quarterly incremental borrowing rate based on the information available that corresponds to each lease commencement date and lease term when determining the present value of future payments.

Our operating leases principally involve office space. These operating leases may contain variable non-lease components consisting of common area maintenance, operating expenses, insurance and similar costs of the office space that we occupy. We have adopted the practical expedient to not separate these non-lease components from the lease components and instead account for them as a single lease component for all of our leases. The operating lease ROU assets include future fixed lease payments made as well as any initial direct costs incurred and exclude lease incentives. Variable lease payments are not included within the operating lease ROU assets or lease liabilities and are expensed in the period in which they are incurred. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

Lease expense for operating leases was \$40.7 million, \$42.2 million and \$37.8 million for the twelve months ended December 31, 2023, 2022 and 2021, respectively. Our leases have remaining lease terms of one year to ten years, some of which may include options to extend the lease term up to five years and some of which may include options to terminate leases within one year. We have elected to not record operating lease ROU assets and liabilities for short-term leases that have a term of twelve months or less. Our lease expense includes our short-term lease cost which is not material to our Consolidated Financial Statements.

Other information related to our operating leases was as follows:

| <b>Twelve Months Ended December 31, 2023</b>                               | <b>Amount</b> |
|----------------------------------------------------------------------------|---------------|
| <i>(in millions, except lease term and discount rate)</i>                  |               |
| <b>Supplemental Cash Flows Information</b>                                 |               |
| Cash paid for amounts included in the measurement of lease liabilities:    |               |
| Operating cash flows used by operating leases                              | \$ 31.8       |
| Right-of-use assets obtained in exchange for lease obligations (non-cash): |               |
| Operating leases                                                           | \$ 55.3       |
| Weighted Average Remaining Lease Term                                      | 5.1           |
| Weighted Average Discount Rate                                             | 4.6 %         |

Estimated future minimum payment obligations for non-cancelable operating leases are as follows as of December 31, 2023:



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

| Years ending December 31, | Amount          |
|---------------------------|-----------------|
|                           | (In millions)   |
| 2024                      | \$ 31.9         |
| 2025                      | 29.8            |
| 2026                      | 24.7            |
| 2027                      | 18.0            |
| 2028                      | 12.5            |
| Thereafter                | 23.8            |
|                           | <u>\$ 140.7</u> |

We do not have any significant sublease agreements and, as a result, expected sublease income is not reflected as a reduction in the total minimum rental obligations under operating leases in the table above.

### 13. SEGMENT INFORMATION

**Reportable Segments.** We manage our business and report our financial results through the following three reportable segments, which are the same as our operating segments:

- Workforce Solutions
- U.S. Information Solutions
- International

The accounting policies of the reportable segments are the same as those described in our summary of significant accounting policies (see Note 1). We evaluate the performance of these reportable segments based on their operating revenue, operating income and operating margins, excluding any unusual or infrequent items, if any. The measurement criteria for segment profit or loss and segment assets are substantially the same for each reportable segment. Inter-segment sales and transfers are not material for all periods presented. All transactions between segments are accounted for at fair market value or cost depending on the nature of the transaction and no timing differences occur between segments.

A summary of segment products and services is as follows:

**Workforce Solutions.** This segment provides services enabling customers to verify income, employment, educational history, criminal justice data, healthcare professional licensure and sanctions of people in the U.S., as well as providing our employer customers with services that assist them in complying with and automating certain payroll-related and human resource management processes throughout the entire cycle of the employment relationship, including unemployment cost management, employee screening, employee onboarding, tax credits and incentives, I-9 management and compliance, immigration case management, tax form management services and Affordable Care Act management services.

**U.S. Information Solutions.** This segment includes consumer and commercial information services (such as credit information and credit scoring, credit modeling services and portfolio analytics, locate services, fraud detection and prevention services, identity verification services and other consulting services); mortgage services; financial marketing services; identity management; and credit monitoring products sold to resellers or directly to consumers.

**International.** We operate in the following regions: Asia Pacific, Europe, Canada and Latin America. The International segment includes information services products, which includes consumer and commercial services (such as credit and financial information, credit scoring and credit modeling services), credit and other marketing products and services. In Asia Pacific, Europe and Latin America, we also provide information, technology and services to support debt collections and recovery management. In Europe and Canada, we also provide credit monitoring products to resellers or directly to consumers.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Segment information for the twelve months ended December 31, 2023, 2022 and 2021 and as of December 31, 2023 and 2022 is as follows:

| Operating revenue:         | Twelve Months Ended<br>December 31, |                   |                   |
|----------------------------|-------------------------------------|-------------------|-------------------|
|                            | 2023                                | 2022              | 2021              |
|                            | (In millions)                       |                   |                   |
| Workforce Solutions        | \$ 2,315.8                          | \$ 2,325.4        | \$ 2,035.4        |
| U.S. Information Solutions | 1,720.4                             | 1,657.7           | 1,786.7           |
| International              | 1,229.0                             | 1,139.1           | 1,101.8           |
| Total operating revenue    | <u>\$ 5,265.2</u>                   | <u>\$ 5,122.2</u> | <u>\$ 4,923.9</u> |

| Operating income:          | Twelve Months Ended<br>December 31, |                   |                   |
|----------------------------|-------------------------------------|-------------------|-------------------|
|                            | 2023                                | 2022              | 2021              |
|                            | (In millions)                       |                   |                   |
| Workforce Solutions        | \$ 969.3                            | \$ 1,006.0        | \$ 1,000.7        |
| U.S. Information Solutions | 365.0                               | 402.1             | 551.8             |
| International              | 167.8                               | 147.0             | 141.9             |
| General Corporate Expense  | (568.5)                             | (499.1)           | (556.4)           |
| Total operating income     | <u>\$ 933.6</u>                     | <u>\$ 1,056.0</u> | <u>\$ 1,138.0</u> |

| Total assets:              | December 31,       |                    |
|----------------------------|--------------------|--------------------|
|                            | 2023               | 2022               |
|                            | (In millions)      |                    |
| Workforce Solutions        | \$ 4,144.7         | \$ 4,156.5         |
| U.S. Information Solutions | 3,296.1            | 3,291.4            |
| International              | 3,909.0            | 3,106.8            |
| General Corporate          | 930.2              | 993.2              |
| Total assets               | <u>\$ 12,280.0</u> | <u>\$ 11,547.9</u> |

| Depreciation and amortization expense:      | Twelve Months Ended<br>December 31, |                 |                 |
|---------------------------------------------|-------------------------------------|-----------------|-----------------|
|                                             | 2023                                | 2022            | 2021            |
|                                             | (In millions)                       |                 |                 |
| Workforce Solutions                         | \$ 176.5                            | \$ 162.2        | \$ 106.5        |
| U.S. Information Solutions                  | 205.8                               | 191.4           | 158.5           |
| International                               | 147.6                               | 132.0           | 141.1           |
| General Corporate                           | 80.9                                | 74.5            | 74.3            |
| Total depreciation and amortization expense | <u>\$ 610.8</u>                     | <u>\$ 560.1</u> | <u>\$ 480.4</u> |

| Capital expenditures:       | Twelve Months Ended<br>December 31, |                 |                 |
|-----------------------------|-------------------------------------|-----------------|-----------------|
|                             | 2023                                | 2022            | 2021            |
|                             | (In millions)                       |                 |                 |
| Workforce Solutions         | \$ 127.5                            | \$ 113.5        | \$ 73.5         |
| U.S. Information Solutions  | 131.3                               | 125.7           | 92.9            |
| International               | 121.5                               | 144.8           | 123.8           |
| General Corporate           | 205.5                               | 233.4           | 200.3           |
| Total capital expenditures* | <u>\$ 585.8</u>                     | <u>\$ 617.4</u> | <u>\$ 490.5</u> |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

\*Amounts above include accruals for capital expenditures.

Financial information by geographic area is as follows:

| Twelve Months Ended<br>December 31,                      |                    |              |                    |              |                   |              |
|----------------------------------------------------------|--------------------|--------------|--------------------|--------------|-------------------|--------------|
| 2023                                                     |                    |              | 2022               |              | 2021              |              |
| (In millions)                                            |                    |              |                    |              |                   |              |
| Operating revenue<br>(based on location of<br>customer): | Amount             | %            | Amount             | %            | Amount            | %            |
| U.S.                                                     | \$ 4,036.2         | 77 %         | \$ 3,983.1         | 78 %         | \$ 3,822.2        | 78 %         |
| Australia                                                | 317.6              | 6 %          | 325.2              | 6 %          | 336.9             | 7 %          |
| U.K.                                                     | 265.8              | 5 %          | 265.5              | 5 %          | 252.0             | 5 %          |
| Canada                                                   | 259.6              | 5 %          | 256.1              | 5 %          | 250.0             | 5 %          |
| Other                                                    | 386.0              | 7 %          | 292.3              | 6 %          | 262.8             | 5 %          |
| Total operating<br>revenue                               | <u>\$ 5,265.2</u>  | <u>100 %</u> | <u>\$ 5,122.2</u>  | <u>100 %</u> | <u>\$ 4,923.9</u> | <u>100 %</u> |
|                                                          |                    |              |                    |              |                   |              |
| December 31,                                             |                    |              |                    |              |                   |              |
| 2023                                                     |                    |              | 2022               |              |                   |              |
| (In millions)                                            |                    |              |                    |              |                   |              |
| Long-lived assets:                                       | Amount             | %            | Amount             | %            |                   |              |
| U.S.                                                     | \$ 7,460.9         | 68 %         | \$ 7,448.4         | 73 %         |                   |              |
| Australia                                                | 1,732.3            | 16 %         | 1,718.6            | 17 %         |                   |              |
| U.K.                                                     | 283.9              | 3 %          | 263.6              | 3 %          |                   |              |
| Canada                                                   | 224.2              | 2 %          | 200.4              | 2 %          |                   |              |
| Other                                                    | 1,222.4            | 11 %         | 546.4              | 5 %          |                   |              |
| Total long-lived assets                                  | <u>\$ 10,923.7</u> | <u>100 %</u> | <u>\$ 10,177.4</u> | <u>100 %</u> |                   |              |

## **ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

### **ITEM 9A. CONTROLS AND PROCEDURES**

#### **Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of Equifax's disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report (i) were appropriately designed to provide reasonable assurance of achieving their objectives and (ii) were effective and provided reasonable assurance that the information required to be disclosed by Equifax in reports filed under the Exchange Act is (a) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (b) accumulated and communicated to Equifax's management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

#### **Management's Annual Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act as a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer and effected by our Board of Directors, management and other personnel, 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 and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

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

Our management assessed the effectiveness of Equifax's internal control over financial reporting as of December 31, 2023 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013 Framework). Based on this assessment using those criteria, our management concluded that, as of December 31, 2023, Equifax's internal control over financial reporting was effective. Management reviewed the results of its assessment with the Audit Committee of its Board of Directors. The effectiveness of Equifax's internal control over financial reporting as of December 31, 2023 has been audited by Ernst & Young LLP, Equifax's independent registered public accounting firm, as stated in their report, which appears in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K on page 56.

#### **Changes in Internal Control Over Financial Reporting**

There have been no changes in internal control over financial reporting identified in connection with the foregoing that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## ITEM 9B. OTHER INFORMATION

### Rule 10b5-1 Trading Plans of Directors and Executive Officers

The following table describes any contracts, instructions or written plans for the sale or purchase of Equifax securities and intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act that were adopted by our directors and executive officers during the quarter ended December 31, 2023:

| <b>Name and Title</b>               | <b>Date of Adoption of Rule 10b5-1 Trading Plan</b> | <b>Scheduled Expiration Date of Rule 10b5-1 Trading Plan(1)</b> | <b>Aggregate Number of Securities to Be Purchased or Sold</b>         |
|-------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------|
| Mark Begor, Chief Executive Officer | 11/06/23                                            | 11/18/24                                                        | Sale of up to 233,204 shares of common stock in multiple transactions |

(1) A trading plan may also expire on such earlier date that all transactions under the trading plan are completed.

During the quarter ended December 31, 2023, none of our directors or executive officers terminated a Rule 10b5-1 trading plan or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

## PART III

### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Except for the information about our executive officers shown below, the information required by this Item 10 is incorporated herein by reference from the information contained in our Proxy Statement to be filed with the SEC in connection with the solicitation of proxies for our 2024 Annual Meeting of Shareholders (the “2024 Proxy Statement”) under the sections entitled “Proposal 1 Election of Directors,” “Section 16(a) Beneficial Ownership Reporting Compliance” and “Board Leadership and Corporate Governance—Committees of the Board of Directors.”

We have adopted a written Code of Ethics and Business Conduct applicable to all our employees, including our principal executive officer, principal financial officer, and principal accounting officer and controller, and to members of our Board of Directors. Our Code of Ethics and Business Conduct is available on our investor relations website: [www.equifax.com/about-equifax/corporate-governance](http://www.equifax.com/about-equifax/corporate-governance). We will disclose amendments to certain provisions of our Code of Ethics and Business Conduct, or waivers of such provisions granted to executive officers and directors, on this website.

#### *Executive Officers*

Information regarding the executive officers of Equifax Inc. is set forth below.

*Mark W. Begor (65)* has been our Chief Executive Officer and a member of the Board of Directors since April 2018. Prior thereto, he was a Managing Director in the Industrial and Business Services group at Warburg Pincus, a global private equity investment firm, since June 2016. Prior to Warburg Pincus, Mr. Begor spent 35 years at General Electric Company (“GE”), a global industrial and financial services company, in a variety of operating and financial roles. During his career at GE, Mr. Begor served in a variety of roles leading multibillion dollar units of the company, including President and CEO of GE Energy Management from 2014 to 2016, President and CEO of GE Capital Real Estate from 2011 to 2014, and President and CEO of GE Capital Retail Finance (Synchrony Financial) from 2002 to 2011. Mr. Begor served on the Fair Isaac Corporation (FICO) board of directors from 2016 to 2018. He currently serves on the board of directors of NCR Atleos Corp.

*Sunil Bindal (49)* has been our Executive Vice President, Chief Corporate Development Officer since October 2020. Prior to joining Equifax, Mr. Bindal served as Senior Vice President, Global Head of Mergers and Acquisitions and Corporate Development, at Total System Services since July 2018. Prior thereto, he served as Vice President of Corporate Development at Broadridge Financial Solutions since August 2015. Prior thereto, he served as Director, Technology Mergers and Acquisitions, of Credit Suisse since July 2006.

*Carla Chaney (53)* has been our Executive Vice President, Chief Human Resources Officer since April 2019. Prior thereto, she served as Executive Vice President, Human Resources and Communications of Graphic Packaging Holding Company and Graphic Packaging International, since February 2012. Prior thereto, she held a variety of leadership roles with Exide Technologies and Newell Rubbermaid, Inc., since 2004.

*Jamil Farshchi (46)* has been our Executive Vice President, Chief Information Security Officer since February 2018 and our acting Chief Technology Officer since February 2024. Prior to joining Equifax, Mr. Farshchi served as Chief Information Security Officer at The Home Depot since April 2015. Prior thereto, he was the first Global Chief Information Security Officer at Time Warner Inc., from August 2014 to March 2015. Prior thereto, he was the Vice President of Global Information Security at Visa Inc. from August 2011 to August 2014. Mr. Farshchi has also held senior roles at Los Alamos National Laboratory, Sitel Corporation, Nextwave Broadband and NASA. He currently serves on the board of directors of UKG Inc.

*John W. Gamble, Jr. (61)* has been our Executive Vice President, Chief Financial Officer and Chief Operations Officer since February 2021. Prior thereto, he was Corporate Vice President and Chief Financial Officer since May 2014. Prior to that, Mr. Gamble was Executive Vice President and Chief Financial Officer of Lexmark International, Inc., a global provider of document solutions, enterprise content management software and services, printers and multifunction printers, from September 2005 until May 2014.

*Todd Horvath (50)* has been our Executive Vice President, President, U.S. Information Solutions since March 2023. Prior to joining Equifax, Mr. Horvath served in roles of increasing responsibility at Fiserv from 2017-2023, most recently serving as Co-Head of the Fiserv Banking Organization. Prior to that, Mr. Horvath served in various international leadership roles at Automatic Data Processing from 2001-2017. Prior thereto, he was General Director, Venezuela Operations at Sharp Image Gaming in 2001.

*Julia A. Houston (53)* has been our Executive Vice President, Chief Strategy and Marketing Officer since March 2021. Prior thereto, she was our Chief Transformation Officer since October 2017. Prior thereto, she was Senior Vice President, U.S. Legal, since October 2013. Prior to joining Equifax, Ms. Houston was Senior Vice President, General Counsel and Corporate Secretary at Convergys Corporation, from 2011 to 2013. Prior thereto, she served in roles of increasing responsibility at Mirant Corporation from 2004 to 2010, ultimately serving as Senior Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary.

*John J. Kelley III (63)* has been our Executive Vice President, Chief Legal Officer and Corporate Secretary since January 2013. Prior to joining Equifax, Mr. Kelley was a senior partner in the Corporate Practice Group of the law firm of King & Spalding LLP.

*Cecilia Mao (49)* has been our Chief Product Officer since May 2020 and was appointed as Executive Vice President, Chief Product Officer in February 2024. Prior to joining Equifax, Ms. Mao served as Vice President of Product at Oracle Data Cloud from December 2016 to May 2020, where she led teams in business strategy, product management and delivery for identity, data management platform and digital data products. Prior thereto, she held various product management roles on decision and analytics for over a decade at FICO and Verisk Analytics, Inc.

*Lisa Nelson (60)* has been our Executive Vice President, President, International since June 2021. Prior thereto, she served as Group Managing Director, Equifax Australia and New Zealand, since August 2019. Prior thereto, she served as President and General Manager, Equifax Canada, since January 2015. Prior thereto, she served as Senior Vice President, Enterprise Alliance Leader of Equifax U.S. Information Solutions, since November 2011. Prior to joining Equifax, she served as Vice President, Global Scoring Solutions of FICO, since August 2004.

*Rodolfo O. Ploder (63)* has been our Executive Vice President, President, Workforce Solutions since November 2015. Prior thereto, he served as President, U.S. Information Solutions, since April 2010. Prior thereto, he served as President, International, from January 2007 to April 2010. Prior thereto, he was Group Executive, Latin America from February 2004 to January 2007.

*Harald Schneider (50)* has been our Chief Data & Analytics Officer since May 2022 and was appointed as Executive Vice President, Chief Data & Analytics Officer in February 2024. Prior to joining Equifax, Mr. Schneider served as Global Head of Data Products at Visa Inc. from August 2018 to May 2022. Prior thereto, he served as Chief Analytics Officer at Tandem Bank in the U.K. from September 2016 to April 2018. Prior thereto, he held various international data and business leadership roles at Capital One Financial Corporation, Citigroup Inc. and Pardus Capital Management.

## **ITEM 11. EXECUTIVE COMPENSATION**

The information required by this Item 11 is incorporated herein by reference from the information contained in our 2024 Proxy Statement under the sections entitled “Executive Compensation” and “Director Compensation.”

## **ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The information required by this Item 12 is incorporated herein by reference from the information contained in our 2024 Proxy Statement under the sections entitled “Security Ownership of Management and Certain Beneficial Owners” and “Executive Compensation Equity Compensation Plan Information.”

## **ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE**

The information required by this Item 13 is incorporated herein by reference from the information contained in our 2024 Proxy Statement under the sections entitled “Board Leadership and Corporate Governance Director Independence,” “Related Person Transaction Policy” and “Certain Relationships and Related Person Transactions of Directors, Executive Officers, and 5 Percent Shareholders.”

#### **ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The information required by this Item 14 is incorporated herein by reference from the information contained in our 2024 Proxy Statement under the section entitled “Proposal 3 Ratification of Appointment of Ernst & Young LLP as Independent Registered Public Accounting Firm for 2024.”

## PART IV

### ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

#### (a) List of Documents Filed as a Part of This Report:

- (1) *Financial Statements.* The following financial statements are included in Item 8 of Part II:
- Consolidated Balance Sheets — December 31, 2023 and 2022;
  - Consolidated Statements of Income for the Years Ended December 31, 2023, 2022 and 2021;
  - Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2023, 2022 and 2021;
  - Consolidated Statements of Cash Flows for the Years Ended December 31, 2023, 2022 and 2021;
  - Consolidated Statements of Shareholders' Equity and Accumulated Other Comprehensive Loss for the Years Ended December 31, 2023, 2022 and 2021; and
  - Notes to Consolidated Financial Statements.
- (2) *Financial Statement Schedules.*
- Schedule II — Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulation of the SEC are not required under the related instructions or are inapplicable and, therefore, have been omitted.

- (3) *Exhibits.* See exhibits listed under Part (b) below.

#### (b) Exhibits:

| Exhibit Number                                                                          | Description                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><i>Articles of Incorporation and Bylaws</i></b>                                      |                                                                                                                                                                                                                                                                                                         |
| 3.1                                                                                     | Amended and Restated Articles of Incorporation of Equifax Inc. (incorporated by reference to Exhibit 3.1 to Equifax's Form 8-K filed May 14, 2009).                                                                                                                                                     |
| 3.2                                                                                     | Amended and Restated Bylaws of Equifax Inc. (incorporated by reference to Exhibit 3.2 to Equifax's Form 8-K filed February 9, 2021).                                                                                                                                                                    |
| <b><i>Instruments Defining the Rights of Security Holders, Including Indentures</i></b> |                                                                                                                                                                                                                                                                                                         |
| 4.1                                                                                     | Indenture dated as of June 29, 1998, between Equifax Inc. and The First National Bank of Chicago, Trustee (the "1998 Indenture")(under which Equifax's 6.9% Debentures due 2028 were issued) (incorporated by reference to Exhibit 4.4 to Equifax's Form 10-K filed March 31, 1999).                    |
| 4.2                                                                                     | Second Supplemental Indenture dated as of June 28, 2007, between Equifax Inc. and The Bank of New York Trust Company, N.A. (under which Equifax's 7.00% Senior Notes due 2037 were issued), to the 1998 Indenture (incorporated by reference to Exhibit 4.3 to Equifax's Form 8-K filed June 29, 2007). |
| 4.3                                                                                     | Indenture, dated as of May 12, 2016, between Equifax Inc. and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed May 12, 2016).                                                                                                           |
| 4.4                                                                                     | Second Supplemental Indenture, dated as of May 12, 2016, between Equifax Inc. and U.S. Bank National Association, as Trustee, including the form of 2026 Note as Exhibit A (incorporated by reference to Exhibit 4.3 to Equifax's Form 8-K filed May 12, 2016).                                         |
| 4.5                                                                                     | Sixth Supplemental Indenture, dated as of November 19, 2019, between Equifax Inc. and the Trustee, including the form of 2024 Note as Exhibit A (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed November 19, 2019).                                                               |
| 4.6                                                                                     | Seventh Supplemental Indenture, dated as of April 27, 2020, between Equifax Inc. and the Trustee, including the form of 2025 Note as Exhibit A (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed April 27, 2020).                                                                   |
| 4.7                                                                                     | Eighth Supplemental Indenture, dated as of April 27, 2020, between Equifax Inc. and the Trustee, including the form of 2030 Note as Exhibit A (incorporated by reference to Exhibit 4.2 to Equifax's Form 8-K filed April 27, 2020).                                                                    |
| 4.8                                                                                     | Ninth Supplemental Indenture, dated as of August 13, 2021, between Equifax Inc. and the Trustee, including the form of Note as Exhibit A (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed August 16, 2021).                                                                        |



- 4.9 Tenth Supplemental Indenture, dated as of September 12, 2022, between Equifax Inc. and the Trustee, including the form of Note as Exhibit A (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed September 12, 2022).
- 4.10 Eleventh Supplemental Indenture, dated as of May 16, 2023, between Equifax Inc. and the Trustee, including the form of Note as Exhibit A (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed May 16, 2023).
- 4.11 Credit Agreement, dated as of August 25, 2021, by and among Equifax Inc., Equifax Limited, Equifax Canada Co., Equifax International Treasury Services Unlimited Company and Equifax Australia Holdings Pty Limited, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed August 31, 2021).
- 4.12 First Amendment to Credit Agreement, dated as of March 21, 2023, by and among Equifax Inc., Equifax Limited, Equifax Canada Co., Equifax International Treasury Services Unlimited Company and Equifax Australia Holdings Pty Limited, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed April 20, 2023).
- 4.13 Term Loan Credit Agreement, dated as of August 25, 2021, by and between Equifax Inc., JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.2 to Equifax's Form 8-K filed August 31, 2021).
- 4.14 First Amendment to Term Loan Credit Agreement, dated as of March 21, 2023, by and between Equifax Inc., JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.2 to Equifax's Form 10-Q filed April 20, 2023).
- 4.15 Description of the Company's Securities Registered under Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.14 to Equifax's Form 10-K filed February 20, 2020).

Except as set forth in the preceding Exhibits 4.1 through 4.15, instruments defining the rights of holders of long-term debt securities of Equifax have been omitted where the total amount of securities authorized does not exceed 10% of the total assets of Equifax and its subsidiaries on a consolidated basis. Equifax agrees to furnish to the SEC, upon request, a copy of such instruments with respect to issuances of long-term debt of Equifax and its subsidiaries.

#### ***Management Contracts and Compensatory Plans or Arrangements***

- 10.1 Form of Director/Executive Officer Indemnification Agreement (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed May 14, 2009).
- 10.2 Supplemental Retirement Plan for Executives of Equifax Inc. (incorporated by reference to Exhibit 10.6(a) to Equifax's Form 10-K filed February 24, 2016).
- 10.3 Amendment No. 1 to Supplemental Retirement Plan for Executives of Equifax Inc., effective January 1, 2020 (incorporated by reference to Exhibit 10.3 to Equifax's Form 10-K filed February 25, 2021).
- 10.4 Amendment No. 2 to Supplemental Retirement Plan for Executives of Equifax Inc., effective November 4, 2020 (incorporated by reference to Exhibit 10.4 to Equifax's Form 10-K filed February 25, 2021).
- 10.5 Trust Agreement for Supplemental Retirement Plan for Executives of Equifax Inc. dated as of September 16, 2011, between Equifax Inc. and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.6(b) to Equifax's Form 10-K filed February 23, 2012).
- 10.6 Equifax Inc. Executive Life and Supplemental Retirement Benefit Plan (incorporated by reference to Exhibit 10.8 to Equifax's Form 10-K filed March 29, 2001).
- 10.7 Equifax Inc. 2008 Omnibus Incentive Plan, as amended and restated effective May 2, 2013 (incorporated by reference to Appendix C to Equifax's definitive proxy statement on Schedule 14A filed March 20, 2013).
- 10.8 Amendment No. 1 to Equifax Inc. 2008 Omnibus Incentive Plan, effective February 6, 2017 (incorporated by reference to Exhibit 10.8 to Equifax's Form 10-K filed February 25, 2021).
- 10.9 Amendment No. 2 to Equifax Inc. 2008 Omnibus Incentive Plan, effective November 4, 2020 (incorporated by reference to Exhibit 10.9 to Equifax's Form 10-K filed February 25, 2021).
- 10.10 Equifax Inc. 2023 Omnibus Incentive Plan (incorporated by reference to Annex C to Equifax's definitive proxy statement on Schedule 14A filed March 23, 2023).
- 10.11 Form of Non-Qualified Stock Option Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.9 to Equifax's form 10-K filed February 22, 2013).
- 10.12 Form of Non-Employee Director Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.11 to Equifax's Form 10-K filed February 25, 2021).
- 10.13 Equifax Inc. Director Deferred Compensation Plan, as amended through November 5, 2020. (incorporated by reference to Exhibit 10.12 to Equifax's Form 10-K filed February 25, 2021).

- 10.14 Equifax Grantor Trust dated as of January 23, 2014, between Equifax Inc. and Principal Trust Company, Trustee, relating to supplemental deferred compensation and phantom stock benefits (incorporated by reference to Exhibit 10.13 to Equifax's Form 10-K filed February 25, 2021).
- 10.15 Equifax Inc. Director and Executive Stock Deferral Plan, as amended and restated effective January 1, 2019 (incorporated by reference to Exhibit 10.14 to Equifax's Form 10-K filed February 25, 2021).
- 10.16 Amendment No. 1 to Equifax Inc. Director and Executive Stock Deferral Plan, effective as of November 4, 2020 (incorporated by reference to Exhibit 10.15 to Equifax's Form 10-K filed February 25, 2021).
- 10.17 Amendment No. 2 to Equifax Inc. Director and Executive Stock Deferral Plan, effective as of December 2, 2021 (incorporated by reference to Exhibit 10.16 to Equifax's Form 10-K filed February 24, 2022).
- 10.18 Equifax 2005 Executive Deferred Compensation Plan, as amended and restated effective January 1, 2015 (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed July 28, 2016).
- 10.19 Amendment No. 1 to Equifax 2005 Executive Deferred Compensation Plan, effective January 1, 2016 (incorporated by reference to Exhibit 10.2 to Equifax's Form 10-Q filed July 28, 2016).
- 10.20 Amendment No. 2 to Equifax 2005 Executive Deferred Compensation plan, effective January 1, 2016 (incorporated by reference to Exhibit 10.27 to Equifax's Form 10-K filed March 1, 2018).
- 10.21 Amendment No. 3 to Equifax 2005 Executive Deferred Compensation Plan, effective as of November 4, 2020 (incorporated by reference to Exhibit 10.19 to Equifax's Form 10-K filed February 25, 2021).
- 10.22 Amendment No. 4 to Equifax 2005 Executive Deferred Compensation Plan, effective as of May 5, 2021 (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed July 22, 2021).
- 10.23 Equifax Inc. Employee Deferred Compensation Plan (incorporated by reference to Exhibit 4.1 to Equifax's Form S-8 filed November 24, 2021).
- 10.24 Equifax Inc. Board of Directors Deferred Compensation Plan (incorporated by reference to Exhibit 10.23 to Equifax's Form 10-K filed February 24, 2022).
- 10.25 Form of Non-Qualified Stock Option Award Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2017) (incorporated by reference to Exhibit 10.4 to Equifax's Form 10-Q filed April 27, 2017).
- 10.26 Employment Agreement, dated March 27, 2018, between the Company and Mark W. Begor (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed March 28, 2018).
- 10.27 Letter Agreement, dated February 4, 2021, between the Company and Mark W. Begor (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed February 9, 2021).
- 10.28 Form of Non-Qualified Stock Option Award Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in March 2018 to January 2021) (incorporated by reference to Exhibit 10.3 to Equifax's Form 10-Q filed April 26, 2018).
- 10.29 Form of Restricted Stock Unit Award Agreement (CEO) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2021) (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed April 22, 2021).
- 10.30 Form of Premium-Priced Stock Option Award Agreement (CEO) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2021) (incorporated by reference to Exhibit 10.2 to Equifax's Form 10-Q filed April 22, 2021).
- 10.31 Form of Performance Share Award Agreement (TSR) (CEO) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2021) (incorporated by reference to Exhibit 10.3 to Equifax's Form 10-Q filed April 22, 2021).
- 10.32 Form of Restricted Stock Unit Award Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2021) (incorporated by reference to Exhibit 10.4 to Equifax's Form 10-Q filed April 22, 2021).
- 10.33 Form of Non-Qualified Stock Option Award Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2021) (incorporated by reference to Exhibit 10.5 to Equifax's Form 10-Q filed April 22, 2021).
- 10.34 Form of Performance Share Award Agreement (TSR) (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2021) (incorporated by reference to Exhibit 10.6 to Equifax's Form 10-Q filed April 22, 2021).
- 10.35 Equifax Inc. Change in Control Severance Plan (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed February 27, 2019).
- 10.36 Equifax Inc. 2020 Employee Stock Purchase Plan (incorporated by reference to Annex B to Equifax's definitive proxy statement filed on March 27, 2020).
- 10.37 Form of Performance Share Award Agreement (Adjusted EBITDA) (CEO) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in or after February 2022) (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed April 21, 2022).

- 10.38 Form of Performance Share Award Agreement (Adjusted EBITDA) (SLT) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2022) (incorporated by reference to Exhibit 10.2 to Equifax's Form 10-Q filed April 21, 2022).
- 10.39 Performance Share Award Agreement (TSR) between Equifax Inc. and Mark Begor under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for award granted on July 29, 2022) (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed October 20, 2022).
- 10.40 Premium-Priced Stock Option Award Agreement between Equifax Inc. and Mark Begor under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for award granted on July 29, 2022) (incorporated by reference to Exhibit 10.2 to Equifax's Form 10-Q filed October 20, 2022).
- 10.41 Restricted Stock Unit Award Agreement between Equifax Inc. and Mark Begor under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for award granted on July 29, 2022) (incorporated by reference to Exhibit 10.3 to Equifax's Form 10-Q filed October 20, 2022).

***Material Contracts***

- 10.42\*\* Settlement Agreement and Release dated July 22, 2019 between the Company and the Settlement Class Representatives (as defined therein) (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed July 22, 2019).
- 10.43\*\* Stipulated Order for Permanent Injunction and Monetary Judgment dated July 19, 2019 between the Company and the Federal Trade Commission (incorporated by reference to Exhibit 10.2 to Equifax's Form 8-K filed July 22, 2019).
- 10.44\*\* Stipulated Order for Permanent Injunction and Monetary Judgment dated July 19, 2019 between the Company and the Bureau of Consumer Financial Protection (incorporated by reference to Exhibit 10.3 to Equifax's Form 8-K filed July 22, 2019).
- 10.45\*\* Final Judgment and Consent Decree dated July 19, 2019 between the Company and the State of Alabama, with a schedule of the additional jurisdictions in which such agreement (consent decrees) have been approved that are substantially identical in all material respects (incorporated by reference to Exhibit 10.4 to Equifax's Form 8-K filed July 22, 2019).

***Other Exhibits and Certifications***

- 21.1\* Subsidiaries of Equifax Inc.
- 23.1\* Consent of Independent Registered Public Accounting Firm.
- 24.1\* Powers of Attorney (included on signature page).
- 31.1\* Rule 13a-14(a) Certification of Chief Executive Officer.
- 31.2\* Rule 13a-14(a) Certification of Chief Financial Officer.
- 32.1\* Section 1350 Certification of Chief Executive Officer.
- 32.2\* Section 1350 Certification of Chief Financial Officer.
- 97.1\* Equifax Inc. Dodd-Frank Compensation Recovery Policy.
- 101.INS Inline XBRL Instance Document.
- 101.SCH Inline XBRL Taxonomy Extension Schema Document.
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase.
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase.
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase.
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase.
- 104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Filed herewith

\*\*Schedules and exhibits to this agreement have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished as a supplement to the Securities and Exchange Commission upon request.

**(c) Financial Statement Schedules.** See Item 15(a)(2).

**ITEM 16. FORM 10-K SUMMARY**

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 22, 2024.

EQUIFAX INC.

(Registrant)

By: /s/ Mark W. Begor

Mark W. Begor

*Chief Executive Officer*

We, the undersigned directors and executive officers of Equifax Inc., hereby severally constitute and appoint John W. Gamble, Jr. and James M. Griggs, and each of them singly, our true and lawful attorneys with full power to them and each of them to sign for us, and in our names in the capacities indicated below, any and all amendments to this Annual Report on Form 10-K filed with the SEC, hereby ratifying and confirming our signatures as they may be signed by our said attorneys to any and all amendments to said Annual Report on Form 10-K.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 22, 2024.

/s/ Mark W. Begor

Mark W. Begor

*Chief Executive Officer*

*(Principal Executive Officer)*

/s/ John W. Gamble, Jr.

John W. Gamble, Jr.

*Executive Vice President, Chief Financial Officer and Chief Operations Officer*

*(Principal Financial Officer)*

/s/ James M. Griggs

James M. Griggs

*Chief Accounting Officer and Corporate Controller*

*(Principal Accounting Officer)*

/s/ Mark L. Feidler

Mark L. Feidler

*Director and Non-Executive Chairman*

/s/ Karen L. Fichuk

Karen L. Fichuk

*Director*

/s/ G. Thomas Hough

G. Thomas Hough

*Director*

/s/ Robert D. Marcus

Robert D. Marcus

*Director*

/s/ Scott A. McGregor

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Scott A. McGregor

*Director*

/s/ John A. McKinley

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John A. McKinley

*Director*

/s/ Melissa D. Smith

---

Melissa D. Smith

*Director*

/s/ Audrey Boone Tillman

---

Audrey Boone Tillman

*Director*

# SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

2023

| Column A                                      | Column B                       | Column C                                                                    |                           | Column D   | Column E                 |
|-----------------------------------------------|--------------------------------|-----------------------------------------------------------------------------|---------------------------|------------|--------------------------|
| Description                                   | Balance at Beginning of Period | Additions                                                                   |                           | Deductions | Balance at End of Period |
|                                               |                                | Charged to Costs and Expenses                                               | Charged to Other Accounts |            |                          |
|                                               |                                | (In millions)                                                               |                           |            |                          |
|                                               |                                | Reserves deducted in the balance sheet from the assets to which they apply: |                           |            |                          |
| Trade accounts receivable                     | \$ 19.1                        | \$ 11.4                                                                     | \$ —                      | \$ (13.8)  | \$ 16.7                  |
| Deferred income tax asset valuation allowance | 185.1                          | (26.9)                                                                      | 2.7                       | 17.6       | 178.5                    |
|                                               | \$ 204.2                       | \$ (15.5)                                                                   | \$ 2.7                    | \$ 3.8     | \$ 195.2                 |

2022

| Column A                                                                    | Column B                       | Column C                      |                           | Column D   | Column E                 |
|-----------------------------------------------------------------------------|--------------------------------|-------------------------------|---------------------------|------------|--------------------------|
| Description                                                                 | Balance at Beginning of Period | Additions                     |                           | Deductions | Balance at End of Period |
|                                                                             |                                | Charged to Costs and Expenses | Charged to Other Accounts |            |                          |
|                                                                             |                                | (In millions)                 |                           |            |                          |
| Reserves deducted in the balance sheet from the assets to which they apply: |                                |                               |                           |            |                          |
| Trade accounts receivable                                                   | \$ 13.9                        | \$ 8.5                        | \$ —                      | \$ (3.3)   | \$ 19.1                  |
| Deferred income tax asset valuation allowance                               | 192.0                          | (15.4)                        | (9.7)                     | 18.2       | 185.1                    |
|                                                                             | \$ 205.9                       | \$ (6.9)                      | \$ (9.7)                  | \$ 14.9    | \$ 204.2                 |

2021

| Column A                                      | Column B                       | Column C                                                                    |                           | Column D   | Column E                 |
|-----------------------------------------------|--------------------------------|-----------------------------------------------------------------------------|---------------------------|------------|--------------------------|
| Description                                   | Balance at Beginning of Period | Additions                                                                   |                           | Deductions | Balance at End of Period |
|                                               |                                | Charged to Costs and Expenses                                               | Charged to Other Accounts |            |                          |
|                                               |                                | (In millions)                                                               |                           |            |                          |
|                                               |                                | Reserves deducted in the balance sheet from the assets to which they apply: |                           |            |                          |
| Trade accounts receivable                     | \$ 12.9                        | \$ 0.3                                                                      | \$ —                      | \$ 0.7     | \$ 13.9                  |
| Deferred income tax asset valuation allowance | 382.7                          | (12.7)                                                                      | (198.0)                   | 20.0       | 192.0                    |
|                                               | \$ 395.6                       | \$ (12.4)                                                                   | \$ (198.0)                | \$ 20.7    | \$ 205.9                 |

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## Board of Directors



**Mark W. Begor**  
Chief Executive Officer,  
Equifax Inc.



**Melissa D. Smith**  
Chair and Chief Executive Officer,  
WEX Inc.



**Mark L. Feidler**  
Independent Chairman,  
Equifax Inc. and  
Founding Partner,  
MSouth Equity Partners



**Robert D. Marcus**  
Former Chairman and  
Chief Executive Officer,  
Time Warner Cable Inc.



**Audrey Boone Tillman**  
Executive Vice President and  
General Counsel,  
Aflac Incorporated



**Scott A. McGregor**  
Former President and  
Chief Executive Officer,  
Broadcom Corporation



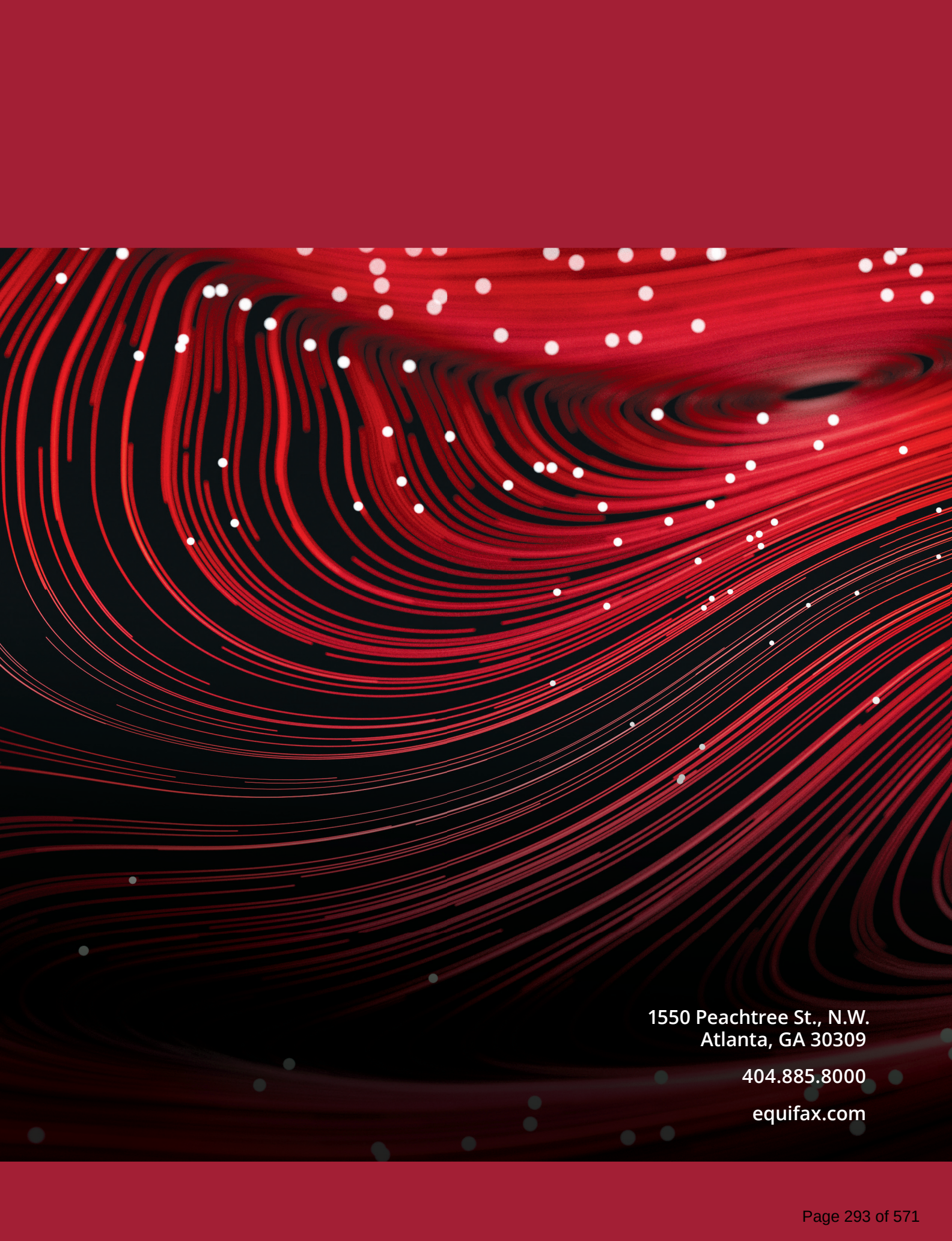
**John A. McKinley**  
Founder,  
Great Falls Ventures



**G. Thomas Hough**  
Retired Americas Vice Chair,  
Ernst & Young LLP



**Karen L. Fichuk**  
Former Chief Executive Officer,  
Randstad North America

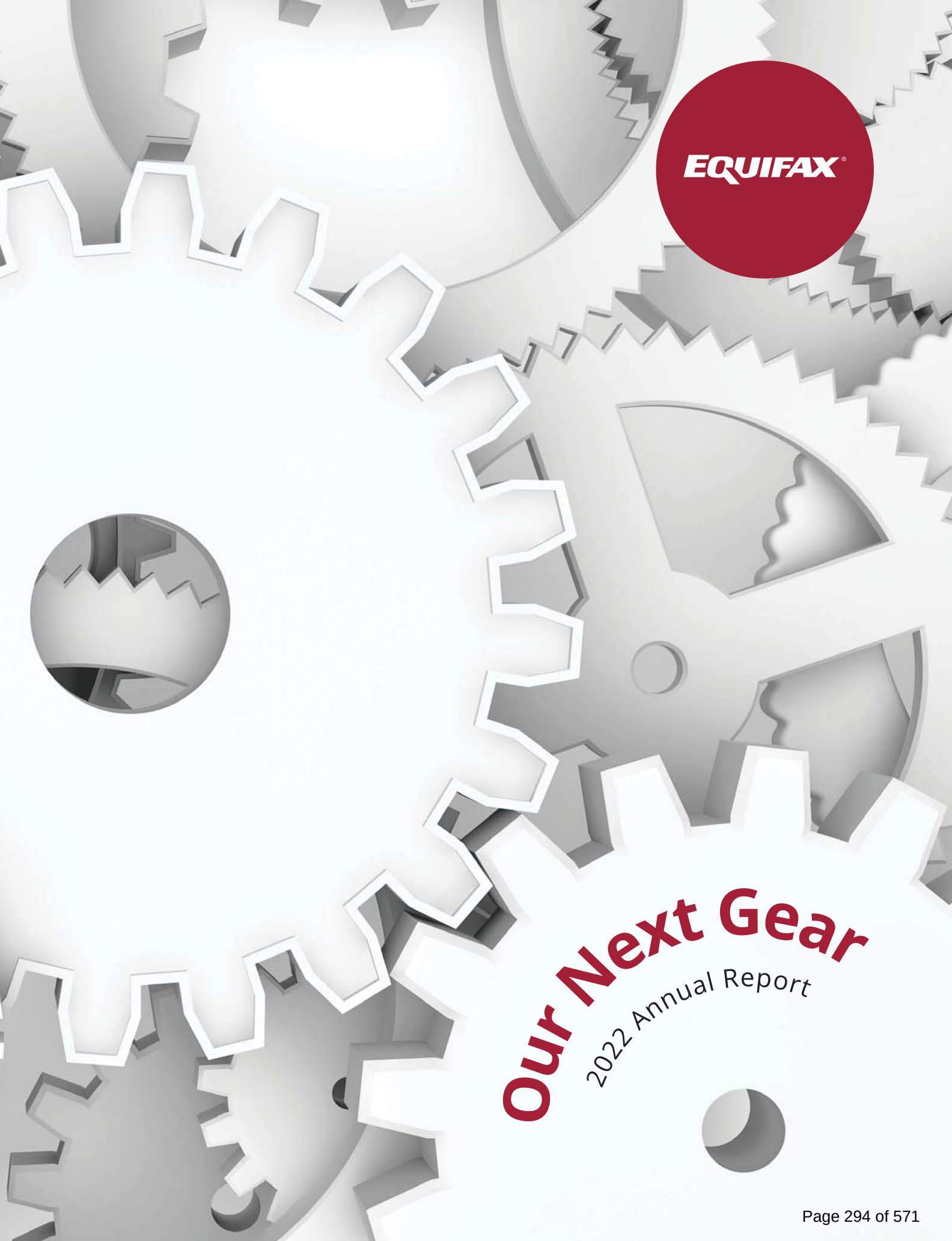


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404.885.8000

[equifax.com](http://equifax.com)





**EQUIFAX®**

# **Our Next Gear**

2022 Annual Report

A photograph of two men, Mark W. Begor and Mark L. Feidler, standing in an office environment. Mark W. Begor is on the left, wearing a dark blue blazer over a light blue checkered shirt. Mark L. Feidler is on the right, wearing a tan plaid blazer over a light blue button-down shirt. They are both smiling at the camera. The background shows a blurred office interior with large windows and indoor plants.

**Mark W. Begor**  
Chief Executive Officer

**Mark L. Feidler**  
Independent Chairman  
of the Board of Directors

# To Our Shareholders:

**2022 was a strong year for the New Equifax.** We are truly a diversified data, analytics and technology company that is shifting into our Next Gear and extending well beyond a traditional credit bureau in the markets we serve worldwide. We are driving innovation to meet the evolving needs of global consumers and customers while delivering strong financial results for our shareholders.

**Equifax achieved record 2022 annual revenue of \$5.122 billion**, up 4% over 2021 despite an unprecedented estimated 56% decline in U.S. mortgage originations and a softening of the global macroeconomic environment. The power of the Equifax business model and our execution against our EFX2025 strategic priorities is reflected in our eight consecutive quarters of strong, double digit core revenue growth – and strong 17% non-mortgage growth in 2022. Our non-mortgage businesses comprised 77% of Equifax and delivered growth in 2022 well above our 8-12% long-term growth framework.

In 2022, we harnessed the power of our new Equifax Cloud™ capabilities and differentiated data to deliver more than 100 new products for a record setting Vitality Index (defined as revenue from new products introduced in the last three years) of 13%, which is well above our 10% long term vitality target for new products and 400 basis points above 2021. North American revenue from products delivered from an application running in the new Equifax Cloud reached a record of approximately 70%, up from 50% in 2021. We also continued to invest in strategic, bolt-on acquisitions to strengthen our company and drive future growth and have signed or completed 14 transactions for consideration totaling \$4.1 billion since the beginning of 2021. We continue to set ourselves apart in the industry with innovative solutions and differentiated data assets that ‘Only Equifax’ can provide.

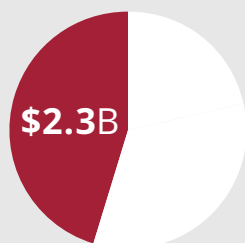
## Equifax Overall Revenue

**\$5.1B**

Up 4%, delivering strong  
17% non-mortgage growth  
in an unprecedented  
mortgage market decline

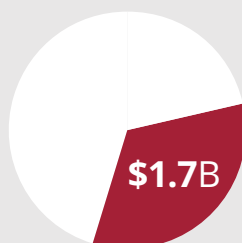
## At the Business Unit Level in 2022

### Workforce Solutions



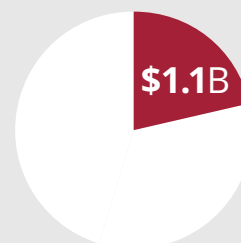
Workforce Solutions, our fastest growing, highest margin, and most valuable business, delivered annual revenue of \$2.3 billion – **growth of 14%** over 2021. Importantly, Workforce Solutions **non-mortgage revenue, which represents 67% of revenue, was up a very strong 42%**. This business unit has more than doubled in size over the past several years and has grown from about 25% of our total revenue four years ago to almost 50% in 2022. It will likely exceed more than half of Equifax revenue in the coming years!

### U.S. Information Solutions



U.S. Information Solutions (USIS) delivered annual revenue of \$1.7 billion, a decline of 7% from 2021 due to the declining 2022 mortgage market, which was partially offset by **strong 6% business-to-business (B2B) non-mortgage growth and B2B Online non-mortgage revenue growth of 11.5%**. In March 2023, we announced the appointment of Todd Horvath as President of USIS effective March 31, 2023. Horvath will drive our USIS growth strategy – leveraging the company’s differentiated data assets, Equifax Cloud-based technology and deep analytics expertise to create innovative solutions that drive financial opportunity for businesses and consumers. He joins Equifax from Fiserv, where he most recently served as the Co-Head of the Fiserv Banking organization.

### International



International, for the **second year in a row**, achieved more than a billion dollars in revenue and **double digit local currency growth, to \$1.1 billion**, up 12% in local currency. We are seeing broad-based execution from our International businesses, with strong double digit local currency revenue **growth in our Latin America (LATAM) and Europe** regions.

# Strong Financial Performance

Our strong financial performance was supported by the significant strides we have made to complete our Equifax Cloud transformation. This new Cloud infrastructure is delivering always-on capabilities and faster New Product Innovation, with integrated data assets, faster data delivery and industry leading enterprise security. Approximately 70% of our North American revenue is now being delivered from the Equifax Cloud and in 2023 we are focused on completing our North American cloud transformation to become the only cloud native data and analytics company.

The strength of the New Equifax worldwide is supported by our nearly 14,000 Equifax employees in 24 countries who have helped our customers adapt to a challenging post-COVID economic landscape, enabling them to support rapidly evolving consumer needs.

## A few of our 2022 highlights include:

We **delivered more than 100 new products** for the third year in a row with a Vitality Index of 13%, a new record for Equifax. New product revenue in 2022 was \$650 million, up over 50% from about \$420 million in 2021.

U.S. Information Solutions is leading the industry with a new mortgage credit report that includes 15 telecommunications, pay TV and utilities attributes to help streamline the mortgage underwriting process and support loans within the secondary mortgage market. Equifax is the first and only in the industry to provide these differentiated insights, which were made available to Equifax customers in the first quarter of 2023 and can help create greater **home ownership opportunities for more than 191 million U.S. consumers**, 80% of whom have traditional credit files, but may benefit from additional insights into their financial profile that can make mortgage underwriting faster and easier.

Workforce Solutions **introduced the TotalVerify™ data hub**, a single source for obtaining the data insights that social service agencies, lenders, background screeners and employers leverage to build trust, enable safety, verify information and assess risk. TotalVerify is the culmination of years of Equifax development, augmented by the acquisition of Appriss Insights in 2021. This secure, multi-faceted data and analytics hub is anchored by The Work Number® database and powered by the Equifax Cloud. Workforce Solutions data is driving a Vitality Index approximately two times the company average.

Our International business continues to execute well, with particular **strength in our LATAM New Product Innovation**. With a regional Vitality Index well above our 10% long term target, the International team is creating solutions that fit each of the 11 countries in the LATAM region to expand and accelerate growth.

The uniqueness and value of The Work Number database was clear again in 2022. New partnerships along with growth in existing partner records and new direct contributors, drove growth – with current records in The Work Number database reaching **152 million active records**, an increase of 12%, or 16 million records, from 2021. This includes 114 million unique individuals and represents 70% of U.S. non-farm payroll and approximately 55% of working Americans.

Workforce Solutions continues to accelerate international expansion in the U.K., Canada and Australia with access to over 20 million active and historical payroll records outside of the U.S., as well as **over 40 million active and historical alternative income records** such as pension data and tax returns.

We have reinvested our strong performance by signing or completing **14 strategic and accretive bolt-on acquisitions totaling more than \$4.1 billion** since the beginning of 2021. In 2022, we enhanced our robust Workforce Solutions suite of employer services with the acquisition of Efficient Hire and LawLogix. We expanded our international presence with the acquisition of Data-Crédito, the largest consumer credit reporting agency in the Dominican Republic, and have signed a definitive agreement to acquire Boa Vista Serviços (BOAS3: SAO), the second-largest credit bureau in Brazil. We also continued to expand our digital identity network with the combination of the Kount business and our 2022 acquisition of Midigator.

Security has become a point of strength and a competitive advantage for Equifax. In 2022, the maturity level of **our cybersecurity program exceeded all major industry benchmarks** for the third consecutive year, with a posture that ranks in the top 1% of Technology companies and top 3% of Financial Services companies analyzed.



## Consumer Impact: Helping People Live Their Financial Best

Our company purpose is to help people live their financial best and Equifax strives to support economically healthy individuals and financially inclusive communities in each of the 24 countries where we do business. This purpose-driven focus was recognized in 2022 with a Google Customer Award for Diversity, Equity and Inclusion.

Financial inclusion is at our core and Equifax is committed to helping people and small businesses access useful and affordable financial products and services that meet their needs – including payments, savings, credit, insurance and government benefits – delivered in a responsible and sustainable way. Every financial first – whether it's a first job, a college education, a bank account, credit card, car loan, apartment lease, small business loan, government benefit or mortgage – can spur positive economic change.

### Positive economic change starts with a single financial opportunity.



While credit reports remain a strong indicator of credit history and past financial reliability, we believe that Fair Credit Reporting Act (FCRA) compliant information that is not included in traditional credit report data has the potential to help responsibly expand consumer access to credit and support a more inclusive economy. Equifax is a leader in alternative data that supports financial inclusion and access to credit.

### Equifax internal data shows that leveraging alternative data could move 20M more U.S. consumers into scorable credit bands



In 2022, we publicly announced plans to become the first in the industry to provide certain telecommunications, pay TV and utilities attributes to the mortgage industry to help streamline the mortgage underwriting process and support loans within the secondary mortgage market. Effective Q1 2023, these telecommunications, pay TV and utilities attributes are now available to the mortgage industry to provide a fuller picture of consumers' financial profiles. The majority of American adults have at least one utility or cell phone bill in their name. Delivering certain telecommunications, pay TV and utilities attributes to mortgage lenders alongside traditional credit reports can help create greater home ownership opportunities for more than 191 million U.S. consumers, 80% of whom have traditional credit files, but may benefit from additional insights into their financial profile that can make mortgage underwriting faster and easier. The use of these expanded data insights can also provide visibility to millions of credit invisible consumers – those without traditional credit files – and enhance the financial profiles of younger, thin-file, and unscorable consumers as they complete first mortgage applications – helping to expand access to credit.

Equifax plays an important role in the financial lives of consumers and we take that responsibility seriously. As we strive to become the most consumer-friendly credit bureau, our company purpose drives our business actions.



## ESG Priorities

Data, analytics and technology is a powerful force in addressing pressing issues facing the world around us and Equifax has committed to reaching net-zero greenhouse gas emissions by 2040, an important sustainability commitment enabled by our Equifax Cloud. As we move from physical, on-premise data centers to cloud-based technology, we are working to increase system reliability and reduce operating expenses while also transitioning to more renewable energy sources, consuming energy more efficiently and reducing our carbon footprint. These strategic business actions also have the potential to help reduce greenhouse gas emissions.

For Equifax in 2022, data centers made up approximately 50% of the company’s total scope 1 and 2 emissions, net of renewable energy. As a part of our Equifax Cloud transformation we have decommissioned 19 data centers to date, including seven decommissions in 2022. As we complete our North American Cloud transformation in 2023, we expect to close about 15 additional data centers, consolidate development centers, and continue to reduce our software application footprint. In 2022, we accelerated our plan to purchase renewable energy associated with our offices and data centers, which will continue to have a positive impact on our sustainability commitments.

Equifax makes quantitative Environmental, Social and Governance (ESG) diversity disclosures available annually in accordance with the Sustainability Accounting Standards Board (SASB) framework, and we were one of the first in our industry to publicly disclose our Equal Employment Opportunity (EEO-1) and SASB diversity reports. We are committed to nurturing a culture where everyone feels welcomed, valued and respected. Within our senior leadership team, nearly 60% identify as female or as having a diverse racial or ethnic background, and 45% of the Equifax global workforce identify as female.



In support of our commitment to inclusion and diversity and the creation of an environment where all team members can flourish, we also developed and launched the Equifax Inclusive Leader Framework in 2022 to articulate the habits and behaviors expected of leaders across Equifax. And all members of our Global Leadership Team had an ESG goal as part of their performance objectives last year.

In January 2023, Equifax appointed Karen Fichuk, former Chief Executive Officer of Randstad North America, as an independent director. Fichuk’s election is part of the board’s regular succession planning process in connection with the scheduled retirement of independent director Bob Selander in May 2023. Forty percent of our director nominees for election at the 2023 Annual Meeting identify as female.



# EFX2025: Our Growth Strategy for the Future

We move into 2023 with significant momentum in the underlying growth of our businesses and in the execution of our EFX2025 strategic priorities. Our Equifax team around the world delivered against every component of our EFX2025 growth strategy in 2022 as we worked to rapidly build the New Equifax and shift into our Next Gear of operations.

## EFX2025 Strategic Priorities



## Accelerate Innovation and New Products

Equifax truly accelerated New Product Innovation in 2022 with over 100 new products for the third year in a row, and a record full year Vitality Index of over 13% with over 90% of new product revenue from non-mortgage products. This 13% Vitality Index is an all-time high since our Vitality Index program's inception in 2007, and is greater than 400 basis points above our strong 2021 results and more than 300 basis points higher than our long-term growth framework.

As we complete the new Equifax Cloud, we are positioned to bring exciting new products to market that leverage our diversified assets and unique capabilities to unlock growth opportunities for our customers. A majority of our New Product Innovations, about 75% in total, leverage global capabilities from our Equifax Cloud platform, which drives both scale and efficiency. Our time to market is averaging 77 days from start to launch, which is just a third of the time needed only three years ago. Revenue driven from new products reached the highest level in our history at \$650 million in 2022.

Workforce Solutions continues to lead Equifax in New Product Innovation with offerings like the TotalVerify data hub, delivering a business unit Vitality Index at more than twice our long-term 10% Vitality Index target. Workforce Solutions is the first Equifax business to be substantially complete with their Equifax Cloud transformation and the growth of the Workforce Solutions Vitality Index from

the low single digits in 2019 to its record levels in 2022 is a testament to the power of the Equifax Cloud to drive innovation and new products today and in the future.

Innovation and development across all regions is increasingly powered by our investment in the Equifax Cloud. It enables us to scale and replicate our innovations across the globe – and we have grown our multi-market launches as a percentage of total New Product Innovation from 2% in 2018 to over 20% in 2022 and growing. The LATAM region leads Equifax with this approach. With a regional Vitality Index well above our 10% long term target, the International team is creating solutions that fit each of the 11 countries in the Equifax LATAM region to expand and accelerate growth.

**As we complete the Equifax Cloud, we are positioned to bring exciting new products to market.**

As we move into 2023, our Equifax Cloud-based data fabric capabilities will further accelerate our New Product Innovation-based revenue growth worldwide. We are in the early days of leveraging these new capabilities but remain confident that they will differentiate us commercially, expand our New Product Innovation capabilities, and accelerate our top line growth.



## Leverage Equifax Cloud Capabilities

We are entering 2023 in the final chapter of completing our Equifax Cloud data and technology transformation that we started almost five years ago. This massive, over \$1.5 billion multi-year investment in the Equifax Cloud is central to our differentiation and to our competitive advantage today and in the years to come. We have created an agile new foundation for the enterprise to develop solutions that are faster, more reliable, more powerful, and more secure than ever before.

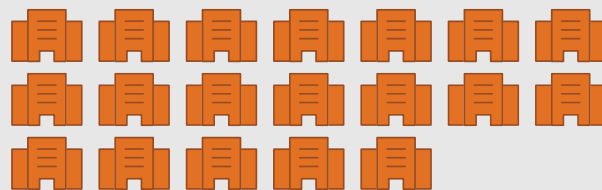
In 2022, North American revenue from the Equifax Cloud reached a **record of about 70%**, up from 50% in 2021.

In 2022, North American revenue from the Equifax Cloud reached a record of about 70%, up from 50% in 2021. We made the strategic decision in 2022 to increase capital spending by approximately \$175 million to \$625 million for the year to accelerate the completion of our North American Cloud transformation. The progress made in 2022 will enable substantial completion of the North American transformation and customer migrations in 2023, including the ability to decommission applications and major North American data centers. Our International transformation also continues to progress towards our goal of being principally complete by the end of 2024 and we are on track to reach our goal of 80% of our global revenue being delivered from the Equifax Cloud in the near future.

Other highlights of our work to complete the Equifax Cloud in 2022 include:

- We decommissioned seven data centers, bringing our total to 19, which serves to help increase our system reliability and reduce our operating expenses while reducing our carbon footprint and fueling our **commitment to reach Net Zero greenhouse gas (GHG) emissions** by 2040.
- We **deployed a Global Network Security Stack to enable a standard, secure and scalable Cloud infrastructure** globally. This drives substantially decreased latency and increased security protection and encryption, translating to faster application onboarding and customer response time.
- Workforce Solutions accelerated growth with the Equifax Cloud, moving The Work Number database to our Data Fabric – **scaling employer records to more than 2.6 million U.S. employers** – and transforming Verification Services.
- Equifax **completed 53,000 customer migrations** globally in 2022, an increase from the 30,000 customer migrations completed in 2021.
- We strengthened our competitive edge in 2022 with the launch of a **unified global keying and linking platform** in our enterprise Data Fabric that will soon allow us to replace 10 disparate systems.
- Our first consumer credit product, **Automated Data View, moved to the Equifax Cloud**, enabling 1,500 U.S. Information Solutions customers to access our Core Credit exchange on the Data Fabric for faster insights.
- Canada began to transform their Consumer Exchange with **almost 50% of online consumer transaction volume migrated**. This is the first location outside of the U.S. to begin this shift.
- Kount Identity Verification, our **global Identity Verification and Adaptive Authentication platform, went live in the U.K.** replacing a legacy system and unlocking Equifax Cloud savings.
- Latin America **completed more than 20,000 of our total customer migrations** in 2022, while also delivering more than 30 new Equifax Cloud-based products and a regional Vitality Index well above our 10% long term target.
- Australia and New Zealand successfully loaded 100% of their historical consumer data into the Data Fabric.
- India made substantial transformation progress, **deploying the International Work Number to the Equifax Cloud**.

We decommissioned seven data centers, bringing our total to 19.



As we focus on completing our North America Cloud transformation in 2023, we will pivot to leveraging our differentiated data assets and new Cloud infrastructure to drive new product roll-outs and top-line growth. Workforce Solutions will accelerate its focus on leveraging their new Equifax Cloud capabilities and USIS and Canada will complete their consumer credit, alternative data and Identity & Fraud Solutions transformations. These are milestones that Equifax has been building towards for nearly five years. We are energized to be pivoting from building the cloud to leveraging our new Equifax Cloud technology to drive innovation, new products, growth, and margin expansion.



## Expand Differentiated Data Assets

Differentiated data and analytics that Only Equifax can provide continue to be at the heart of our business. Unlocking deeper decision intelligence to help our customers deliver better outcomes for consumers at scale is a primary focus of our Equifax Cloud transformation. This requires exceptional data stewardship, including strong processes to ensure the accuracy of our differentiated data, and providing the highest level of regulated services in support of our goal to become the most consumer-friendly credit bureau.

Unlocking deeper decision intelligence to help our customers **deliver better outcomes** for consumers at scale is a primary focus of our Equifax Cloud transformation.

In 2021, we united our Technology, Product and Data & Analytics teams under the leadership of Bryson Koehler to create heightened connectivity and positive synergies across these critical teams. In 2022, we announced the appointment of Harald Schneider as Chief Data & Analytics officer, reporting to Koehler. Schneider brings more than two decades of multinational experience to the role of Chief Data & Analytics Officer. In this role, he will champion global data innovation, maximizing the benefits of Equifax differentiated data assets, leading analytics capabilities and single data fabric within the Equifax Cloud to drive new products and growth while overseeing our data acquisition strategy and data quality management.

Strengthening our data assets and connecting them to drive unique, real-time insights for our customers is central to the Next Gear of our operations. In 2022, the differentiated data that Only Equifax can provide included:

- **The Work Number Database:** 152 million active employment records and 604 million total employment records for verifications of employment and income from 2.6 million different US employers
- **Core Credit:** More than 1.6 billion tradelines with information on 240 million+ consumers
- **Insights:** 180 million incarceration records and 600 million court records
- **Partnership with National Student Clearinghouse:** Access to 130 million degrees from 2,700 colleges and universities
- **DataX and Teletrack:** Access to 80 million unbanked, underbanked and credit rebuilding consumers – enabling greater access to credit
- **Partnerships for cash flow data:** Information on balances, deposits and withdrawals from more than 7,700 participating U.S. financial institutions – allowing access to 99% of the U.S. population
- **IXI:** Wealth information with \$24 trillion in anonymized assets and investments
- **Kount:** 56 billion consumer identity interactions
- **Commercial Financial Network powered with acquisitions of PayNet and Ansonia:** 180 million tradelines across 155 million businesses

We will continue to maximize our differentiated data assets to drive new products and solutions leveraging alternative data assets to **provide a fuller financial picture** of consumers to lenders and service providers.

The bottom line goal of our Equifax Cloud innovation and investment is to help our customers deliver better outcomes for consumers and businesses at scale and in 2023 we will continue to maximize our differentiated data assets to drive new products and solutions leveraging alternative data assets to provide a fuller financial picture of consumers to lenders and service providers.

The Work Number  
service fulfilled

over **45M**

verifications in support of government  
assistance programs in the U.S.\*



Equifax helped

**8.2M**

people secure a  
loan to further their  
education in the U.S.\*



\*Based on actual and estimated results from January-December 2022; Sources: Data and analytics captured by Equifax business units (U.S. Information Solutions, Workforce Solutions, and International)



## Put Customers and Consumers First

Migrating our products and solutions to the Cloud gives customers access to the most up-to-date data, which forms the most comprehensive profiles for consumers and businesses – helping to propel them forward. We are also driving more powerful consumer experiences through product innovation and improved services.

Our goal of becoming the most consumer-friendly Consumer Reporting Agency guides our actions:

- In 2022, we supported victims of crime with **more than 24 million notifications through the VINE network**. VINE, acquired in our purchase of Appriss Insights in 2021, is the leading victim notification network in the U.S. It allows survivors, victims of crime, and other concerned citizens to access timely and reliable information about offenders or criminal cases in U.S. jails and prisons.

Nearly  
**88M**

Offender and defendant  
searches were performed\*

Over  
**24M**

VINE notifications provided  
to U.S. survivors in 2022\*

- Our onboarding solutions helped one in 10 U.S. employees start their new jobs, and we provided consumers with **access to 23 million tax forms** to help them complete their tax returns.

Our onboarding solutions helped one in 10 U.S. employees start their new jobs.



- We **enhanced the consumer experience on The Work Number portal** in 2022, making it even simpler for individuals to view, understand and control their employment data. The fully refreshed site now includes a mobile-friendly design with enhanced accessibility and new educational tools.

- The experience of our U.S. myEquifax consumer portal, which **surpassed 17 million users**, 5.9 million Core Credit™ subscribers, and 626,000 paid product subscribers in 2022, has evolved over the last year to include access to new offers and services, helping to simplify processes like finding auto loans on behalf of the consumers we serve.

Along with TransUnion and Experian, we announced **significant changes** to medical collection debt reporting to support consumers faced with unexpected medical bills.

- And, along with TransUnion and Experian, we announced significant changes to medical collection debt reporting to support consumers faced with unexpected medical bills. These joint measures **will remove nearly 70% of medical collection debt tradelines from consumer credit reports**. We also jointly announced the extension of free weekly credit reports to U.S. consumers through the end of 2023 to help consumers manage their financial health during a period of economic uncertainty.

Equifax plays an important role in the financial lives of consumers and we take that responsibility seriously. Ensuring the accuracy of our differentiated data and of consumer credit reports is our most important job and as we work to complete our transformation in 2023, we are examining our business processes and technology platforms as we work to improve them.

Equifax delivered

over **2.9B**

consumer credit files to U.S. lenders\*

Equifax completed

**15.2M**

know-your-customer  
verification checks for  
customers in Canada\*

\*Based on actual and estimated results from January-December 2022; Sources: Data and analytics captured by Equifax business units (U.S. Information Solutions, Workforce Solutions, and International)





## Execute Bolt-on M&A

Equifax continues to re-invest our strong performance in strategic, bolt-on acquisitions to strengthen our company and drive future non-mortgage growth. We have signed or completed 14 transactions totaling \$4.1 billion since the beginning of 2021.

In 2022, we completed four acquisitions totaling \$450 million that will contribute approximately **\$90 million** in annualized revenue.

In 2022, we completed four acquisitions totaling \$450 million that will contribute approximately \$90 million in annualized revenue. The accretive acquisitions of Data-Crédito, Efficient Hire, LawLogix and Midigator not only grow our core revenue, but strengthen our business with new data assets, capabilities and talented team members.

- **Data-Crédito** expands the Equifax International business into new geographies. As the largest consumer credit reporting agency in the Dominican Republic, Data-Crédito is a bridge to the Caribbean that will allow Equifax to connect and stay close to strategic regional clients and to better serve consumers. By bringing the power of the Equifax Cloud to credit reporting and scoring in the Dominican Republic, Equifax will enable financial institutions to gain new insights into consumers' financial profiles as part of the lending process, helping them to responsibly open up new mainstream financial services opportunities to underbanked individuals.
- **Efficient Hire** expands The Work Number database with more than 500,000 active payroll records and strengthens the Workforce Solutions suite of employer services with solutions specifically tailored to meet the needs of hourly employers, with an emphasis on helping firms in the restaurant, staffing, building services, senior care and hospitality industries, to help them efficiently scale their workforces. Employee acquisition and retention in these industries continue to impact consumer experiences in a hiring environment that has been challenged since the beginning of the COVID pandemic.
- **LawLogix** Software-as-a-Service solutions further expand our Workforce Solutions employer services by providing the capability to digitize and streamline labor-intensive I-9 and immigration processes while helping thousands of organizations, including several of the largest businesses and most recognized immigration law firms in the United States comply with complicated regulatory frameworks.

- **Midigator** post-transaction fraud mitigation solutions expand our USIS business and complement the Equifax Kount Identity Trust Global Network acquired in 2021. With global omnichannel digital payments expected to grow from 2.6 billion users in 2020 to over 4.4 billion in 2025, dispute and chargeback rates present growing problems for businesses around the world. Midigator offers a technology platform designed to not only automate the dispute response process, but to provide the real-time data businesses need to know why chargebacks are occurring in the first place and better understand their customers.

Non-mortgage revenue growth is a key priority for Equifax and a critical driver of our M&A priorities. The acquisitions we completed in 2022 are expected to deliver growth synergies in 2023 and 2024 as we complete their technology and product integrations into the Equifax Cloud – enabling us to create new products and drive new capabilities for our customers.

In 2021, we completed the strategic acquisitions of Kount and Appriss Insights. In 4Q 2022, Equifax expanded Kount business operations in the United Kingdom and made Kount digital identity trust and fraud prevention solutions available in Latin America and Australia. And, the Workforce Solutions talent solutions and government verticals are benefiting from the addition of new Insights data at the Federal, State, and Local level.

We continued to reinvest free cash flow in strategic acquisitions in the first part of 2023, signing a definitive agreement to **acquire Boa Vista Serviços**, the second largest credit bureau in Brazil.

Building on that success, we continued to reinvest free cash flow in strategic acquisitions in the first part of 2023, signing a definitive agreement to acquire Boa Vista Serviços, the second largest credit bureau in Brazil. The transaction is subject to Boa Vista Serviços' shareholder approval and other customary closing conditions and is expected to be completed in mid-2023, at which time the company will become a part of our International business. We also announced the acquisition of The Food Industry Credit Bureau, the leading provider of credit information for the food industry in Canada, from Montreal-based Profile Credit in January.



## Continue Leadership in Security

Security has become a point of strength and a competitive advantage for Equifax. We've built one of the world's most advanced and effective cybersecurity programs, with a maturity level that has exceeded all major industry benchmarks for three consecutive years and a posture that ranks in the top 1% of Technology companies and top 3% of Financial Services companies analyzed.

We've built one of the world's **most advanced** and effective cybersecurity programs, with a maturity level that has exceeded all major industry benchmarks for three consecutive years.

Since 2018, we have built a culture where security is part of our global team's DNA. Every employee receives customized training and has visibility into their own security performance. In 2022, we expanded our customized training to include contract workers and introduced new, targeted measurement of key behaviors, including secure browsing and sensitive data handling. These performance measures are included in the calculation of annual incentive compensation for all bonus-eligible employees.

From our technology infrastructure, data fabric and product development, to our merger and acquisition strategies, security is embedded in everything we do. Over the last year, the security team has enhanced our acquisition processes by establishing tiered control priority, a subset of key controls, and risk-based reporting – critical in supporting our acquisition goals. To ensure that newly-acquired businesses align with our rigorous cybersecurity standards, we completed controls alignment for 15 acquisitions, including the four transactions completed in 2022.

As part of our commitment to delivering solutions that benefit the security community, customers and consumers, Equifax developed and introduced CloudControl, a dashboard that brings greater transparency and improved security to digital supply chains for organizations using Equifax products and solutions. Through the CloudControl dashboard, Equifax customers are provided with deep insights into control effectiveness, empowering them with the information they need to make informed risk decisions.

In our third Annual Security Report, released in the first quarter of 2023, we noted our continued optimization of security systems over the last year, driving additional cloud security and augmenting our security toolset for better governance, reduced risk, and less friction for the business. We worked in partnership with other technology providers to co-design solutions that are now available to the market at large, strengthening security across the broader business ecosystem. As part of these co-innovation efforts, we were recognized by Ping Identity with their Cloud Identity Champion award for "work that pushes our industry forward."

We also continue to actively **engage with customers**, policymakers, and other organizations regarding the challenges and opportunities in cybersecurity.

We also continue to actively engage with customers, policymakers, and other organizations regarding the challenges and opportunities in cybersecurity. As part of this engagement, Equifax Chief Information Security Officer Jamil Farshchi has expanded on his Equifax responsibilities by taking on the role of Strategic Engagement Advisor to the Federal Bureau of Investigation (FBI). In this capacity, Farshchi supports the FBI's efforts to strengthen their relationship with the private sector to address the range of cyber threats facing businesses across America.



Equifax received **over 16M** identity theft queries, helping to prevent possible identity theft every day in Chile\*



Equifax assessed **10.2M** credit applications for potential fraud, helping to stop \$676M in potential losses in Australia\*

\*Based on actual and estimated results from January-December 2022; Sources: Data and analytics captured by Equifax business units (U.S. Information Solutions, Workforce Solutions, and International)



## Act as One Team, One Equifax

Our greatest competitive advantage and asset is our people. Nurturing a team environment that fosters cross-functional collaboration and innovation and working as One Equifax is core to our success.

Critical to that collaboration is **face-to-face interaction**. In 2022, we implemented a 3/2 + 2 return to office framework – open to any employee who can perform work outside of the office and whose role does not require routine weekly travel, such as our sales associates. As part of this framework, Tuesday, Wednesday and Thursday are standard “in office days,” and employees have the option to work from home on Mondays and Fridays, if desired. Our “+2” policy enables employees to work remotely for two full weeks of their choosing each year.

Our teams operated very well throughout the COVID-19 pandemic and have come together in new ways as we have returned to our office environment. In our 2022 Employee Engagement Survey, Equifax attained an **engagement score of 78%**, signaling high levels of engagement across the enterprise. Equifax continues to make a number of internal and external training opportunities available

to our team worldwide, with our global employees completing more than **140,000 hours of training** and professional development, including more than **14,000 hours of leadership and management development**, and almost **45,000 hours of technical training** in 2022. Equifax is a place where our employees can grow and develop their careers, with an internal fill rate for open positions reaching 40% in 2022.

An important part of supporting our people is supporting the areas where they live and work. The Equifax Foundation partners with organizations in Atlanta and St. Louis to help low-to-moderate income communities achieve the credit strength needed to live their financial best. In 2022, the Equifax Foundation put our purpose into action by making more than **\$1.9 million in direct charitable grants** to our Community partners. Building financial capability is a critical step to establishing individual financial health and generational wealth that can change the trajectory and livelihood of families and communities. Additionally, through our Equifax Gives program, **we matched a record \$1.1 million in employee gifts** for more than \$4 million in total community impact.

## Shifting Into Our Next Gear

We are energized by both our delivery against our EFX2025 strategic priorities and our 8 consecutive quarters of strong, double digit core revenue growth – but even more energized about the future of the New Equifax in 2023 and beyond. Our Equifax Cloud based technology, differentiated data assets in our new single data fabric, new product roll-outs, strategic bolt-on M&A and our market leading businesses will enable us to shift into our Next Gear to deliver higher growth, expanded margins and free cash flow in the future.

In 2023, we expect to deliver revenue growth at a midpoint of 4% in total with non-mortgage growth of over 8%, despite continuing challenges in the mortgage market and more uncertain broader economic outlook. Looking forward, we remain focused on growing the company to \$7 billion in revenue and 39% EBITDA margins by 2025. Our strong top-line growth and expanding margins will expand our excess free cash flow substantially. We are moving into 2023 on offense and focused on completing the Equifax Cloud, bolstered by underlying business growth and taking proactive measures to ensure we execute and outperform.

On behalf of the Equifax board, leadership team, and nearly 14,000 team members around the world, we thank you for your ongoing support and confidence in our business. We are energized by our continued strong performance in 2022, and are shifting into our Next Gear to deliver on the power of the New Equifax in the future.

Thanks for your support,

**Mark W. Begor**  
Chief Executive Officer and Director

**Mark L. Feidler**  
Independent Chairman of the Board of Directors



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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-K**

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

For the fiscal year ended December 31, 2022

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number 001-06605

**EQUIFAX INC.**

(Exact name of registrant as specified in its charter)

Georgia

58-0401110

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

1550 Peachtree Street N.W. Atlanta Georgia 30309

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 404-885-8000

Securities registered pursuant to Section 12(b) of the

|      | Title of each class                      | Trading Symbol | Name of each exchange on which registered |
|------|------------------------------------------|----------------|-------------------------------------------|
| Act: | Common Stock, \$1.25 par value per share | EFX            | New York Stock Exchange                   |

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

Indicate by check mark if Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Exchange Act ("Act").

☒ Yes ☐ No

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

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

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

As of June 30, 2022, the aggregate market value of Registrant's common stock held by non-affiliates of Registrant was approximately \$22,372,025,247 based on the closing sale price as reported on the New York Stock Exchange. At January 31, 2023, there were 122,488,001 shares of Registrant's common stock outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of Registrant's definitive proxy statement for its 2023 annual meeting of shareholders are incorporated by reference in Part III of this Form 10-K.

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## PART I

### ITEM 1. BUSINESS

#### Overview

Equifax Inc. is a global data, analytics and technology company. We provide information solutions for businesses, governments and consumers, and we provide human resources business process automation and outsourcing services for employers. We have a large and diversified group of clients, including financial institutions, corporations, government agencies and individuals. Our services are based on comprehensive databases of consumer and business information derived from numerous sources including credit, financial assets, telecommunications and utility payments, employment, income, educational history, criminal history, healthcare professional licensure and sanctions, demographic and marketing data. We use advanced statistical techniques, machine learning and proprietary software tools to analyze available data to create customized insights, decision-making and process automation solutions and processing services for our clients. We are a leading provider of e-commerce fraud and charge back protection services in North America as well as information and solutions used in payroll-related and human resource management business process services in the United States of America (“U.S.”). For consumers, we provide products and services to help people understand, manage and protect their personal information and make more informed financial decisions. Additionally, we also provide information, technology and services to support debt collections and recovery management.

We currently operate in four global regions: North America (U.S. and Canada), Asia Pacific (Australia, New Zealand and India), Europe (the United Kingdom (“U.K.”), Spain and Portugal) and Latin America (Argentina, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Paraguay, Peru and Uruguay). We maintain support operations in the Republic of Ireland, Chile, Costa Rica and India. We also have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia and Singapore and have an investment in a consumer and commercial credit information company in Brazil. We previously had a joint venture in Russia that offered consumer credit services; however, during the third quarter of 2022, we completed the sale of this equity method investment.

Equifax was originally incorporated under the laws of the State of Georgia in 1913, and its predecessor company dates back to 1899. As used herein, the terms Equifax, the Company, we, our and us refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

We are organized and report our business results in three operating segments, as follows:

- **Workforce Solutions** — provides services enabling customers to verify income, employment, educational history, criminal justice data, healthcare professional licensure and sanctions of people in the U.S. (Verification Services), as well as providing our employer customers with services that assist them in complying with and automating certain payroll-related and human resource management processes throughout the entire cycle of the employment relationship, including unemployment cost management, employee screening, employee onboarding, tax credits and incentives, I-9 management and compliance, immigration case management, tax form management services and Affordable Care Act management services (Employer Services). Workforce Solutions has established operations in Canada, Australia and most recently in the U.K.
- **U.S. Information Solutions (“USIS”)** — provides consumer and commercial information solutions to businesses in the U.S. including online information, decisioning technology solutions, identity management services, analytical services, e-commerce fraud and charge back protection services, portfolio management services, mortgage reporting and marketing services. We provide products to consumers in the U.S. to enable them to understand and monitor their credit and help protect their identity. We also sell consumer credit information to resellers who may combine our information with other information to provide direct-to-consumer monitoring, reports and scores.
- **International** — provides products and services similar to those available in the USIS operating segment but with variations by geographic region. We also provide information, technology and services to support debt collections and recovery management. In addition, we provide products to consumers in Canada, the U.K. and Australia to enable them to understand and monitor their credit and help protect their identity. This operating segment is comprised of our Asia Pacific, Europe, Latin America and Canada business units. It also includes our joint ventures in Cambodia, Malaysia and Singapore and investment in a consumer and commercial credit information company in Brazil.

## Our Business Strategy

Our vision is to be a trusted global leader in data, analytics and technology that creates innovative solutions and insights for our customers. Our business strategy is driven by the following imperatives:

- **Leverage our Equifax cloud capabilities and technology investment to accelerate innovation, new products and growth.** We are executing a cloud data and technology transformation that is rebuilding our technology infrastructure, including a migration to a public cloud environment that employs virtual private cloud deployment techniques. We are rationalizing and rebuilding our application portfolio using cloud-native services. Our move to cloud-native technology is enabling the creation of our single data fabric and implementation of best-in-class cloud-based tools and capabilities. Our growth strategy is to leverage our cloud data and technology transformation to accelerate innovation and new product development; deliver market-leading capabilities to our customers; facilitate customer and partner implementation and integration; improve ease of consumer access to and interaction with Equifax; and strengthen system resiliency and uptime.
- **Leverage and expand our differentiated portfolio of data assets.** We use proprietary advanced analytical platforms, including capabilities in machine learning, artificial intelligence and advanced visualization tools, to leverage our unique data to develop leading analytical insights that enhance the precision of our customers' decisioning activities. Based on our cloud native data and technology transformation, we are investing to simplify our customers' access to our leading analytical and decisioning platforms, in order to speed the development of unique insights and the conversion of these insights into innovative new products and services consumable by our customers through our delivery platforms. We strive to advance these capabilities and bring our customers multi-data solutions at scale by expanding our unique and differentiated data assets and analytics through organic growth, business acquisitions and partnerships.
- **Foster a culture of customer centricity.** We are focused on maintaining a culture in which the customer is at the center of our decision processes and we exceed customer expectations by delivering solutions with speed, flexibility, stability and performance. We prioritize engagement with our customers and strive to accelerate innovation through our expanded customer focus and collaboration. We seek to leverage our cloud native technology and unique data assets and capabilities, as well as customer expertise and customer data and technology assets, to drive the development of high-value analytical products and services targeted at a broader range of customer needs. Our focus on customer centricity enables us to be more proactive in solving problems better and faster for customers while delivering enhanced operational readiness to provide a better customer experience.
- **Execute strategic acquisitions that expand our data portfolio and capabilities and drive revenue growth.** A critical lever of our strategy is inorganic growth through accretive and strategic acquisitions that drive incremental annual revenue growth. Our acquisition priorities are clear and focused on re-investing in bolt-on acquisitions that expand our unique differentiated data assets and solutions to strengthen and grow our core businesses. We continue to invest, including through acquisitions and partnerships, to expand our addressable markets and the data and capabilities we offer to solve customer challenges across the services we provide and to expand our access to differentiated data including across identity authentication, fraud mitigation and risk management. We believe there are opportunities to continue to expand in the U.S. and internationally, across the existing financial, mortgage, telecommunications, automotive, insurance, talent management, human resource services, government and other markets that we serve, as well as in new and emerging market segments.
- **Continue our leadership in data security.** We are committed to being an industry leader in security. We have built an Equifax culture that prioritizes security, and we consider data and technology security, and more broadly risk management, as a primary requirement in all decisions. We make extensive use of advanced data and technology security tools, techniques, services and processes in order to enhance our ability to protect the information with which we are entrusted. We are committed to working openly with our peers, customers, and partners to tackle emerging security challenges, document best practices, provide vital data security thought leadership and work together to deliver solutions that benefit both the security community and consumers.
- **Build a world-class Equifax team by investing in talent to drive our strategy and promote a culture of innovation.** At Equifax, we are committed to nurturing a culture where diverse talent thrives. We are focused on providing meaningful opportunities for career advancement and development, fostering an inclusive work

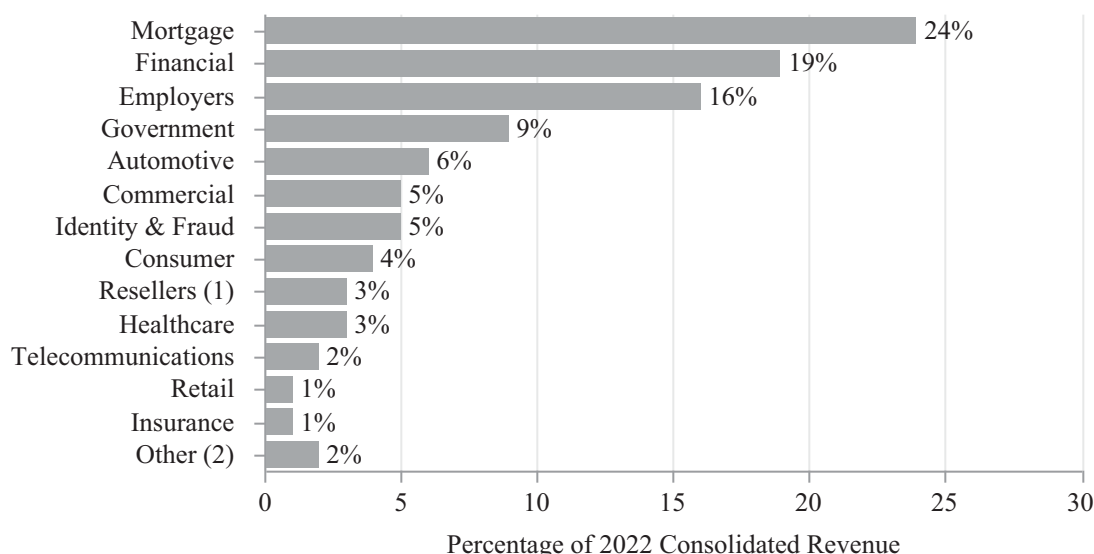
environment, and promoting employee engagement and recognition. We leverage our enterprise-wide talent initiatives to develop, retain and attract a highly-qualified workforce in order to promote our culture of innovation, add diverse perspectives and deliver on our business strategy.

We seek to enhance shareholder value through the disciplined execution of these imperatives and by positioning our Company as a global data, analytics and technology leader with industry-leading security.

## Markets and Clients

Our products and services serve clients across a wide range of verticals, including mortgage, financial services, employers, government (state, federal and local), automotive, commercial, identity and fraud, consumer, resellers, healthcare, telecommunications, retail and insurance. We also serve consumers directly. Our revenue streams are highly diversified with our largest client providing approximately 2% of total revenue. The following table summarizes the various end-user markets we serve:

### Percentage of 2022 Consolidated Revenue



1. Predominantly sold to companies who serve the direct-to-consumer market and includes other small end user markets. Mortgage and auto resellers are excluded from this category as they are included within their respective categories above.
2. Other includes revenue from other miscellaneous end-user markets.

We market our products and services primarily through our own direct sales organization that is structured around sales teams that focus on client segments typically aligned by vertical markets and geography. In the U.S., the vertical market sales teams for the Mortgage, Financial, Government and Automotive markets sell products from both the USIS and Workforce Solutions business units. Sales groups are based in field offices located throughout the U.S., including our headquarters in Atlanta, Georgia, and in the countries where we have operations. We also market our products and services through indirect channels, including alliance partners, joint ventures and other resellers. In addition, we market our products directly to consumers through e-commerce channels.

Revenue from international clients, including end users and resellers, amounted to 22% of our total revenue in 2022, 22% of our total revenue in 2021 and 23% of our total revenue in 2020.

## Products and Services

Our products and services help our clients make more informed decisions with higher levels of confidence by leveraging a broad array of data assets. Analytics are used to derive insights from the data that are most relevant for the client's decisioning needs. The data and insights are then processed through proprietary software and generally transmitted to the client's operating system to execute the decision.

The following chart summarizes the key products and services offered by each of the business units within our segments:

|                                                  | Workforce Solutions   |                   | USIS                         |                              | International |              |               |        |
|--------------------------------------------------|-----------------------|-------------------|------------------------------|------------------------------|---------------|--------------|---------------|--------|
|                                                  | Verification Services | Employer Services | Online Information Solutions | Financial Marketing Services | Europe        | Asia Pacific | Latin America | Canada |
| Online data                                      | X                     |                   | X                            |                              | X             | X            | X             | X      |
| Portfolio management services                    | X                     |                   | X                            | X                            | X             | X            | X             | X      |
| Analytical services                              | X                     | X                 | X                            | X                            | X             | X            | X             | X      |
| Technology services                              |                       |                   | X                            |                              | X             | X            | X             | X      |
| Identity verification services                   | X                     | X                 | X                            |                              | X             | X            | X             | X      |
| Fraud management services                        | X                     | X                 | X                            |                              | X             | X            | X             | X      |
| Marketing services                               |                       |                   |                              | X                            | X             | X            | X             | X      |
| Direct-to-consumer credit monitoring             |                       | X                 | X                            |                              | X             | X            |               | X      |
| Employment and income verification services      | X                     |                   |                              |                              |               | X            |               | X      |
| Talent management                                | X                     | X                 |                              |                              |               |              |               |        |
| Business process outsourcing (BPO)               | X                     | X                 |                              |                              |               | X            |               |        |
| Debt collection software, services and analytics |                       |                   |                              |                              | X             | X            | X             | X      |

Each of our operating segments is described more fully below. For the operating revenue, operating income and total assets for each segment, see Note 13 of the Notes to the Consolidated Financial Statements in Item 8 of this report.

## Workforce Solutions

Workforce Solutions operates in the U.S. through two business units:

**Verification Services.** Verification Services include employment, income, educational history, criminal history, healthcare professional licensure and sanctions verification services. Our online verification services enable third-party verifiers including various governmental agencies, mortgage originators, credit card and automotive lenders and pre-employment screeners to verify the employee's employment status and income information. We also offer an offline manual verification service, which expands employment verification to locate data outside our existing automated database. We also offer various government direct data services, where we process tax forms on behalf of our customers with the applicable government agency. In addition, Verification Services administers a comprehensive source of incarceration, justice and people-based risk intelligence data.

**Employer Services.** These services are aimed at reducing the cost of the human resources function of businesses through a broad suite of services, including assisting with employment tax matters designed to reduce the cost of unemployment claims through effective claims representation and management and efficient processing to better manage the tax rate that employers are assessed for unemployment taxes; comprehensive services designed to research the availability of employment-related tax credits (e.g., federal work opportunity tax credits and employee retention credits), and to process the necessary filings and assist the client in obtaining the tax credit; tax form management services (which include initial distribution, reissuance and correction of W-2 and 1095-C forms); paperless pay services that enable employees to electronically receive pay statement information as well as review and change direct deposit account or W-4 information; I-9 management services designed to help clients electronically comply with the immigration laws that require employers to complete an I-9 form for each new hire; immigration case management services; onboarding services using an online platform to complete the new hire process for employees of corporations and government agencies; and identity theft protection services. In addition, we provide software and services to employers to assist in their compliance with the Affordable Care Act.

The Work Number<sup>®</sup> is our key repository of employment and income data serving our Verification Services business unit. We rely on payroll data received from over two million organizations to regularly update the database. The updates occur as employers and other data contributors transmit data electronically to Equifax from their payroll systems. Employers provide this data to us so that we can handle verification requests on behalf of each employer. We use this data to provide automated employment and income verification services to verifiers, who are lenders, employers/background screeners, and government agencies.

The fees we charge for services in these two business units are generally on a per transaction basis. We have not experienced significant turnover in the employer contributors to the database because we generally do not charge them to add



their employment data to The Work Number<sup>®</sup> database, and the verification service we offer relieves them of the administrative burden and expense of responding to third-party employment verification requests while providing them with the assurance that the process is automated and not subject to human interpretation. The Work Number<sup>®</sup> database held over 600 million current and historic employment records at December 31, 2022.

Workforce Solutions has established an income and employment verification service in Canada, Australia, and the U.K., known as Verification Exchange. At present, revenues from these services in all three regions mentioned are insignificant.

## USIS

USIS provides consumer and commercial information solutions to businesses in the U.S. through three product and service lines, as follows:

**Online Information Solutions.** Online Information Solutions' products are derived from multiple large and comprehensive databases of consumer and commercial information that we maintain about individual consumers and businesses, including credit history, current credit status, payment history, address and other identity information. Our clients utilize the information and analytical insights we provide to make decisions for a broad range of financial and business purposes, such as whether, and on what terms, to approve auto loans or credit card applications, and whether to allow a consumer or a business to open a new utility or telephone account. In addition, this information is used by our clients for cross-selling additional products to existing customers, improving their underwriting and risk management decisions, and authenticating and verifying consumer and business identities. We also sell consumer and credit information to resellers who may combine our information with other information to provide services to the financial, mortgage, fraud and identity management, and other end-user markets. Our software platforms and analytical capabilities can integrate all types of information, including third-party and client information, to enhance the insights and decisioning process to help further mitigate the risk of granting credit, predict the risk of bankruptcy, indicate the applicant's risk potential for account delinquency, ensure the identity of the consumer and reduce exposure to fraud. Identity verification and fraud management products combine financial and non-financial identity information and activity to provide identity verification and authentication services, to assist customers in assessing the risk of loss due to account takeover, identity theft and chargebacks. These risk management services enable our clients to monitor risks and opportunities and proactively manage their portfolios.

Online Information Solutions' clients access products through a full range of electronic distribution mechanisms, including direct real-time access, which facilitates instant decisions. We also develop and host customized applications that enhance the decision-making process for our clients. These decisioning technology applications assist with a wide variety of decisioning activities, including determining pre-approved offers, cross-selling of various products, determining deposit amounts for telephone and utility companies and verifying the identity of their customers. We have also compiled commercial databases regarding businesses in the U.S., which include loan, credit card, public records and leasing history data, trade accounts receivable performance and Secretary of State and Securities and Exchange Commission registration information. We offer scoring and analytical services that provide additional information to help mitigate the credit risk assumed by our clients.

Online Information Solutions also includes our consumer solutions product suite that give U.S. consumers information to enable them to understand and monitor their credit to monitor and help protect their identity. Equifax products offer monitoring features for consumers who are concerned about identity theft, including credit report monitoring from all three credit bureaus, internet scanning, bank account monitoring and lost wallet support. Products may also be available indirectly through relationships with business partners who distribute our products or provide these services to their employees or customers. We also sell consumer credit information to resellers who may combine our information with other information to provide direct-to-consumer monitoring, reports and scores.

**Mortgage Solutions.** Our Mortgage Solutions products, offered in the U.S., consist of specialized credit reports that combine information from the three major consumer credit reporting agencies (Equifax, Experian and TransUnion) into a single "merged" credit report in an online format, commonly referred to as a tri-merge report. Mortgage lenders use these tri-merge reports in making their mortgage underwriting decisions. Additionally, we offer services designed to alert lenders to changes in a consumer's credit status during the underwriting period and securitized portfolio risk assessment services for evaluating inherent portfolio risk.

**Financial Marketing Services.** Our Financial Marketing Services products utilize consumer and commercial financial information enabling our clients to more effectively manage their marketing efforts, including targeting and segmentation, to identify and acquire new clients for their products and services; to develop portfolio strategies to minimize risk and maximize profitability; and to realize additional revenue from existing customers through more effective cross-selling of additional

products and services. Our products are also utilized by customers to support digital identity verification and fraud detection and protection. These products utilize information derived from consumer and commercial information, including credit, income, asset, liquidity, net worth and spending activity, which also support many of our Online Information Solutions' products. These data assets broaden the understanding of consumer and business financial potential and opportunity, which can further drive high value decisioning and targeting solutions for our clients. We also provide account review services, which assist our clients in managing their existing customers and prescreen services that help our clients identify new opportunities with their customers. Clients for these products primarily include institutions in the banking, brokerage, retail, insurance and mortgage industries as well as companies primarily focused on digital and interactive marketing.

## **International**

The International operating segment includes our Asia Pacific, Europe, Latin America and Canada business units. It also includes our joint ventures in Cambodia, Malaysia and Singapore and investment in a consumer and commercial credit information company in Brazil. These business units offer products that are similar to those available in the USIS operating segment, but with variations by geographic region. In some jurisdictions, data sources tend to rely more heavily on government agencies than in the U.S. We also offer specialized services that help our customers better manage risk in their consumer portfolios. This operating segment's products and services generate revenue in Argentina, Australia, Canada, Chile, Costa Rica, Ecuador, El Salvador, Honduras, Dominican Republic, India, Mexico, New Zealand, Paraguay, Peru, Portugal, Spain, the U.K. and Uruguay. We also maintain support operations in the Republic of Ireland, Chile, Costa Rica, and India. We have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia and Singapore and have an investment in a consumer and commercial credit information company in Brazil. We also provide information, technology and services to support debt collections and recovery management in Asia Pacific, Europe, Canada and Latin America.

***Asia Pacific.*** Our Asia Pacific operation provides consumer and commercial information solutions products, marketing products, workforce solutions, and consumer credit protection products. We offer a full range of products, generated from credit records and other data, including credit reporting and scoring, decisioning technology, risk management, identity management, authentication and fraud detection services. Our consumer and commercial products are the primary source of revenue in each of the countries in which we operate and include credit reporting, decisioning tools and risk management services. We also provide information, technology and services to support debt collections and recovery management. Additionally, we provide a variety of consumer and commercial marketing products generated from information databases, including business profile analysis, business prospect lists and database management. The countries in which we operate include Australia, New Zealand and India, as well as Cambodia, Malaysia and Singapore through joint ventures.

***Europe.*** Our Europe operation provides information solutions, fraud detection services, debt collection services and marketing products. Information solutions and fraud products are generated from information that we maintain and include credit reporting and scoring, asset information, risk management, identity management and authentication services and fraud detection and modeling services. These products are sold in the U.K. and Spain. Limited marketing products are available in the U.K. and, to a lesser extent, in Spain. We also provide information, technology and services to support debt collections and recovery management in the U.K. and Spain. In the U.K., this includes a contract to provide these services to the U.K. government.

***Latin America.*** Our Latin America operation provides consumer and commercial information solutions products, marketing products and consumer credit protection products. We offer a full range of products, generated from credit records that we maintain, including credit reporting and scoring, decisioning technology, risk management, identity management, authentication and fraud detection services. Our consumer products are the primary source of revenue in each of the countries in this region in which we operate, with the exception of Mexico where debt management services constitute the core of the business. We also offer various commercial products, which include credit reporting, decisioning tools and risk management services, in the countries we serve. We also provide information, technology and services to support debt collections and recovery management. Additionally, we provide a variety of consumer and commercial marketing products generated from our credit information databases, including business profile analysis, business prospect lists and database management. The countries in this region in which we operate include Argentina, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Paraguay, Peru and Uruguay. We also have an investment in a consumer and commercial credit information company in Brazil.

***Canada.*** Similar to the USIS business units, our Canada operation offers products derived from the credit information that we maintain about individual consumers and businesses. We offer many products in Canada, including credit reporting and scoring, consumer and commercial marketing, risk management, fraud detection and modeling services, identity management and authentication services, together with certain of our decisioning products that facilitate pre-approved offers of credit and

automate a variety of credit decisions. We also provide information, technology and services to support debt collections and recovery management, as well as data, technology and services to facilitate the search of land data and process real estate transactions in Canada.

## Competition

The market for our products and services is highly competitive and is subject to constant change. Our competitors vary widely in size and in the nature of the products and services they offer. Sources of competition are numerous and include the following:

- Competition in the Verification Services market, for both the U.S. and key International segments of Australia, Canada and the U.K., includes employers who manage verifications in-house, lenders who obtain verifications directly from employers, and other online and offline verification companies, such as Experian, Thomas & Company and niche providers. Third parties may also seek to obtain verifications directly from employees by leveraging paper copies of information or by seeking employee credentials to access information systems. Competition in the U.S. Employer Services market is diverse and includes in-house management of such services or the outsourcing of one or more of such services to other third-party outsourced providers like Experian and Thomas & Company; human resources consulting firms such as Mercer and Towers Watson; human resources management services providers such as Workday, Oracle and SAP; payroll processors such as ADP, Paychex and Ceridian; accounting firms such as PwC and EY; and hundreds of smaller companies that provide one or multiple offerings that compete with our Employer Services business.
- Competition for our credit information solutions and direct-to-consumer solutions products varies by both application and industry, but generally includes two global consumer credit reporting companies, Experian and TransUnion, both of which offer a product suite similar to our credit information solutions. In the U.S., LifeLock is a national provider of personal identity theft protection service. Also, there are competitors offering free credit scores including Credit Karma in the U.S., Canada and the U.K., ClearScore in the U.K., and Credit Simple and Credit Savvy in Australia. There are also a large number of competitors who offer competing products in specialized areas (such as fraud prevention, risk management and application processing and decisioning solutions) and software companies offering credit modeling services or analytical tools. Our differentiators include our unique data assets, decisioning technology and the features and functionality of our analytical capabilities. We emphasize our improved decision making and product quality while remaining competitive on price. We also compete with Fair Isaac Corporation with respect to certain of our analytical tools and solutions and LexisNexis in identity and fraud and other solutions.
- Competition for our commercial solutions products primarily includes Experian, Dun & Bradstreet and Moody's, and providers of these services in the international markets we serve.
- Competition for our debt collection and recovery management software, services and analytics is spread across a number of providers. We believe that the breadth and depth of our data assets enable our clients to develop a more current and comprehensive view of consumers. In the category of platforms and analytics, we compete to some extent with entities that deploy collections platforms, account management systems or recovery solutions.

While we believe that none of our competitors offers the same mix of products and services as we do, certain competitors may have a larger share of particular geographic or product markets or operate in geographic areas where we do not currently have a presence.

We assess the principal competitive factors affecting our markets to include: our ability to protect information and systems; product attributes such as quality, depth, coverage, adaptability, scalability, interoperability, functionality and ease of use; product price; technical performance including system response time and availability; access to unique proprietary databases; quickness of response, flexibility and client services and support; effectiveness of sales and marketing efforts; existing market penetration; proprietary technology; and new product innovation.

## Technology and Intellectual Property

We rely on various intellectual property laws, confidentiality procedures and contractual provisions to protect strategic or valuable intellectual property developed in connection with our business. We register, and apply for registration of, certain intellectual property in the U.S. and several foreign countries under applicable patent laws. We also have registered and common law trademarks, service marks, logos and internet domain names in the U.S. and in many foreign countries, the most

important of which include “Equifax,” “The Work Number,” “Interconnect,” “Equifax Ignite,” and variations thereof. These marks are used in connection with many of our product lines and services. Our intellectual property rights are generally important to our operations and competitive position, but no single intellectual property right or group of intellectual property rights is solely responsible for protecting our businesses. Certain Company trademarks, including the “Equifax” trademark, which contribute to our brand identity and the recognition of our products and services, are more important to our business, and their loss could have a significant negative impact on us.

We license other companies to use certain data, software and other technology and intellectual property rights we own or control, primarily as core components of our products and services, on terms that are consistent with customary industry standards and that are designed to protect our interest in our intellectual property. Other companies license us to use certain data, technology and other intellectual property rights they own or control. For example, we license credit-scoring algorithms and the right to sell credit scores derived from those algorithms from third parties for a fee. We do not hold any franchises or concessions that are material to our business or results of operations.

## **Governmental Regulation**

We are subject to a number of U.S. federal, state, local and foreign laws and regulations that involve matters central to our business. These laws and regulations may involve consumer reporting, privacy, data protection, intellectual property, competition, consumer protection, anti-corruption, anti-bribery, anti-money laundering, employment, health, taxation or other subjects. In particular, we are subject to U.S. federal, state, local and foreign laws regarding the collection, protection, dissemination and use of personal information we collect, process or otherwise have in our possession. Failure to satisfy those legal and regulatory requirements, or the adoption of new laws or regulations, could have a significant negative impact on our results of operations, financial condition or liquidity.

U.S. federal, state, local and foreign laws and regulations are evolving and can be subject to significant change. In addition, the application and interpretation of these laws and regulations are often uncertain. These laws are enforced by federal, state and local regulatory agencies in the jurisdictions where we operate, and in some instances also through private civil litigation. There are also a number of legislative proposals pending before the U.S. Congress, various state legislative bodies and foreign governments concerning consumer and data protection that could particularly affect us.

### ***Summary of U.S. Regulations Relating to Consumer and Data Protection***

Our U.S. operations are subject to numerous laws and regulations governing the collection, protection and use of consumer credit and other information, and imposing sanctions for the misuse of such information or unauthorized access to data. Many of these provisions also affect our customers’ use of consumer credit or other data we furnish. Examples of the most significant U.S. laws include, but are not limited to, the following:

#### ***Federal Laws and Regulation***

- **FCRA.** The Fair Credit Reporting Act (“FCRA”) regulates consumer reporting agencies, including many of our U.S. operations, as well as data furnishers and users of consumer reports such as banks and other companies. FCRA provisions govern the accuracy, fairness and privacy of information in the files of consumer reporting agencies (“CRAs”) that engage in the practice of assembling or evaluating certain information relating to consumers for certain specified purposes. Among other requirements, the FCRA limits the type of information that may be reported by CRAs, limits the distribution and use of consumer reports and establishes consumer rights to access, freeze and dispute information in the consumer’s files. CRAs are required to follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates and if a consumer disputes the accuracy of any information in the consumer’s file, to conduct a reasonable reinvestigation. The Consumer Financial Protection Bureau (“CFPB”) is the primary regulator that enforces and provides regulatory guidance related to the FCRA in the United States. CRAs are required to comply with regulations promulgated by the CFPB and are subject to regular supervisory engagements related to a variety of FCRA requirements. Violation of the FCRA can result in civil and criminal penalties. The FCRA contains an attorney fee shifting provision to provide an incentive for consumers to bring individual or class action lawsuits against a CRA for violations of the FCRA. The United States Federal Trade Commission (“FTC”) and state attorneys general may also enforce the requirements of the FCRA.
- **Dodd-Frank Act.** Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) created the CFPB. The Dodd-Frank Act provides the CFPB with examination and supervisory authority over CRAs, including us. The Dodd-Frank Act prohibits unfair, deceptive or abusive acts or practices (“UDAAP”)



with respect to consumer financial services practices and provides the CFPB with enforcement authority to enforce those provisions. Among other areas, the CFPB's UDAAP authority extends to the security measures we employ to safeguard the personal data of consumers. Allegations that we failed to safeguard or handle such data in a compliant manner may subject us to CFPB enforcement action. The CFPB may pursue administrative proceedings or litigation to enforce the laws and rules subject to its jurisdiction. In these proceedings, the CFPB can obtain cease and desist orders, which can include orders for restitution to consumers or rescission of contracts, as well as other types of affirmative relief and monetary penalties ranging from \$5,000 per day for ordinary violations and up to \$1 million per day for known violations. Also, the Dodd-Frank Act empowers state attorneys general and state regulators to bring civil actions in certain circumstances for the kind of cease and desist orders available to the CFPB (but not for civil penalties).

- **FTC Act.** The Federal Trade Commission Act ("FTC Act") prohibits unfair methods of competition and unfair or deceptive acts or practices. Under the FTC Act, the FTC's jurisdiction includes the ability to bring enforcement actions based on the security measures we employ to safeguard the personal data of consumers. Allegations that we failed to safeguard or handle such data in a reasonable manner may subject us to regulatory scrutiny or enforcement action. There is no private right of action under the FTC Act.
- **GLBA.** The Financial Services Modernization Act of 1999, or Gramm-Leach-Bliley Act ("GLBA"), regulates, among other things, the use of non-public personal information of consumers that is held by financial institutions, including us. We are subject to various GLBA provisions, including rules relating to the use or disclosure of the underlying data and rules relating to the physical, administrative and technological protection of non-public personal financial information. Breach of the GLBA can result in civil and/or criminal liability and sanctions by regulatory authorities. Regulatory enforcement of the GLBA is under the purview of the FTC, the CFPB, the federal prudential banking regulators, the SEC and state attorneys general, acting alone or in concert with each other.
- **CROA.** The Credit Repair Organizations Act ("CROA") regulates companies that claim to be able to assist consumers in improving their credit standing. There have been efforts to apply the CROA to credit monitoring services offered by CRAs and others. The CROA allows for a private right of action. Consumers can sue to recover the greater of the amount paid or actual damages, punitive damages, costs, and attorney's fees for violations of the CROA.

#### *State Laws and Regulations Relating to Consumer and Data Protection*

- A number of states have enacted requirements similar to the federal FCRA. Some of these state laws impose additional, or more stringent, requirements than the FCRA, especially in connection with investigations and responses to reported inaccuracies in consumer reports. The FCRA preempts some of these state laws, but the scope of preemption continues to be defined by the courts. The state of Vermont is grandfathered under the original FCRA requirements and thus we are subject to additional requirements to comply with Vermont law.
- All fifty states have adopted versions of data security breach laws that require notification to affected consumers and potentially regulators or law enforcement authorities in the event of a breach of personal information. A subset of these laws and other state laws require the implementation of data security measures as well. State attorneys general can enforce such state laws and can seek equitable as well as monetary remedies and in some cases private rights of action are permitted by such laws.
- The New York State Department of Financial Services ("NYDFS") has enacted extensive regulatory requirements applicable to CRAs that require registration with that agency, prohibit unfair and deceptive consumer practices and require compliance with significant portions of the NYDFS cybersecurity rules.
- We or certain of our operations are also subject to and affected by new and evolving state privacy and data security laws such as data broker registration requirements in California and Vermont, and the California Consumer Privacy Act ("CCPA"). The CCPA became effective January 1, 2020 and imposes additional data privacy requirements on many businesses operating in the state, including, potentially, with respect to employee data in addition to consumer data. The CCPA expansively defines "personal information" and imposes new notice requirements relating to the collection, use and sharing of personal information. It provides consumers with extensive rights, including the right to access the categories and specific pieces of personal information businesses collect, the right to request businesses delete information, and the right to opt-out of "sales" of personal information with sales being defined under the CCPA to include monetary and non-monetary valuable

consideration. The CCPA also contains a private right of action in the event that a business suffers a security breach that was due to unreasonable security measures. In November 2020, California voters passed the California Privacy Rights Act (“CPRA”), which maintains the core framework but expanded the requirements of the CCPA effective January 1, 2023. We may also become subject to and affected by new and proposed state privacy laws similar to the CCPA and CPRA, such as the Virginia Consumer Data Protection Act (“VCDPA”) which became effective January 1, 2023, and the Colorado Privacy Act (“CPA”) which becomes effective July 1, 2023. A number of other state legislatures, including New York, Florida and Washington, have introduced comprehensive data privacy legislation modeled after, and which contain certain elements of, the CCPA, VCDPA or the European Union's General Data Protection Regulation (“GDPR”), which is an extremely broad privacy law. Additional state legislatures are expected to consider similar legislation in 2023. If enacted, such laws may contain variations and impose new compliance risks and obligations on us.

- State banking and financial services regulatory agencies have asserted either express or implied authority under applicable state laws to examine us as a third-party service provider to financial institutions, and in certain cases to bring enforcement actions against us. Generally, such examinations, and related enforcement actions, are focused on assessing our safety and soundness in support of financial institutions we serve. In 2018, we entered into a consent order with certain state banking regulators in response to their multi-state review of our information security program. This consent order obligated us to, among other things, make certain changes to our corporate governance and information security practices.
- We are also subject to federal and state laws that are generally applicable to any U.S. business with national or international operations, such as antitrust laws, the Foreign Corrupt Practices Act, the Americans with Disabilities Act, state unfair or deceptive practices acts and various employment laws. We continuously monitor legislative and regulatory activities that involve credit reporting, data privacy, security and other relevant issues to identify issues in order to remain in compliance with all applicable laws and regulations.

#### *Consent Orders with the FTC, CFPB, MSAG Group and NYDFS*

- As part of the Consumer Settlement (as defined below), we entered into consent orders with the FTC, CFPB, MSAG Group (as defined below) and NYDFS pursuant to which we agreed to implement certain business practice commitments related to consumer assistance and our information security program, including third party assessments of our program. These business practice commitments are extensive and require a significant amount of attention from management.

#### ***Summary of International Regulations Relating to Consumer and Data Protection***

We are subject to various data protection, privacy and consumer credit laws and regulations in the foreign countries where we operate. Examples of the most significant of these laws include, but are not limited to, the following:

- **In the U.K.**, we are subject to a regulatory framework that provides for regulation by the Financial Conduct Authority (the “FCA”). The FCA focuses on consumer protection, the integrity of the U.K. financial system, and effective competition in the interests of consumers. The FCA has significant powers, including the power to regulate conduct related to the marketing of financial products, to specify minimum standards and to place requirements on products, impose unlimited fines, and to investigate organizations and individuals. In addition, the FCA is able to ban financial products for up to a year while considering an indefinite ban; it has the power to instruct firms to immediately retract or modify promotions which it finds to be misleading, and to publish such decisions. Our core credit reporting and debt collections services and recovery management businesses in the U.K. are subject to FCA supervision. In July 2022, the FCA set out final rules and guidance for a new Consumer Duty that will set higher expectations for the standard of care firms give consumers. In addition to regulation by the FCA, we are also subject to regulation by the U.K. Information Commissioner’s Office, which focuses on upholding information rights in the public interest and the protection of data privacy for individuals.

In the U.K., we are subject to provisions that are broadly equivalent to the European Union’s General Data Protection Regulation (described below). These equivalent provisions were adopted into U.K. laws following the end of the transition period that followed the U.K.’s exit from the EU.

- **In Europe**, we are subject to the EU's GDPR, which is an extremely broad and sweeping privacy law. The GDPR establishes multiple privacy and data protection requirements that are more specific and comprehensive than those of the U.S. and most other countries where Equifax operates. In addition, the GDPR includes data breach

notification requirements and it establishes the ability of regulators to pursue substantial penalties for non-compliance. In addition to the GDPR, each EU member state may include specific requirements regarding personal data breaches in its local data protection regulations.

- **In Canada,** federal and provincial laws govern how we collect, use or disclose personal information in the course of our commercial activities. Federally, the Personal Information Protection and Electronic Documents Act (“PIPEDA”) governs the collection, use and disclosure of personal information by organizations in the private sector. Businesses must follow the fair information principles set forth in PIPEDA to protect personal information, including: accountability, identifying purposes, consent, limiting collection, limiting use, disclosure and retention, accuracy, safeguards, openness, individual access and compliance. It sets out specific obligations with respect to accountability and identifying purposes, consent, collection, use, disclosure, retention, accuracy, safeguards, personal data breach reporting, individual access and compliance. Alberta, British Columbia and Quebec privacy legislation sets out similar privacy laws and rules that apply to our Canadian business. The federal and provincial privacy regulators have powers of investigation and intervention, and provisions of Canadian law regarding civil liability apply in the event of unlawful processing which is prejudicial to the persons concerned. Canada also has specific credit reporting legislation that is regulated at a provincial level. At present, each province has credit reporting legislation, with the exception of the Territories (Northwest Territories, Yukon, and Nunavut). Generally speaking, the legislation regulates the contents of credit files, the length of time information can be included on a credit file, who can receive credit reports and consumer rights pertaining to the maintenance of credit reports.
- **In Latin America,** data protection and credit reporting laws and regulations vary considerably among Latin American countries. Some countries, such as El Salvador, Paraguay, Chile and Honduras, establish a constitutional right to privacy without general data protection standards or a data protection authority. These countries, however, have laws that govern the functioning of credit bureaus. Other countries, such as Argentina, Uruguay, Peru, Costa Rica, Mexico and most recently Brazil have enacted comprehensive data protection legislation similar to the EU's GDPR. The EU recognizes Argentina and Uruguay as having adequate levels of protection for personal data transfers and processing.
- **In Australia,** we are subject to regulatory oversight by various agencies. The Office of the Australian Information Commissioner (“OAIC”) is the agency with direct responsibility for administering the Australian Privacy Principles (which relate to the collection, holding, use and disclosure of personal information) and Part IIIA of the Privacy Act 1988 (which regulates credit reporting). The OAIC can investigate a complaint, conduct its own investigations, resolve/make binding determinations and seek civil penalties. Our credit reporting business, Equifax Information Services and Solutions, is a member of an external dispute resolution scheme, the Australian Financial Complaints Authority, which has been approved by the OAIC to handle privacy and credit reporting complaints and make binding determinations. The OAIC can register codes of practice under the Privacy Act 1988, and has registered the Privacy (Credit Reporting) Code 2014. The Australian Competition and Consumer Commission (“ACCC”) is the agency responsible for enforcing the Competition and Consumer Act of 2010 and related legislation concerning consumer protection and competition. The ACCC has the authority to use a range of actions to ensure compliance with the law, including investigative powers and the ability to seek penalties through litigation and other formal enforcement means. The Australian Retail Credit Association is a credit and credit reporting industry self-regulatory body, which administers principles and standards for the exchange of credit data between industry participants. Equifax Australasia Credit Ratings Pty Limited (formerly named Corporate Scorecard Pty Limited, one of our Australian subsidiaries) holds an Australia Financial Services License, which allows it to provide general advice to wholesale clients by issuing a credit rating, and has been approved in New Zealand as a rating agency by the Reserve Bank of New Zealand under section 86 of the Non-bank Deposit Takers Act of 2013 (NZ). The Australian Securities and Investments Commission regulates corporations and has authority to investigate, prosecute, ban individuals and to seek civil penalties. New federal legislation came into effect in February 2021 mandating the supply by banks of comprehensive credit information to credit reporting bodies, including Equifax, imposing certain disclosure, storage and reporting obligations on the credit reporting bodies, requiring the provision by credit reporting bodies of free credit reports to consumers up to four times per year, permitting the reporting of financial hardship information within the credit reporting system and requiring the Attorney-General to review and report on the credit reporting system before October 1, 2024.
- **In New Zealand,** the regulatory framework provides for primary regulation under the Privacy Act 2020. The Office of the Privacy Commissioner (“NZ OPC”) investigates complaints relating to the collection, use, holding and disclosure of personal information, both credit-related and non-credit related. The NZ OPC can make a finding that there has been an interference with privacy but cannot impose civil penalties for this. In extreme cases where there has been an interference with privacy, it can refer these cases to the Director of Human Rights for

determination in the Human Rights Review Tribunal. The NZ OPC can issue practice codes under the Privacy Act 2020 and has issued and subsequently amended the Credit Reporting Privacy Code 2020. The Privacy Act 2020 contains mandatory data breach reporting. The Retail Credit Association of New Zealand is an industry association which addresses reciprocity of data issues relating to comprehensive credit reporting and data standards.

- **In India**, various legislation including the Information Technology Act of 2000 and rules framed thereunder and the Credit Information Companies (Regulation) Act of 2005 and rules and regulations framed thereunder, establishes a federal data protection framework. Entities that collect and maintain personal data and/or credit information must ensure that it is complete, accurate and safeguarded, and must adopt certain privacy principles with respect to collecting, processing, preserving, sharing and using such data and/or credit information. The Indian parliament is expected to pass legislation that provides greater protection to individuals' personal data. To this end, in November 2022, Indian legislators introduced the Digital Personal Data Protection Bill (2022). The Digital Personal Data Protection Bill (2022) is expected to be considered in 2023 with amendments. This bill is expected to be enacted and eventually to impose additional privacy and data security requirements. Our Indian business is subject to regulation by the Reserve Bank of India, which is India's central banking institution.

### ***Summary of Regulations Affecting our Employer Services Business***

The Employer Services business unit within our Workforce Solutions business segment helps employers comply with various regulatory frameworks applicable to employers in the United States. As a result, changes to those regulatory frameworks could impact the services we provide. For instance, if the federal government or a state government mandates the use of E-Verify, our I-9 service may be impacted if the federal government changes the requirements for individuals to work in the U.S. The Unemployment Cost Management service could be impacted if a state government changes the requirements for employers to process and/or protest unemployment claims. The Tax Management Services business within our Employer Services business is potentially impacted by changes in renewal or non-renewal of U.S. federal and state tax laws or interpretations, for example, those pertaining to work opportunity tax credits and unemployment compensation claims.

## **Human Resources**

### ***Our People***

Equifax employed approximately 14,000 employees in 24 countries as of December 31, 2022. Our global employee base consisted of approximately 3,900 employees in our Workforce Solutions business unit, 2,500 employees in our USIS business unit, 4,500 employees in our International business unit and 3,100 employees in our corporate Centers of Excellence. In 2022, we hired approximately 4,100 new employees and promoted approximately 2,500 employees as we continue to grow and transform our businesses around the world.

### ***Inclusion and Diversity***

We continue to make positive strides in support of our inclusion and diversity strategy. Our Chief Talent and Diversity Officer occupies a key leadership position, reporting directly to our Chief Human Resources Officer, and is responsible for activating our talent strategy with a focus on furthering an inclusive and diverse workforce and culture. We are advancing this strategy through deepening our commitment to employee networks around the world, open dialogues to enhance understanding, ongoing inclusion and diversity-focused training and cultural heritage celebrations.

We have consistently improved enterprise-wide trends around representation and promotions for both women and employees of diverse ethnic backgrounds, and pride ourselves on promoting and hiring highly-qualified candidates who enhance our culture, add diverse perspectives and deliver on our business strategy. Women and leaders of diverse ethnic backgrounds make up approximately half of Equifax's senior leadership team. Consistent with our commitment to diversity, we have expanded the requirements for diverse candidate interview slates for all professional and management roles.



## Forward-Looking Statements

This report contains information that may constitute “forward-looking statements.” Generally, the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “will,” “may” and similar expressions identify forward-looking statements, which generally are not historical in nature. All statements that address future operating performance and events or developments that we expect or anticipate will occur in the future, including statements relating to future operating results, improvements in our information technology and data security infrastructure, including as a part of our cloud data and technology transformation, our strategy, the expected financial and operational benefits, synergies and growth from our acquisitions, changes in U.S. and worldwide economic conditions, such as rising interest rates and inflation, that materially impact consumer spending, consumer debt and employment and the demand for Equifax's products and services, our culture, our ability to innovate, the market acceptance of new products and services and similar statements about our business plans are forward-looking statements. Management believes that these forward-looking statements are reasonable as and when made. However, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the Company's historical experience and our present expectations or projections, including without limitation our expectations regarding the Company's outlook, long-term organic and inorganic growth, and customer acceptance of our business solutions referenced above under “Item 1. Business” and below in “Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation — Business Overview.” These risks and uncertainties include, but are not limited to, those described below in “Item 1A. Risk Factors,” and elsewhere in this report and those described from time to time in our future reports filed with the United States Securities and Exchange Commission (“SEC”). As a result of such risks and uncertainties, we urge you not to place undue reliance on any such forward-looking statements. Forward-looking statements speak only as of the date when made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## Available Information

Detailed information about us is contained in our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and other reports, and amendments to those reports, that we file with, or furnish to, the SEC. These reports are available free of charge at our website, [www.equifax.com](http://www.equifax.com), as soon as reasonably practicable after we electronically file such reports with or furnish such reports to the SEC. However, our website and any contents thereof should not be considered to be incorporated by reference into this document. We will furnish copies of such reports free of charge upon written request to Equifax Inc., Attn: Office of Corporate Secretary, P.O. Box 4081, Atlanta, Georgia, 30302. These reports are also available at [www.sec.gov](http://www.sec.gov).

## ITEM 1A. RISK FACTORS

All of the risks and uncertainties described below and the other information included in this Form 10-K should be considered and read carefully. The risks described below are not the only ones facing us. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition or results of operations. This Form 10-K also contains forward-looking statements and estimates that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks and uncertainties described below.

### Technology and Data Security Risks

***Security breaches and other disruptions to our information technology infrastructure could compromise Company, consumer and customer information, interfere with our operations, cause us to incur significant costs for remediation and enhancement of our IT systems and expose us to legal liability, all of which could have a substantial negative impact on our business and reputation.***

We are a global data, analytics and technology company. In the ordinary course of business, we collect, process, transmit and store sensitive data, including intellectual property, proprietary business information and personal information of consumers, employees and strategic partners. The secure operation of our information technology networks and systems, and of the processing and maintenance of this information, is critical to our business operations and strategy. Because our products and services involve the storage and transmission of personal information of consumers, we are routinely the target of attempted cyber and other security threats by outside third parties, including technically sophisticated and well-resourced bad actors attempting to access or steal the data we store. Additionally, we could experience service disruptions or a loss of access to critical data or systems due to ransomware or other destructive attacks. Insider or employee cyber and security threats are also a significant concern for all companies, including ours. Despite our substantial investment in physical and technological security

measures, employee training and contractual precautions, our information technology networks and infrastructure (or those of our third-party vendors and other service providers) are potentially vulnerable to unauthorized access to data, loss of access to systems or breaches of confidential information due to criminal conduct, attacks by hackers, employee or insider malfeasance and/or human error.

The techniques used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly evolving and often are not recognized until launched against a target, or even some time after. We may be unable to anticipate these techniques, implement adequate preventative measures or remediate any intrusion on a timely or effective basis even if our security measures are appropriate, reasonable, and/or comply with applicable legal requirements. Certain efforts may be state-sponsored and supported by significant financial and technological resources, making them even more sophisticated and difficult to detect. Further, we are in the process of transforming our applications and infrastructure technologies, and this transition to cloud-based technologies may expose us to additional cyber threats as we migrate our data from our legacy systems to cloud-based solutions hosted by third parties. Although we have developed systems and processes that are designed to protect our data and customer data and to prevent data loss and other security breaches, and expect to continue to expend significant additional resources to bolster these protections, these security measures cannot provide absolute security.

In 2017, we experienced a cybersecurity incident following a criminal attack on our systems that involved the theft of personal information of U.S., Canadian and U.K. consumers. If we experience additional significant breaches of our security measures, including from incidents that we fail to detect for a period of time, sensitive data may be accessed, stolen, disclosed or lost. Any such access, disclosure or other loss of information could subject us to significant litigation, regulatory fines or penalties, any of which could have a material adverse effect on our cash flows, competitive position, financial condition or results of operations. We cannot ensure that our insurance policies in the future will be adequate to cover losses from any security breaches.

Security breaches and attacks, and the adverse publicity that may follow, can have a negative impact on our reputation and our relationship with our customers. For example, our reputation with consumers and other stakeholders and our customer relationships were damaged following the 2017 cybersecurity incident, resulting in a negative impact on our revenue for a period of time. If we experience another material cybersecurity incident or are otherwise unable to demonstrate the security of our systems and the data we maintain and retain the trust of our customers, consumers and data suppliers, we could experience a substantial negative impact on our business.

***If we fail to achieve and maintain key industry or technical certifications, our customers and business partners may stop doing business with us and we may not be able to win new business, which would negatively affect our revenue.***

We are required by customers and business partners to obtain various industry or technical certifications. Such certifications are critical to our business because certain of our current and potential customers and the contracts governing certain customer relationships, as well as certain of our data suppliers, require us to maintain them as a requirement of doing business. For example, as a result of the 2017 cybersecurity incident, we lost certain key certifications which caused certain customers and business partners to stop or pause doing business with us and temporarily limited our ability to win new business. We had to spend significant resources on remediation activities in order to obtain these key re-certifications. If we fail to achieve or maintain key industry or technical certifications as a result of another cybersecurity incident or for other reasons, customers and business partners may stop doing business with us and we may not be able to win new business, which would negatively affect our revenue.

## **Strategy and Market Demand Risks**

***The failure to realize the anticipated benefits of our technology transformation strategy could adversely impact our business and financial results.***

We expect our technology transformation strategy, including our transition to cloud-based technologies, will significantly increase our efficiency, our productivity, and the stability and functionality of our products and services, as well as decrease the cost of our overall systems infrastructure, all of which we expect will drive growth and have a positive effect on our business, competitive position and results of operations. This initiative is a major undertaking as we replace many of our previous operating systems with cloud-based systems. This complex, multifaceted and extensive initiative is expensive and has caused, and may cause in the future, unanticipated problems and expenses. If the transition causes errors or adversely impacts system processes, our new systems do not operate as expected, or the data we transition to the cloud changes in a material way, we may have to incur significant additional costs to make modifications and could lose customers and we may suffer reputational harm as a result. Moreover, we may experience issues with customer migration, as many of our customers may not

migrate to cloud-based technologies on a timely basis or at all or may choose not to utilize our products and services during and after our transition to cloud-based technologies, which could negatively impact our revenue.

We cannot assure you that our technology transformation strategy will be beneficial to the extent, or within the timeframes expected, or that the estimated efficiency, cost savings and other improvements will be realized as anticipated or at all. Market acceptance of cloud-based offerings is affected by a variety of factors, including information security, reliability, performance, the sufficiency of technological infrastructure to support our products and services in certain geographies, customer and data provider concerns with entrusting a third party to store and manage its data as well as the customer's ability to access this data once a contract has expired, and consumer concerns regarding data privacy and the enactment of laws or regulations that restrict our ability to provide such services to customers. If we are unable to correctly respond to these issues, we may experience business disruptions, damage to our reputation, negative publicity, diminished customer trust and relationships and other adverse effects on our business. Even if the anticipated benefits and savings are substantially realized, there may be consequences, internal control issues or business impacts that were not expected. Our transition and migration to cloud-based technologies may increase our risk of liability and cause us to incur significant technical, legal, regulatory or other costs.

***The loss of access to credit, employment, financial and other data from external sources could harm our ability to provide our products and services.***

We rely extensively upon data from external sources to maintain our proprietary and non-proprietary databases, including data received from customers, licensors, furnishers, strategic partners and various government and public record sources. This data includes the widespread and voluntary contribution of credit data from most lenders in the U.S. and many other markets as well as the contribution of data under proprietary contractual agreements, such as employers' contribution of employment and income data to The Work Number<sup>®</sup> and telecommunications, cable and utility companies' contribution of payment and fraud data to the National Cable, Telecommunications and Utility Exchange. For a variety of reasons, including concerns of data furnishers arising out of legislatively or judicially imposed restrictions on use, security breaches or competitive reasons, our data sources could withdraw, delay receipt of or increase the cost of the data they provide to us. Where we currently have exclusive use of data, the providers of the data sources could elect to make the information available to competitors. We also compete with several of our third-party data suppliers. If a substantial number of data sources or certain key data sources were to withdraw or be unable to provide their data, if we were to lose access to data due to government regulation, if we lose exclusive right to the use of data, or if the collection, disclosure or use of data becomes uneconomical, our ability to provide products and services to our customers could be adversely affected, which could result in decreased revenue, net income and earnings per share and reputational loss. There can be no assurance that we would be able to obtain data from alternative sources if our current sources become unavailable.

***Negative changes in general economic conditions, including interest rates, the level of inflation, unemployment rates, income, home prices, investment values and consumer confidence, could adversely affect us.***

Our customers, and therefore our business and revenues, are sensitive to negative changes in general economic conditions, including the demand and availability of affordable credit and capital, the level and volatility of interest rates, the level of inflation, employment levels, consumer confidence and housing demand, both inside and outside the United States. Business customers use our credit information and related analytical services and data to process applications for new credit cards, automobile loans, home and equity loans and other consumer loans, and to manage their existing credit relationships. Demand for our services tends to be correlated to general levels of economic activity and to consumer credit activity, which can be impacted by changes in interest rates and the level of inflation. Banks' and other lenders' willingness to extend credit are adversely affected by elevated consumer delinquency and loan losses in a weak economy. Consumer demand for credit (i.e., rates of spending and levels of indebtedness) also tends to grow more slowly or decline during periods of economic contraction or slow economic growth.

Our customer base suffers when financial markets experience volatility, illiquidity and disruption, and the potential for increased and continuing disruptions going forward presents considerable risks to our business and revenue. High or rising rates of unemployment and interest, declines in income, home prices or investment values, lower consumer confidence and reduced access to credit adversely affect demand for many of our products and services, and consequently our revenue and results of operations, as consumers may postpone or reduce their spending and use of credit, and lenders may reduce the amount of credit offered or available.

In 2023, we expect U.S. mortgage market originations to decline by approximately 30% compared to 2022. Any weakening in the U.S. mortgage market resulting in a significant reduction in mortgage originations could have a corresponding negative impact on revenue and operating profit for our business, primarily within the Workforce Solutions and USIS operating

segments. To the extent inflation results in rising interest rates and has other adverse effects upon the securities markets and upon the value of financial instruments, it may adversely affect our financial position and profitability.

***Our markets are highly competitive and new product introductions and pricing strategies being offered by our competitors could decrease our sales and market share or require us to enhance our products and services or reduce our prices in a manner that reduces our revenue and operating margins.***

We operate in a number of geographic, product and service markets that are highly competitive. Competitors may develop products and services that are superior to or that achieve greater market acceptance than our products and services. New competitors may choose to enter and compete in our markets, or existing competitors may choose to introduce new products and enter markets that we serve and that they do not currently serve. The size of our competitors varies across market segments, as do the resources we have allocated to the segments we target. Therefore, some of our competitors may have significantly greater financial, technical, marketing or other resources than we do in one or more of our market segments, or overall. As a result, our competitors may be in a position to respond more quickly than we can to new or emerging technologies and changes in customer requirements, or may devote greater resources than we can to the development, enhancement, promotion, sale and support of products and services, or some of our customers may develop products of their own that replace the products they currently purchase from us, which would result in lower revenue. In addition, many of our competitors have extensive consumer relationships, including relationships with our current and potential customers. Moreover, new competitors or alliances among our competitors may emerge and potentially reduce our market share, revenue or margins.

We also sell our information to competing firms, and buy information from certain of our competitors, in order to sell “tri-bureau” and other products, most notably into the U.S. mortgage market. Changes in prices between competitors for this information and/or changes in the design or sale of tri-bureau versus single or dual bureau product offerings may affect our revenue or profitability.

Some of our competitors may choose to sell products that compete with ours at lower prices by accepting lower margins and profitability, or may be able to sell products competitive to ours at lower prices, individually or as a part of integrated suites, given proprietary ownership of data, technological superiority or economies of scale. Price reductions by our competitors could negatively impact our revenue and operating margins and results of operations and could also harm our ability to obtain new customers on favorable terms. Historically, certain of our key products have experienced declines in per unit pricing due to competitive factors and customer demand. Since a significant portion of our operating expenses is relatively fixed in nature due to sales, information technology and development and other costs, if we were unable to respond quickly enough to changes in competition or customer demand, we could experience further reductions in our operating margins.

***If our relationships with key customers are materially diminished or terminated, our business could suffer.***

We have long-standing relationships with a number of our customers, many of whom could unilaterally terminate their relationship with us or materially reduce the amount of business they conduct with us at any time. Many of our material customer agreements can be terminated by the customer for convenience on limited advance written notice, which provides our customers with the opportunity to renegotiate their contracts with us or to award more business to our competitors. There is no guarantee that we will be able to retain or renew existing agreements, maintain relationships with any of our customers or business partners on acceptable terms or at all, or collect amounts owed to us from insolvent customers or business partners. The loss of one or more of our major customers or business partners could adversely affect our business, financial condition and results of operations.

***If we do not introduce successful new products, services and analytical capabilities in a timely manner, or if the market does not adopt our new services, or if new technologies are introduced by competitors that are more effective or at lower costs than ours, our competitiveness and operating results will suffer.***

We generally sell our products in industries that are characterized by rapid technological changes, including the introduction of new innovative technologies, frequent new product and service introductions and changing industry standards. In addition, certain of the markets in which we operate are seasonal and cyclical. Without the timely introduction of new technologies, products, services and enhancements, our products and services will become technologically or commercially obsolete over time, in which case our revenue and operating results would suffer. The success of our new products and services will depend on several factors, including our ability to properly identify customer needs; innovate and develop new technologies, services and applications; successfully commercialize new technologies in a timely manner; produce and deliver our products in sufficient volumes on time; differentiate our offerings from competitor offerings; price our products competitively; anticipate our competitors’ development of new products, services or technological innovations; and control



product quality in our product development process. Our resources have to be committed to any new products and services before knowing whether the market will adopt the new offerings.

***The demand for some of our products and services may be negatively impacted to the extent the availability of free or less expensive consumer information increases.***

Public or commercial sources of free or relatively inexpensive consumer credit, credit score and other information have become increasingly available, particularly through the internet, and this trend is expected to continue. In addition, governmental agencies in particular have increased the amount of information to which they provide free public access and these or other sources of free or relatively inexpensive consumer information from competitors or other commercial sources may reduce demand for our services. Recently, there also has been an increase in companies offering free or low-cost direct-to-consumer credit services (such as credit scores, reports and monitoring) as part of alternative business models that use such services as a means to introduce consumers to other products and services. To the extent that our customers choose not to obtain services from us and instead rely on information obtained at no cost or relatively inexpensively from these other sources, our business, financial condition and results of operations may be adversely affected.

***We rely, in part, on acquisitions, joint ventures and other alliances to grow our business and expand our geographic reach. The acquisition, integration or divestiture of businesses by us may not produce the expected financial or operating results or IT and data security profile we expect. In addition, if we are unable to make acquisitions or successfully develop and maintain joint ventures and other alliances, our growth may be adversely impacted.***

Historically, we have relied, in part, on acquisitions, joint ventures and other alliances to grow our business. Any transaction we do complete may not be on favorable terms, may involve greater-than-expected liabilities and expenses, potential impairments of tangible and intangible assets or significant write-offs and the expected benefits, synergies, revenue and growth from these initiatives may not materialize as planned. We may have difficulty assimilating new businesses and their products, services, technologies, IT systems and personnel into our operations. IT and data security profiles of acquired companies may not meet our technological standards and may take longer to integrate and remediate than planned. This may result in significantly greater transaction, remediation and integration costs for future acquisitions than we have experienced historically, or it could mean that we will not pursue certain acquisitions where the costs of integration and remediation are too significant. We may also have difficulty integrating and operating businesses in geographies and markets or market segments where we do not currently have a significant presence, and acquisitions of businesses having a significant presence outside of the U.S. will increase our exposure to risks of conducting operations in international markets. These difficulties could disrupt our ongoing business, distract our management and workforce, increase our expenses and adversely affect our operating results and financial condition.

Despite our past experience, opportunities to grow our business through acquisitions, joint ventures and other alliances may not be available to us in the future. In addition, our focus on data security and our technology transformation strategy, including our migration to cloud-based technologies, may limit our ability to identify and complete acquisitions as our stringent technological criteria and standards for acquisition candidates may continue to increase.

***If our government contracts are terminated, if we are suspended from government work, or if our ability to compete for new contracts is adversely affected, our business could suffer.***

We derive a portion of our revenue from direct and indirect sales to U.S. federal, state and local governments and their respective agencies. We also derive a portion of our revenue from sales to foreign governments and related agencies. Such contracts are subject to various procurement laws and regulations, and contract provisions relating to their formation, administration and performance. Failure to comply with these laws, regulations or provisions in our government contracts could result in the imposition of various civil and criminal penalties, termination of contracts, forfeiture of profits, suspension of payments or suspension of future government contracting. A number of our federal government contracts have received enhanced scrutiny and media attention due to the sensitive nature of the data we handle and due to the importance of the government programs we support. If we experience another material cybersecurity incident, if public or legislative scrutiny and pressure related to government services we support turns negative or if we experience uptime issues or performance problems, our ability to maintain existing or acquire new government contracts may be substantially impacted.

If our government contracts are terminated, if we are suspended from government work, if the services we provide are no longer needed due to government program change or termination, or if our ability to compete for new contracts is adversely affected, including by our failure to achieve certain government certifications, our business could suffer.

***Our business has been and may continue to be negatively impacted by health epidemics, pandemics and similar outbreaks, including the COVID-19 pandemic.***

We face various risks related to health epidemics, pandemics and similar outbreaks. For example, the COVID-19 pandemic and the mitigation efforts by governments to attempt to control its spread adversely impacted the global economy, leading to reduced consumer spending and lending activities. Our customers, and therefore our business and revenues, are sensitive to negative changes in general economic conditions. We experienced significant revenue declines in several of our markets as a result of COVID-19 and we may experience similar revenue declines as a result of future health epidemics, pandemics and similar outbreaks.

***Our reputation and/or business could be negatively impacted by ESG matters and/or our reporting of such matters.***

There is an increasing focus from regulators, certain investors, and other stakeholders concerning environmental, social and governance ("ESG") matters, both in the United States and internationally. We communicate certain ESG-related initiatives, goals, and/or commitments regarding environmental matters, diversity, responsible sourcing and social investments, and other matters, on our website, in our filings with the SEC, and elsewhere. These initiatives, goals, or commitments could be difficult to achieve and costly to implement. For example, in 2021, we announced our commitment to reach net-zero greenhouse gas emissions by 2040, the achievement of which relies, in large part, on the accuracy of our estimates and assumptions around the availability and cost of low- or non-carbon based energy sources and technologies, the availability of suppliers that can meet our sustainability and other standards, and other factors. We could fail to achieve, or be perceived to fail to achieve, our net zero 2040 commitment or other ESG-related initiatives, goals or commitments. In addition, we could be criticized for the timing, scope or nature of these initiatives, goals or commitments, or for any revisions to them. To the extent that our required and voluntary disclosures about ESG matters increase, we could be criticized for the accuracy, adequacy or completeness of such disclosures. Our actual or perceived failure to achieve our ESG-related initiatives, goals or commitments could negatively impact our reputation or otherwise materially harm our business.

## **Operational Risks**

***Our technology transformation strategy places a significant strain on our management, operational, financial and other limited resources.***

As part of our technology transformation strategy, we are transitioning and migrating our data systems from traditional, on premises data centers to cloud-based platforms. This initiative places significant strain on our management, personnel, operations, systems, technical performance, financial resources, internal financial controls and reporting function. In addition, many of our existing personnel have limited experience with native cloud-based technologies. This effort has been, and will continue to be, time consuming and costly. Our technology transformation strategy requires management time and resources to educate employees and implement new ways of conducting business. The dedication of resources to our technology transformation strategy and cloud-based technologies limits the resources we have available to devote to other initiatives or growth opportunities, or to invest in the maintenance of our existing internal systems. We cannot guarantee that our strategy is the right one or that investments in alternative technologies or other initiatives would not be a better use of our limited resources.

Additionally, as a result of our cloud migration efforts in connection with our technology transformation strategy, we may experience a loss of continuity, loss of accumulated knowledge or loss of efficiency during transitional periods. Reorganization and transition can require a significant amount of management and other employees' time and focus, which may divert attention from operating activities and growing our business. If we fail to achieve some or all of the expected benefits of these activities, it could have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows.

***Our transition to cloud-based technologies could expose us to operational disruptions.***

We rely on the efficient and uninterrupted operation of complex information technology systems and networks, some of which are managed internally within the Company and some of which are outsourced to third parties. As part of our technology transformation strategy, we are upgrading a significant portion of the information technology systems used to operate our business and replacing them with cloud-based solutions. This transition will continue to require substantial changes to our software and network infrastructure, which could lead to system interruptions, affect our data systems and further expose us to operational disruptions, and cause us to lose customers, all of which could have a material adverse effect on our results of operations.

Upon implementation of the new cloud-based solutions, much of our information technology systems will consist of outsourced, cloud-based infrastructure, platform and software-as-a-service solutions not under our direct management or control. Any disruption to either the outsourced systems or the communication links between us and the outsourced supplier could negatively affect our ability to operate our data systems and could impair our ability to provide services to our customers. We may incur additional costs to remedy the damages caused by these disruptions.

***Our customers' decisioning may be adversely affected if we provide inaccurate or unreliable data, which could adversely affect our financial condition, cause loss of customer trust and contribute to non-compliance with certain laws and regulations.***

Data accuracy is an essential component of data quality and is the foundation of our business model. Accurate data increases predictive ability and improves confidence in decisions for our customers. Inaccurate or unreliable data could adversely affect customer decisioning and poses reputational, compliance and financial risk to our company. Although we have developed internal processes and controls to maintain and continually improve data accuracy, these processes and controls cannot ensure absolute accuracy and the complexity of our technology transformation may introduce additional risk until it is completed. We have experienced data accuracy issues, including errors in connection with our technology transformation. To date, none of these issues have had a material impact on our operations or financial results. However, any future data accuracy issues arising during the technology transformation or otherwise could have a material adverse effect on our business or results of operations, including through the incurrence of additional costs or the loss of customers and harm to our reputation.

***If our systems do not meet customer requirements for response time or high availability, or we experience system constraints or failures, or our customers do not migrate to the cloud or modify and/or upgrade their systems to accept new releases of our products and services, our services to our customers could be delayed or interrupted, which could result in lost revenues or customers, lower margins, service level penalties or other harm to our business and reputation.***

Our customers expect high system availability and response time performance, as well as a very high degree of system resilience. We depend on reliable, stable, efficient and uninterrupted operation of our technology network, systems, and data centers to provide service to our customers. Many of the services and systems upon which we rely have been outsourced to third parties. In addition, many of our revenue streams are dependent on links to third party telecommunications providers. These systems and operations, and the personnel that support, service and operate these systems, could be exposed to interruption, damage or destruction from power loss, telecommunication failures, computer viruses, denial-of-service or other cyber attacks, employee or insider malfeasance, human error, fire, natural disasters, war, terrorist acts or civil unrest. We may not have sufficient disaster recovery or redundant operations in place to cover a loss or failure of systems or telecommunications links in a timely manner, which may be exacerbated by any delays in obtaining equipment due to supply chain or other impacts.

In addition, as part of our technology transformation, we are seeking to migrate our customers from traditional data platforms to cloud-based products and services. Many of our customers may not migrate to cloud-based technologies on a timely basis or at all, or may choose not to utilize our products and services during and after our transition to cloud-based technologies. If our customers' timelines prevent them from migrating to cloud-based technologies quickly enough, they will remain on our legacy infrastructure, which could expose them to system availability, response time and performance issues.

Any significant system interruption or series of minor interruptions could result in the loss of customers and/or lost revenues, lower margins, service level penalties or other significant harm to our business or reputation.

***Dependence on outsourcing certain portions of our operations may adversely affect our ability to bring products to market and damage our reputation. Dependence on outsourced information technology and other administrative functions may impair our ability to operate effectively.***

As part of our technology transformation, we have outsourced various components of our application development, information technology, operational support and administrative functions and will continue to evaluate additional outsourcing. If our outsourcing vendors fail to perform their obligations in a timely manner or at satisfactory quality levels including with respect to data and system security, or increase prices for their services to unreasonable levels, our ability to bring products to market and support our customers and our reputation could suffer. Any failure to perform on the part of these third-party providers could impair our ability to operate effectively and could result in lower future revenue, unrealized efficiencies and adversely impact our results of operations and our financial condition. Some of our outsourcing takes place in developing countries and, as a result, may be subject to geopolitical uncertainty.

***Our business will suffer if we are not able to retain and hire key personnel.***

Our future success, including our ability to implement our technology transformation strategy, depends partly on the continued service of our key development, sales, marketing, executive and administrative personnel. Increased retention risk exists in certain key areas of our operations, such as IT and data security, which require specialized skills, such as migrating legacy computer systems to the cloud, data security expertise and analytical modeling. Additionally, the worker shortage that emerged following the outbreak of COVID-19 has presented increased challenges to our ability to develop, retain and attract qualified personnel. If we fail to retain and hire a sufficient number of these personnel, we will not be able to maintain or expand our business. As part of our technology transformation strategy, we have hired or contracted with a significant number of new employees and contract workers. Hiring, on-boarding training, motivating, retaining and managing employees with the skills required is time-consuming and expensive. There is intense competition for certain highly technical specialties in geographic areas where we continue to recruit, and it may become more difficult to retain our key employees. If we are not able to hire sufficient employees to support our business, including our technology transformation, or to train, motivate, retain and manage the employees we do hire, it could have a material adverse effect on our business operations or financial results.

**Global Operational Risks**

***Economic, political and other risks associated with international sales and operations could adversely affect our results of operations.***

Sales outside the U.S. comprised 22% of our total revenue in 2022. As a result, our business is subject to various risks associated with doing business internationally and these risks may differ in each jurisdiction where we operate depending on the particular product or service we offer in the jurisdiction. In addition, many of our employees, suppliers, job functions and facilities are located outside the U.S. Accordingly, our future results could be harmed by a variety of factors including:

- changes in specific country or region political, economic or other conditions;
- trade protection measures;
- data privacy and consumer protection laws and regulations;
- difficulty in staffing and managing widespread operations;
- differing labor, intellectual property protection and technology standards and regulations;
- business licensing requirements or other requirements relating to making foreign direct investments, which could increase our cost of doing business in certain jurisdictions, prevent us from entering certain markets, increase our operating costs or lead to penalties or restrictions;
- difficulties associated with repatriating cash generated or held abroad in a tax-efficient manner;
- implementation of exchange controls;
- geopolitical instability, including terrorism and war, including the Russia-Ukraine war;
- foreign currency changes;
- increased travel, infrastructure, legal and compliance costs of multiple international locations;
- foreign laws and regulatory requirements;
- terrorist activity, natural disasters, pandemics and other catastrophic events;
- restrictions on the import and export of technologies;
- difficulties in enforcing contracts and collecting accounts receivable;
- longer payment cycles;
- failure to meet quality standards for outsourced work;
- unfavorable tax rules;
- the presence and acceptance of varying level of business corruption in international markets; and
- varying business practices in foreign countries.

We earn revenue, pay expenses, own assets and incur liabilities in countries using currencies other than the U.S. dollar, including among others the British pound, the Australian dollar, the Canadian dollar, the Argentine peso, the Chilean peso, the Euro, the New Zealand dollar, the Costa Rican colon, the Singapore dollar, the Brazilian real and the Indian rupee. Because our consolidated financial statements are presented in U.S. dollars, we must translate revenue, income and expenses, as well as assets and liabilities, into U.S. dollars at exchange rates in effect during or at the end of each reporting period. Therefore, increases or decreases in the value of the U.S. dollar against major currencies will affect our operating revenues, operating income and the value of balance sheet items denominated in foreign currencies. We generally do not mitigate the risks associated with fluctuating exchange rates, although we may from time to time through forward contracts or other derivative instruments hedge a portion of our translational foreign currency exposure or exchange rate risks associated with material transactions which are denominated in a foreign currency. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are



in place. Accordingly, fluctuations in foreign currency exchange rates, particularly the strengthening of the U.S. dollar against major currencies, may materially affect our consolidated financial results.

Compliance with applicable U.S. and foreign laws and regulations, such as anti-corruption laws, tax laws, foreign exchange controls and restrictions on repatriation of earnings or other similar restraints, data privacy requirements, labor laws and anti-competition regulations increases the cost of doing business in foreign jurisdictions. Although we have implemented policies and procedures to comply with these laws and regulations, a violation by our employees, contractors or agents could nevertheless occur.

## **Legal and Regulatory Risks**

***As part of a global settlement, we entered into agreements with various parties to settle the U.S. Consumer MDL Litigation and certain federal and state government investigations arising out of the 2017 cybersecurity incident. If we are unable to comply with our obligations under these agreements, it could have a material adverse effect on our financial condition.***

In July 2019, the Company entered into multiple agreements that resolve the U.S. consolidated consumer class action cases, captioned In re: Equifax, Inc. Customer Data Security Breach Litigation, MDL No. 2800 (Consumer Cases) (the “U.S. Consumer MDL Litigation”), and the investigations of the FTC, the CFPB, the Attorneys General of 48 states, the District of Columbia and Puerto Rico (the “MSAG Group”) and the NYDFS (collectively, the “Consumer Settlement”) relating to the 2017 cybersecurity incident. The Consumer Settlement became effective on January 11, 2022.

As part of the Consumer Settlement, we agreed to implement certain business practice commitments related to consumer assistance and our information security program, including third party assessments of our program. These business practice commitments are extensive and require a significant amount of attention from management. To the extent we are unable to comply or we are viewed as not being in compliance with these business practice commitments or other requirements of a relevant order, we could face an enforcement action or contempt proceeding that could potentially result in fines, penalties and new business practice commitments, which, depending on the amount and type, could have a material adverse effect on our financial condition.

In addition, we may be required to deposit additional amounts in the consumer settlement fund under certain circumstances if the fund is insufficient to cover claims and certain expenses. While we do not believe that we will be required to deposit additional amounts into the consumer settlement fund based on our claims experience to date, we could be obligated to fund up to an additional \$125 million if our claims experience changes and the consumer fund is exhausted.

***We and our customers are subject to various current laws and governmental regulations, and could be affected by new and evolving consumer privacy and cybersecurity or other data-related laws or regulations, compliance with which may cause us to incur significant expenses and change our business practices, and if we fail to maintain satisfactory compliance with certain laws and regulations, we could be subject to civil or criminal penalties.***

We are subject to a number of U.S. federal, state, local and foreign laws and regulations relating to consumer privacy, cybersecurity, data and financial protection. See “Item 1. Business—Governmental Regulation” in this Form 10-K for a summary of the U.S. and foreign consumer and data protection laws and regulations to which we are subject. These regulations are complex, change frequently, have tended to become more stringent over time, and are subject to administrative interpretation and judicial construction in ways that could harm our business. In addition, new laws and regulations at the state and federal level are enacted or considered frequently. Examples of such new and evolving laws and regulations include amendments to the FCRA, cybersecurity and other requirements promulgated by the FTC and New York Department of Financial Services, the CCPA which took effect on January 1, 2020, and amendments to which took effect on January 1, 2023, the California data broker registration requirements that took effect on January 31, 2020, the CPRA taking effect on January 1, 2023 and privacy laws in Virginia, Colorado, Connecticut and Utah which have taken, or will take effect, in 2023. Furthermore, we expect there to be an increased focus on laws and regulations related to our business, including by the current U.S. presidential administration and the U.S. Congress, because of the growing policy concerns in the U.S. with regard to the operation of credit reporting agencies, the collection, use, accuracy, correction and sharing of personal information, and the use of algorithms, artificial intelligence and machine learning in business processes.

There are a number of legislative proposals pending before the U.S. Congress, various state legislative bodies and foreign governments concerning privacy or cybersecurity that could affect us. The Canadian government has initiated a review of consumer privacy laws, and several U.S. states have introduced varying comprehensive privacy laws modeled to some degree on the CCPA and/or the GDPR. Compliance with multiple state laws containing varying requirements could be complicated and costly. In Europe, although the GDPR already includes certain provisions relating to the automated processing

of personal data, there has also been discussion of new legislative proposals to regulate business use of artificial intelligence and machine learning technologies which, if enacted, could impose new legal requirements addressing among other issues, privacy, discrimination and human rights. The specifics of such legislation and the number of jurisdictions that will introduce legislation in this area remain unclear at this time. In addition, a growing number of legislative and regulatory bodies have adopted consumer notification and other requirements in the event that consumer information is accessed or acquired by unauthorized persons and additional regulations regarding the use, access, accuracy and security of such data are possible. In the U.S., state laws provide for disparate notification regimes, all of which we are subject to. Further, any perception that our practices or products are an invasion of privacy, whether or not consistent with current or future regulations and industry practices, may subject us to public criticism, private class actions, reputational harm, or claims by regulators, which could disrupt our business and expose us to increased liability.

We devote substantial compliance, legal and operational business resources to strive for compliance with applicable regulations and requirements. In the future, we may be subject to significant additional expenses related to compliance with applicable laws and regulations, including new laws and evolving interpretations that are difficult to predict, and to the investigation, defense or remedy of actual or alleged violations. Additionally, we cooperate with CFPB supervisory examinations and respond to other state, federal and foreign government examinations of or inquiries into our business practices. The enactment of new laws and how they are interpreted could impact our business. In particular, legislative activity in the privacy area may result in new laws that are applicable to us and that may hinder our business, for example, by restricting use or sharing of consumer data, including for marketing or advertising or limiting the use of, limiting our ability to provide certain consumer data to our customers, or otherwise regulating artificial intelligence and machine learning, including the use of algorithms and automated processing in ways that could materially affect our business, or which may lead to significant increases in the cost of compliance. Any failure by us to comply with, or remedy any violations of, applicable laws and regulations, could result in new costs for our operations, the curtailment of certain of our operations, the imposition of fines and penalties, liability to private plaintiffs as a result of individual or class action litigation, restrictions on the operation of our business and reputational harm. It is difficult to predict the impact on our business if we were subject to allegations of having violated existing laws. For example, in Europe, the GDPR, which includes extensive regulations for certain security incidents, could result in fines of up to four percent of annual worldwide “turnover” (a measure similar to revenues in the U.S.). In addition, because many of our products are regulated or sold to customers in various industries, we must comply with additional regulations in marketing our products. Moreover, our compliance with privacy laws and regulations and our reputation depend in part on customers’ adherence to privacy laws and regulations and their use of our services in ways consistent with consumer expectations and regulatory requirements. We cannot predict the ultimate impact on our business of new or proposed rules, supervisory examinations or government investigations or enforcement actions.

The following legal and regulatory developments also could have a substantial negative impact on our business, financial condition or results of operations:

- amendment, enactment or interpretation of laws and regulations that restrict the access, sharing and use of personal information and reduce the availability or effectiveness of our solutions or the supply of data available to customers;
- changes in cultural and consumer attitudes in favor of further restrictions on information collection and sharing, which may lead to regulations that prevent full utilization of our solutions;
- failure of data suppliers or customers to comply with laws or regulations, where mutual compliance is required;
- failure of our solutions to comply with current laws and regulations; and
- failure of our solutions to adapt to changes in the regulatory environment in an efficient, cost effective manner.

These laws and regulations (as well as actions that may be taken by legislatures and regulatory bodies in other countries) and the consequences of any violation could limit our ability to pursue business opportunities we might otherwise consider engaging in, impose additional costs on us, result in significant loss of revenue, result in significant restitution and fines, impact the value of assets we hold, or otherwise adversely affect our business.

***The CFPB has supervisory and examination authority over our business and may initiate enforcement actions with regard to our compliance with federal consumer financial laws.***

The CFPB, which was established under the Dodd-Frank Act and commenced operations in July 2011, has broad authority over our business. This includes authority to issue regulations under federal consumer financial protection laws, such as under the FCRA and other laws applicable to us and our financial customers. The CFPB is authorized to prevent “unfair, deceptive or abusive acts or practices” through its regulatory, supervisory and enforcement authority.

The CFPB conducts examinations and investigations, issues requests for information and subpoenas and brings civil actions in federal court for violations of the federal consumer financial laws, including the FCRA. In these proceedings, the CFPB can seek relief that includes: rescission or reformation of contracts, restitution, disgorgement of profits, payment of damages, limits on activities and civil money penalties of up to \$1.0 million per day for known violations. The CFPB conducts periodic examinations of us and the consumer credit reporting industry, which could result in new regulations or enforcement actions or proceedings. Actions by the CFPB could result in requirements to alter or cease offering affected products and services, making them less attractive and restricting our ability to offer them.

Although we have committed resources to enhancing our compliance programs, actions by the CFPB or other regulators against us could result in financial or reputational harm. Our compliance costs and legal and regulatory exposure could increase materially if the CFPB or other regulators enact new regulations, change regulations that were previously adopted, modify through supervision or enforcement past regulatory guidance, or interpret existing regulations in a manner different or stricter than have been previously interpreted.

***Regulatory oversight of our contractual relationships with certain of our customers may adversely affect our business.***

The federal banking agencies, including the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System and the CFPB, as well as many state banking agencies have issued guidance to insured depository institutions and other providers of financial services on assessing and managing risks associated with third-party relationships, which include all business arrangements between a financial services provider and another entity, by contract or otherwise, and generally requires banks and financial services providers to exercise comprehensive oversight throughout each phase of a bank or financial service provider's business arrangement with third-party service providers, and instructs banks and financial service providers to adopt risk management processes commensurate with the level of risk and complexity of their third-party relationships. This guidance requires more rigorous oversight of third-party relationships that involve certain "critical activities." In light of this guidance, our existing or potential bank and financial services customers subject to this guidance may continue to revise their third-party risk management policies and processes and the terms on which they do business with us, which may adversely affect our relationships with such customers and/or increase our expenses in servicing such customers.

***We are regularly involved in claims, suits, government investigations, supervisory examinations and other proceedings that may result in adverse outcomes.***

We are regularly involved in claims, suits, government investigations, supervisory examinations and regulatory proceedings arising from the ordinary course of our business, including actions with respect to consumer protection and data protection, including purported class action lawsuits. Such claims, suits, government investigations and proceedings are inherently uncertain and their results cannot be predicted with certainty. Regardless of their outcome, such legal proceedings can have an adverse impact on us because of legal costs, diversion of management and other personnel, and other factors. In addition, it is possible that a resolution of one or more such proceedings could result in reputational harm, liability, penalties or sanctions, as well as judgments, consent decrees or orders preventing us from offering certain features, functionalities, products or services, or requiring a change in our business practices, products or technologies, which could in the future materially and adversely affect our business, operating results, and financial condition. The FCRA contains an attorney fee shifting provision that provides an incentive for consumers to bring individual and class action lawsuits against a credit reporting agency for violation of the FCRA, and the number of consumer lawsuits (both individual and class action) against us alleging a violation of the FCRA and our resulting costs associated with resolving these lawsuits have increased substantially over the past several years.

***Third parties may claim that we are infringing on their intellectual property and we could suffer significant litigation or licensing expenses or be prevented from selling products or services.***

There has been substantial litigation in the U.S. regarding intellectual property rights in the information technology industry. From time to time, third parties may make claims that one or more of our products or services infringe their intellectual property rights. We analyze and take action in response to each such claim on a case by case basis. A dispute or litigation regarding patents or other intellectual property can be costly and time-consuming due to the complexity of our technology and the inherent uncertainty of intellectual property litigation, could divert our management and key personnel from our business operations, and we may not prevail. A claim of intellectual property infringement could force us to enter into a costly or restrictive license agreement, which might not be available under acceptable terms or at all, or could subject us to significant damages or to an injunction against development and sale of certain of our products or services. Our intellectual property portfolio may not be useful in asserting a counterclaim, or providing commercial leverage for negotiating a license, in response to a claim of intellectual property infringement. In certain of our businesses we rely on third-party intellectual property

licenses and we cannot ensure that these licenses will be available to us in the future on favorable terms or at all. Although our policy is to obtain licenses or other rights where necessary, we cannot provide assurance that we have obtained all required licenses or rights.

***Third parties may misappropriate or infringe on our intellectual property and we may suffer competitive injury or expend significant resources enforcing our rights.***

Our success increasingly depends on our proprietary technology and its ability to differentiate us from our competitors. We rely on various intellectual property rights, including patents, copyrights, database rights, trademarks and trade secrets, as well as contract restrictions, confidentiality provisions and licensing arrangements, to establish and protect our proprietary rights. The extent to which such rights can be protected varies in different jurisdictions. If we do not protect and enforce our intellectual property rights successfully, our competitive position may suffer which could harm our operating results. Our pending patent and trademark applications may not be allowed or competitors may challenge the validity or scope of our intellectual property rights. In addition, our patents, copyrights, trademarks and other intellectual property rights may not provide us a significant competitive advantage.

We may need to devote significant resources to monitoring our intellectual property rights and we may or may not be able to detect misappropriation or infringement by third parties. Our competitive position may be harmed if we cannot detect misappropriation or infringement and enforce our intellectual property rights quickly or at all. In some circumstances, enforcement may not be available to us because a third party has a dominant intellectual property position or for other business reasons. In addition, competitors might avoid infringement by designing around our intellectual property rights or by developing non-infringing competing technologies. Intellectual property rights and our ability to enforce them may be unavailable or limited in some countries, which could make it easier for competitors to capture market share and could result in lost revenue.

## **Financial Market Risks**

***A downgrade in our credit ratings could increase our cost of borrowing under our credit facilities and have an adverse effect on our ability to access the capital markets.***

Credit ratings reflect an independent agency's judgment on the likelihood that a borrower will repay a debt obligation at maturity. The ratings reflect many considerations, such as the nature of the borrower's industry and its competitive position, the size of the company, its liquidity and access to capital and the sensitivity of a company's cash flows to changes in the economy. A security rating is not a recommendation to buy, sell or hold securities and may be changed or withdrawn at any time by the assigning rating agency.

A downgrade in our credit ratings would increase the cost of borrowings under our commercial paper program, \$1.5 billion revolving credit facility and \$700.0 million delayed draw term loan, and could limit or, in the case of a significant downgrade, preclude our ability to issue commercial paper. If our credit ratings were to decline to lower levels, we could experience increases in the interest cost for any new debt. In addition, the market's demand for, and thus our ability to readily issue, new debt could become further affected by the economic and credit market environment.

***Our retirement and post-retirement pension plans are subject to financial market risks that could adversely affect our future results of operations and cash flows.***

We have significant retirement and post-retirement pension plan assets and obligations. The performance of the financial markets and interest rates impact our plan expenses, expected returns, and funding obligations. Significant decreases in interest rates, decreases in the fair value of plan assets and investment losses on plan assets will increase our funding obligations, and adversely impact our results of operations and cash flows.

## **ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

## **ITEM 2. PROPERTIES**

Our executive offices are located at 1550 Peachtree Street, N.W., Atlanta, Georgia. Our other properties are geographically distributed to meet sales and operating requirements worldwide. We consider these properties to be both suitable and adequate to meet our current operating requirements. We ordinarily lease office space for conducting our business and are

obligated under approximately 60 leases and other rental arrangements for our field locations. We owned 6 office buildings at December 31, 2022, including our executive offices, one campus which houses our Alpharetta, Georgia technology center, a building utilized by our Workforce Solutions operations located in St. Louis, Missouri, as well as two buildings utilized by our Latin America operations.

For additional information regarding our obligations under leases, see Note 6 and Note 12 of the Notes to Consolidated Financial Statements in Item 8 of this Form 10-K. We believe that suitable additional space will be available to accommodate our future needs.



## **ITEM 3. LEGAL PROCEEDINGS**

### **Canadian Class Actions**

In 2017, we experienced a cybersecurity incident following a criminal attack on our systems that involved the theft of personal information of consumers. Five putative Canadian class actions, four of which are on behalf of a national class of approximately 19,000 Canadian consumers, are pending against us in Ontario, British Columbia and Alberta. Each of the proposed Canadian class actions asserts a number of common law and statutory claims seeking monetary damages and other related relief in connection with the 2017 cybersecurity incident. In addition to seeking class certification on behalf of Canadian consumers whose personal information was allegedly impacted by the 2017 cybersecurity incident, in some cases, plaintiffs also seek class certification on behalf of a larger group of Canadian consumers who had contracts for subscription products with Equifax around the time of the incident or earlier and were not impacted by the incident.

On December 13, 2019, the court in Ontario granted certification of a nationwide class that includes all impacted Canadians as well as Canadians who had subscription products with Equifax between March 7, 2017 and July 30, 2017 who were not impacted by the incident. We appealed one of the claims on which a class was certified and on June 9, 2021, our appeal was granted by the Ontario Divisional Court. The plaintiff filed a notice of further appeal with the Ontario Court of Appeal, and on November 25, 2022, the Ontario Court of Appeal dismissed the plaintiff's appeal and upheld the Divisional Court's ruling in our favor. On January 24, 2023, the plaintiff appealed this decision to the Supreme Court of Canada. All remaining purported class actions are at preliminary stages or stayed.

### **FCA Investigation**

The U.K.'s Financial Conduct Authority ("FCA") opened an enforcement investigation against our U.K. subsidiary, Equifax Limited, in October 2017 in connection with the 2017 cybersecurity incident. The investigation by the FCA has involved a number of information requirements and interviews. We have responded to the information requirements and continue to cooperate with the investigation. At this time, we are unable to predict the outcome of this FCA investigation, including whether the investigation will result in any action or proceeding against us.

### **CFPB Matters**

In December 2021, we received a Civil Investigative Demand (a "CID") from the CFPB as part of its investigation into our consumer disputes process in order to determine whether we have followed the FCRA's requirements for the proper handling of consumer disputes. The CID requests the production of documents and answers to written questions. We are cooperating with the CFPB in its investigation and are in discussions with the CFPB regarding our response to the CID. In addition, in January 2023, the CFPB informed us that its enforcement division will be investigating our previously-disclosed coding issue identified within a legacy server environment in the U.S. slated to be migrated to the new Equifax cloud infrastructure which impacted how some credit scores were calculated during a three-week period in 2022. We are cooperating with the CFPB in its investigation. At this time, we are unable to predict the outcome of these CFPB investigations, including whether the investigations will result in any actions or proceedings against us.

### **Other**

Equifax has been named as a defendant in various other legal actions, including administrative claims, regulatory matters, government investigations, class actions and other litigation arising in connection with our business. Some of the legal actions include claims for substantial compensatory or punitive damages or claims for indeterminate amounts of damages. We believe we have defenses to and, where appropriate, will contest many of these matters. Given the number of these matters, some are likely to result in adverse judgments, penalties, injunctions, fines or other relief. We may explore potential settlements before a case is taken through trial because of the uncertainty and risks inherent in the litigation process.

For information regarding our accounting for legal contingencies, see Note 6 of the Notes to Consolidated Financial Statements in Item 8 of this report.

## **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

## PART II

### ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

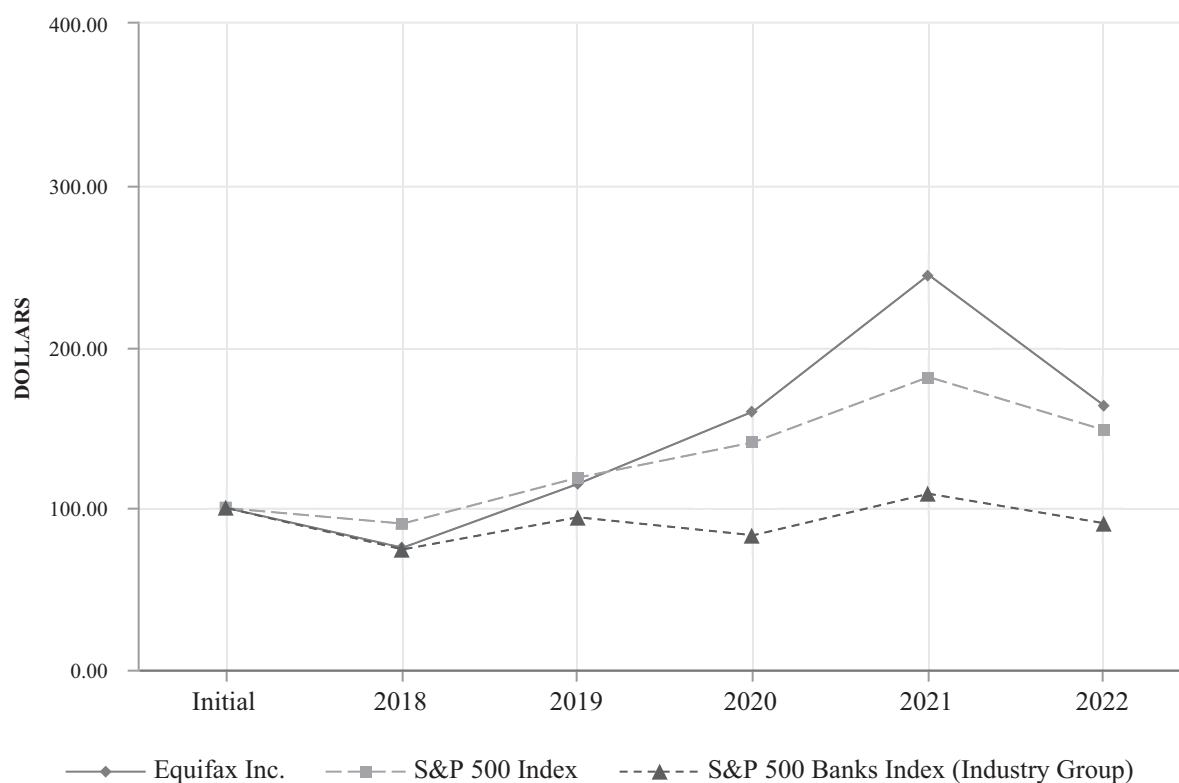
Equifax's common stock is traded on the New York Stock Exchange under the symbol "EFX." As of January 31, 2023, Equifax had approximately 2,625 holders of record; however, Equifax believes the number of beneficial owners of common stock exceeds this number.

#### Shareholder Return Performance Graph

The graph below compares Equifax's five-year cumulative total shareholder return with that of the Standard & Poor's Composite Stock Index (S&P 500) and a peer group index, the S&P 500 Banks Index (Industry Group). The graph assumes that the value of the investment in our Common Stock and each index was \$100 on the last trading day of 2018 and that all quarterly dividends were reinvested without commissions. Our past performance may not be indicative of future performance.

#### COMPARATIVE FIVE-YEAR CUMULATIVE TOTAL RETURN AMONG EQUIFAX INC., S&P 500 INDEX AND S&P 500 BANKS INDEX (INDUSTRY GROUP)

COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURNS  
VALUE OF \$100 INVESTED AS OF JANUARY 1, 2018



Fiscal Year Ended December 31,

|                                      | Initial | 2018  | 2019   | 2020   | 2021   | 2022   |
|--------------------------------------|---------|-------|--------|--------|--------|--------|
| Equifax Inc.                         | 100.00  | 75.54 | 115.06 | 159.93 | 244.44 | 163.56 |
| S&P 500 Index                        | 100.00  | 90.44 | 118.91 | 140.79 | 181.21 | 148.39 |
| S&P 500 Banks Index (Industry Group) | 100.00  | 74.44 | 94.37  | 83.22  | 108.94 | 90.69  |



The table below contains information with respect to purchases made by or on behalf of Equifax of its common stock during the fourth quarter ended December 31, 2022:

#### Issuer Purchases of Equity Securities

| Period                         | Total<br>Number<br>of Shares<br>Purchased <sup>(1)</sup> | Average<br>Price Paid<br>Per Share <sup>(2)</sup> | Total Number<br>of Shares Purchased<br>as Part of Publicly-<br>Announced<br>Plans or Programs | Maximum Number<br>(or Approximate<br>Dollar Value)<br>of Shares that May<br>Yet Be Purchased<br>Under the Plans or<br>Programs <sup>(3)</sup> |
|--------------------------------|----------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| October 1 - October 31, 2022   | 930                                                      | \$ —                                              | —                                                                                             | \$ 520,168,924                                                                                                                                |
| November 1 - November 30, 2022 | 3,641                                                    | \$ —                                              | —                                                                                             | \$ 520,168,924                                                                                                                                |
| December 1 - December 31, 2022 | 369                                                      | \$ —                                              | —                                                                                             | \$ 520,168,924                                                                                                                                |
| Total                          | <u>4,940</u>                                             | <u>\$ —</u>                                       | <u>—</u>                                                                                      | <u>\$ 520,168,924</u>                                                                                                                         |

- (1) The total number of shares purchased includes, if applicable: (a) shares purchased pursuant to our publicly-announced share repurchase program, or Program; and (b) shares surrendered, or deemed surrendered, in satisfaction of the exercise price and/or to satisfy tax withholding obligations in connection with the exercise of employee stock options and vesting of restricted stock, totaling 930 shares for the month of October 2022, 3,641 shares for the month of November 2022 and 369 shares for the month of December 2022.
- (2) Average price paid per share for shares purchased as part of our Program (includes brokerage commissions).
- (3) We purchased no common shares during the twelve months ended December 31, 2022. At December 31, 2022, the amount authorized for future share repurchases under the Program was \$520.2 million.

Information relating to compensation plans under which the Company's equity securities are authorized for issuance will be included in the section captioned "Equity Compensation Plan Information" in our 2023 Proxy Statement and is incorporated herein by reference.

#### ITEM 6. RESERVED

Not applicable.

## **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the results of operations and financial condition of Equifax Inc. MD&A is provided as a supplement to and should be read in conjunction with our consolidated financial statements and the accompanying Notes to Financial Statements in Item 8 of this Form 10-K. This section discusses the results of our operations for the year ended December 31, 2022 compared to the year ended December 31, 2021 and the year ended December 31, 2021 compared to the year ended December 31, 2020. All percentages have been calculated using unrounded amounts for each of the periods presented.

As used herein, the terms Equifax, the Company, we, our and us refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

All references to earnings per share data in MD&A are to diluted earnings per share, or EPS, unless otherwise noted. Diluted EPS is calculated to reflect the potential dilution that would occur if stock options or other contracts to issue common stock were exercised and resulted in additional common shares outstanding.

### **BUSINESS OVERVIEW**

Equifax Inc. is a global data, analytics and technology company. We provide information solutions for businesses, governments and consumers, and we provide human resources business process automation and outsourcing services for employers. We have a large and diversified group of clients, including financial institutions, corporations, government agencies and individuals. Our services are based on comprehensive databases of consumer and business information derived from numerous sources including credit, financial assets, telecommunications and utility payments, employment, income, educational history, criminal history, healthcare professional licensure and sanctions, demographic and marketing data. We use advanced statistical techniques, machine learning and proprietary software tools to analyze available data to create customized insights, decision-making and process automation solutions and processing services for our clients. We are a leading provider of e-commerce fraud and charge back protection services in North America as well as information and solutions used in payroll-related and human resource management business process services in the U.S. For consumers, we provide products and services to help people understand, manage and protect their personal information and make more informed financial decisions. Additionally, we also provide information, technology and services to support debt collections and recovery management.

We currently operate in four global regions: North America (U.S. and Canada), Asia Pacific (Australia, New Zealand and India), Europe (the United Kingdom ("U.K."), Spain and Portugal) and Latin America (Argentina, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Paraguay, Peru and Uruguay). We maintain support operations in the Republic of Ireland, Chile, Costa Rica and India. We also have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia and Singapore and have an investment in a consumer and commercial credit information company in Brazil. We previously had a joint venture in Russia that offered consumer credit services; however, during the third quarter of 2022, we completed the sale of this equity method investment.

### **Recent Events and Company Outlook**

As further described above, we operate in the U.S., which represented 78% of our revenue in 2022, and internationally in 24 countries. Our products and services span a wide variety of vertical markets including financial services, mortgage, talent solutions, federal, state and local governments, automotive, telecommunications, e-commerce and many others.

Demand for our services tends to be correlated to general levels of economic activity and to consumer credit activity, small commercial credit and marketing activity, identity and fraud, and employee hiring and onboarding activity. Demand is also enhanced by our initiatives to expand our products, capabilities and markets served.

For 2023, our planning assumes that U.S. economic activity, as measured by GDP, is expected to grow but at a slower rate of growth than experienced in 2022. Our plan assumes the U.S. mortgage market, as measured by originations, is expected to decline by about 30% in 2023 versus 2022. The U.S. mortgage market, particularly the mortgage refinance portion of the U.S. mortgage market, can be significantly impacted by U.S. interest rates and therefore mortgage rates. In the International markets in which we operate, in particular in Australia, the U.K. and Canada, our planning also assumes economic activity, as measured by GDP, to grow in 2023 but at slower rates than in 2022. The slowdown in economic activity in the U.K. is expected to be more significant than in Australia or Canada.

## Segment and Geographic Information

**Segments.** The Workforce Solutions segment consists of the Verification Services and Employer Services business lines. Verification Services revenue is transaction-based and is derived primarily from employment and income verification, as well as criminal justice data. Employer Services revenue is derived from our provision of certain human resources business process outsourcing services that include both transaction and subscription based product offerings. These include services that assist employers in complying with and automating certain payroll-related and human resource management processes throughout the entire cycle of the employment relationship, including unemployment cost management, employee screening, employee onboarding, tax credits and incentives, I-9 management and compliance, immigration case management, tax form management services and Affordable Care Act management services. Workforce Solutions has established operations in Canada, Australia and most recently in the U.K.

The USIS segment consists of three service lines: Online Information Solutions, Mortgage Solutions, and Financial Marketing Services. Online Information Solutions and Mortgage Solutions revenue is principally transaction-based and is derived from our sales of products such as consumer and commercial credit reporting and scoring, identity management, fraud detection, modeling services and consumer credit monitoring services. USIS also markets certain decisioning software services which facilitate and automate a variety of consumer and commercial credit-oriented decisions. Online Information Solutions also includes the U.S. consumer credit monitoring solutions business previously part of the Global Consumer Services segment. Financial Marketing Services revenue is principally project and subscription based and is derived from our sales of batch credit, identity and consumer wealth information such as those that assist clients in acquiring new customers, cross-selling to existing customers and managing portfolio risk. USIS operates in the United States.

The International segment consists of Asia Pacific, Europe, Latin America and Canada. Canada's services are similar to our USIS offerings. Asia Pacific, Europe and Latin America are made up of varying mixes of service lines that are generally consistent with those in our USIS reportable segment. We also provide information and technology services to support lenders and other creditors in the collections and recovery management process.

**Geographic Information.** We currently have operations in the following countries: Argentina, Australia, Canada, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, India, Mexico, New Zealand, Paraguay, Peru, Portugal, the Republic of Ireland, Spain, the U.K., Uruguay and the U.S. We also have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia and Singapore and have an investment in a consumer and commercial credit information company in Brazil. We previously had a joint venture in Russia that offered consumer credit services; however, during the third quarter of 2022, we completed the sale of this equity method investment. Approximately 78% of our revenue was generated in the U.S. during both the twelve months ended December 31, 2022 and 2021.

**Seasonality.** We experience seasonality in certain of our revenue streams. Revenue generated by the online consumer information services component of our USIS operating segment is typically the lowest during the first quarter, when consumer lending activity is at a seasonal low. Revenue generated from the Employer Services business unit within the Workforce Solutions operating segment is generally higher in the first quarter due primarily to the provision of Form W-2 and 1095-C services that occur in the first quarter each year. Revenue generated from our financial wealth asset products and data management services in our Financial Marketing Services business is generally higher in the fourth quarter each year due to the significant portion of our annual renewals and deliveries which occur then. Mortgage related revenue is generally higher in the second and third quarters of the year due to the increase in consumer home purchasing during the summer in the U.S. Any change in the U.S. mortgage market could have a corresponding impact on revenue and operating profit for our business, primarily within the Workforce Solutions and USIS operating segments. Although in recent years activity has been directly related to changes in interest rates, and this trend has been less observed.

**Key Performance Indicators.** Management focuses on a variety of key indicators to monitor operating and financial performance. These performance indicators include measurements of operating revenue, change in operating revenue, operating income, operating margin, net income, diluted earnings per share, cash provided by operating activities and capital expenditures. Key performance indicators for the twelve months ended December 31, 2022, 2021 and 2020 include the following:

|                                       | Key Performance Indicators<br>Twelve Months Ended<br>December 31, |            |            |
|---------------------------------------|-------------------------------------------------------------------|------------|------------|
|                                       | 2022                                                              | 2021       | 2020       |
|                                       | <i>(In millions, except per share data)</i>                       |            |            |
| Operating revenue                     | \$ 5,122.2                                                        | \$ 4,923.9 | \$ 4,127.5 |
| Operating revenue change              | 4 %                                                               | 19 %       | 18 %       |
| Operating income                      | \$ 1,056.0                                                        | \$ 1,138.0 | \$ 676.6   |
| Operating margin                      | 20.6 %                                                            | 23.1 %     | 16.4 %     |
| Net income attributable to Equifax    | \$ 696.2                                                          | \$ 744.2   | \$ 520.1   |
| Diluted earnings per share            | \$ 5.65                                                           | \$ 6.02    | \$ 4.24    |
| Cash provided by operating activities | \$ 757.1                                                          | \$ 1,334.8 | \$ 946.2   |
| Capital expenditures*                 | \$ (617.4)                                                        | \$ (490.5) | \$ (430.7) |

\*Amounts above include accruals for capital expenditures.

## RESULTS OF OPERATIONS — TWELVE MONTHS ENDED DECEMBER 31, 2022, 2021 AND 2020

### Consolidated Financial Results

#### Operating Revenue

|                                | Twelve Months Ended December 31, |                   |                   | Change          |            |                 |            |
|--------------------------------|----------------------------------|-------------------|-------------------|-----------------|------------|-----------------|------------|
|                                | 2022                             | 2021              | 2020              | 2022 vs. 2021   |            | 2021 vs. 2020   |            |
|                                |                                  |                   |                   | \$              | %          | \$              | %          |
| Operating Revenue              |                                  |                   |                   |                 |            |                 |            |
|                                | <i>(In millions)</i>             |                   |                   |                 |            |                 |            |
| Workforce Solutions            | \$ 2,325.4                       | \$ 2,035.4        | \$ 1,461.7        | \$ 290.0        | 14 %       | \$ 573.7        | 39 %       |
| U.S. Information Solutions     | 1,657.7                          | 1,786.7           | 1,711.2           | (129.0)         | (7)%       | 75.5            | 4 %        |
| International                  | 1,139.1                          | 1,101.8           | 954.6             | 37.3            | 3 %        | 147.2           | 15 %       |
| Consolidated operating revenue | <u>\$ 5,122.2</u>                | <u>\$ 4,923.9</u> | <u>\$ 4,127.5</u> | <u>\$ 198.3</u> | <u>4 %</u> | <u>\$ 796.4</u> | <u>19%</u> |

Revenue for 2022 increased by 4% compared to 2021. The increase was primarily due to growth in Workforce Solutions and International, partially offset by a decline in USIS. The significant decline in U.S. mortgage originations negatively impacted the growth in Workforce Solutions and caused the decline in USIS revenue. The effect of foreign exchange rates decreased revenue by \$94.9 million, or 2%, in 2022 compared to 2021.

Revenue for 2021 increased by 19% compared to 2020. The growth was driven by increases in our Workforce Solutions segment, across mortgage and non-mortgage related revenue, growth in our International segment and growth in non-mortgage related revenue in the USIS segment. The effect of foreign exchange rates reduced revenue by \$50.4 million, or 1%, in 2021 compared to 2020.

## Operating Expenses

| Operating Expenses                                        | Twelve Months Ended<br>December 31, |            |            | Change        |      |               |      |
|-----------------------------------------------------------|-------------------------------------|------------|------------|---------------|------|---------------|------|
|                                                           | 2022                                | 2021       | 2020       | 2022 vs. 2021 |      | 2021 vs. 2020 |      |
|                                                           |                                     |            |            | \$            | %    | \$            | %    |
|                                                           | (In millions)                       |            |            |               |      |               |      |
| Consolidated cost of services                             | \$ 2,177.2                          | \$ 1,980.9 | \$ 1,737.4 | \$ 196.3      | 10 % | \$ 243.5      | 14 % |
| Consolidated selling, general and administrative expenses | 1,328.9                             | 1,324.6    | 1,322.5    | 4.3           | — %  | 2.1           | — %  |
| Consolidated depreciation and amortization expense        | 560.1                               | 480.4      | 391.0      | 79.7          | 17 % | 89.4          | 23 % |
| Consolidated operating expenses                           | \$ 4,066.2                          | \$ 3,785.9 | \$ 3,450.9 | \$ 280.3      | 7 %  | \$ 335.0      | 10 % |

**Cost of Services.** Cost of services increased \$196.3 million in 2022 compared to 2021. The increase is due to higher royalty costs, production costs, which include third party cloud usage fees, and people costs. The effect of changes in foreign exchange rates decreased cost of services by \$50.5 million.

Cost of services increased \$243.5 million in 2021 compared to 2020. The increase is due to increased royalty costs, production costs, which include third party cloud usage fees, and people costs, partially offset by a decrease in incremental technology and data security costs related to our technology transformation. The effect of changes in foreign exchange rates increased cost of services by \$27.5 million.

**Selling, General and Administrative Expenses.** Selling, general and administrative expenses increased \$4.3 million in 2022 compared to 2021. The increase in 2022 is primarily driven by companies acquired in 2022 and 2021, with the total increase in expenses partially offset by a decrease in incentive plan costs. The impact of changes in foreign currency exchange rates decreased our selling, general and administrative expenses by \$25.6 million.

Selling, general and administrative expenses increased \$2.1 million in 2021 compared to 2020. The slight increase in 2021 is due to an increase in people costs, offset by a decrease in incremental technology and data security costs related to our ongoing technology transformation. The impact of changes in foreign currency exchange rates increased our selling, general and administrative expenses by \$9.7 million.

**Depreciation and Amortization.** Depreciation and amortization expense for 2022 and 2021 increased by \$79.7 million and \$89.4 million, respectively. These increases are due to higher amortization of purchased intangible assets related to recent acquisitions, as well as amortization of capitalized internal-use software and systems costs from technology transformation capital spending incurred previously. The impact of changes in foreign currency exchange rates led to a decrease in depreciation and amortization expense of \$11.6 million and an increase of \$10.6 million in 2022 and 2021, respectively.

## Operating Income and Operating Margin

|                                          | Twelve Months Ended<br>December 31, |            |            | Change        |           |               |         |
|------------------------------------------|-------------------------------------|------------|------------|---------------|-----------|---------------|---------|
| Operating Income and<br>Operating Margin | 2022                                | 2021       | 2020       | 2022 vs. 2021 |           | 2021 vs. 2020 |         |
|                                          |                                     |            |            | \$            | %         | \$            | %       |
|                                          | (In millions)                       |            |            |               |           |               |         |
| Consolidated operating revenue           | \$ 5,122.2                          | \$ 4,923.9 | \$ 4,127.5 | \$ 198.3      | 4 %       | \$ 796.4      | 19 %    |
| Consolidated operating expenses          | 4,066.2                             | 3,785.9    | 3,450.9    | 280.3         | 7 %       | 335.0         | 10 %    |
| Consolidated operating income            | \$ 1,056.0                          | \$ 1,138.0 | \$ 676.6   | \$ (82.0)     | (7)%      | \$ 461.4      | 68 %    |
| Consolidated operating margin            | 20.6 %                              | 23.1 %     | 16.4 %     |               | (2.5) pts |               | 6.7 pts |

Total company operating margin decreased by 2.5 percentage points in 2022 versus 2021. The margin decrease was due to the aforementioned increased operating expenses and amortization expense that outpaced revenue growth during the period.

Total company operating margin increased by 6.7 percentage points in 2021 versus 2020, due to higher operating income generated by the increased revenue and decreased incremental technology and data security costs, partially offset by the increased people costs and aforementioned increase in depreciation and amortization expense.

#### *Interest Expense and Other Income (Expense), net*

| Consolidated Interest and Other<br>Income (Expense), net | Twelve Months Ended<br>December 31, |            |            | Change        |        |               |        |
|----------------------------------------------------------|-------------------------------------|------------|------------|---------------|--------|---------------|--------|
|                                                          | 2022                                | 2021       | 2020       | 2022 vs. 2021 |        | 2021 vs. 2020 |        |
|                                                          |                                     |            |            | \$            | %      | \$            | %      |
|                                                          | (In millions)                       |            |            |               |        |               |        |
| Consolidated interest expense                            | \$ (183.0)                          | \$ (145.6) | \$ (141.6) | \$ (37.4)     | 26 %   | \$ (4.0)      | 3 %    |
| Consolidated other income (expense),<br>net              | 56.7                                | (43.2)     | 150.2      | 99.9          | (231)% | (193.4)       | (129)% |
|                                                          |                                     |            |            |               |        |               |        |
| Average cost of debt                                     | 3.2 %                               | 3.2 %      | 3.5 %      |               |        |               |        |
| Total consolidated debt, net, at year end                | \$ 5,787.3                          | \$ 5,294.9 | \$ 4,378.4 | \$ 492.4      | 9 %    | \$ 916.5      | 21 %   |

Interest expense increased in 2022, when compared to 2021, due to a higher weighted average outstanding amount of debt and higher interest costs attributable to debt agreements entered into during 2022.

Interest expense increased in 2021, when compared to 2020, due to a higher weighted average outstanding amount of debt in 2021 when compared to 2020, offset by a slightly lower cost of debt.

The increase in other income (expense), net in 2022 is driven by changes in our fair value adjustments of our investments, gains on the sale of multiple equity investments and mark-to-market adjustments for our pension assets. We recorded a \$13.3 million gain on the fair value adjustment of our Brazil investment in 2022, compared to a \$64.0 million loss in 2021. During 2022, we recorded a gain of \$19.1 million as a result of the sale of multiple equity investments, including the sale of our equity method investment in Russia during the third quarter of 2022. For 2022 and 2021, we recorded a \$1.4 million gain and \$20.2 million loss, respectively, on the mark-to-market adjustment of our pension plan assets.

The decrease in other income (expense), net in 2021 is driven by the changes in our fair value adjustments of our investments and mark-to-market adjustments for our pension assets. We recorded a \$64.0 million loss on the fair value adjustment of our Brazil investment in 2021, compared to a \$149.5 million gain on the fair value adjustment of our Brazil and India investments in 2020. For 2021 and 2020, we recorded a \$20.2 million and \$32.2 million loss, respectively, on the mark-to-market adjustment of our pension plan assets. These impacts were partially offset by positive impacts of foreign currency exchange in 2021.

#### *Income Taxes*

|                                         | Twelve Months Ended<br>December 31, |            |            | Change        |      |               |      |
|-----------------------------------------|-------------------------------------|------------|------------|---------------|------|---------------|------|
|                                         |                                     |            |            | 2022 vs. 2021 |      | 2021 vs. 2020 |      |
| Provision for Income Taxes              | 2022                                | 2021       | 2020       | \$            | %    | \$            | %    |
|                                         | (In millions)                       |            |            |               |      |               |      |
| Consolidated provision for income taxes | \$ (229.5)                          | \$ (200.7) | \$ (159.0) | \$ (28.8)     | 14 % | \$ (41.7)     | 26 % |
| Effective income tax rate               | 24.7 %                              | 21.2 %     | 23.2 %     |               |      |               |      |

Our effective tax rate was 24.7% for 2022, up from 21.2% for the same period in 2021. Our effective tax rate is higher for the year ended December 31, 2022 compared to 2021 due to a higher foreign rate differential, primarily due to the changes in the fair value of our investment in Brazil.

Our effective tax rate was 21.2% for 2021, down from 23.2% for the same period in 2020. Our effective tax rate was lower for the year ended December 31, 2021 compared to 2020 due to a lower foreign rate differential due to the changes in the fair value of our investment in Brazil.



## Net Income

|                                                                      | Twelve Months Ended<br>December 31, |            |          | Change        |       |               |          |
|----------------------------------------------------------------------|-------------------------------------|------------|----------|---------------|-------|---------------|----------|
|                                                                      |                                     |            |          | 2022 vs. 2021 |       | 2021 vs. 2020 |          |
| Net Income                                                           | 2022                                | 2021       | 2020     | \$            | %     | \$            | %        |
| (In millions, except per share amounts)                              |                                     |            |          |               |       |               |          |
| Consolidated operating income                                        | \$ 1,056.0                          | \$ 1,138.0 | \$ 676.6 | \$ (82.0)     | (7)%  | \$ 461.4      | 68 %     |
| Consolidated interest and other income (expense), net                | (126.3)                             | (188.8)    | 8.6      | 62.5          | (33)% | (197.4)       | (2,295)% |
| Consolidated provision for income taxes                              | (229.5)                             | (200.7)    | (159.0)  | (28.8)        | 14 %  | (41.7)        | 26 %     |
| Consolidated net income                                              | 700.2                               | 748.5      | 526.2    | (48.3)        | (6)%  | 222.3         | 42 %     |
| Net income attributable to noncontrolling interests                  | (4.0)                               | (4.3)      | (6.1)    | 0.3           | (7)%  | 1.8           | (30)%    |
| Net income attributable to Equifax                                   | \$ 696.2                            | \$ 744.2   | \$ 520.1 | \$ (48.0)     | (6)%  | \$ 224.1      | 43 %     |
| Diluted earnings per share:                                          |                                     |            |          |               |       |               |          |
| Net income attributable to Equifax                                   | \$ 5.65                             | \$ 6.02    | \$ 4.24  | \$ (0.37)     | (6)%  | \$ 1.78       | 42 %     |
| Weighted-average shares used in computing diluted earnings per share | 123.3                               | 123.6      | 122.8    |               |       |               |          |

Consolidated net income decreased by \$48.3 million in 2022 compared to 2021 due to a decrease in operating income and an increase income tax expense, partially offset by the increase in other income, net.

Consolidated net income increased by \$222.3 million in 2021 compared to 2020 due to increased operating income, partially offset by the decrease in other income, net and increase in income tax expense.

## Segment Financial Results

### Workforce Solutions

| Workforce Solutions       | Twelve Months Ended<br>December 31, |            |            | Change        |           |               |         |
|---------------------------|-------------------------------------|------------|------------|---------------|-----------|---------------|---------|
|                           | 2022                                | 2021       | 2020       | 2022 vs. 2021 |           | 2021 vs. 2020 |         |
|                           |                                     |            |            | \$            | %         | \$            | %       |
| (In millions)             |                                     |            |            |               |           |               |         |
| Operating Revenue:        |                                     |            |            |               |           |               |         |
| Verification Services     | \$ 1,871.0                          | \$ 1,608.9 | \$ 1,103.2 | \$ 262.1      | 16 %      | \$ 505.7      | 46 %    |
| Employer Services         | 454.4                               | 426.5      | 358.5      | 27.9          | 7 %       | 68.0          | 19 %    |
| Total operating revenue   | \$ 2,325.4                          | \$ 2,035.4 | \$ 1,461.7 | \$ 290.0      | 14 %      | \$ 573.7      | 39 %    |
| % of consolidated revenue | 45 %                                | 42 %       | 35 %       |               |           |               |         |
| Total operating income    | \$ 1,006.0                          | \$ 1,000.7 | \$ 703.9   | \$ 5.3        | 1 %       | \$ 296.8      | 42 %    |
| Operating margin          | 43.3 %                              | 49.2 %     | 48.2 %     |               | (5.9) pts |               | 1.0 pts |

Workforce Solutions revenue increased by 14% in 2022 compared to 2021, due to growth in Verification Services driven by growth in non-mortgage verticals, including government, talent, consumer finance and Employer Services verticals, as well as acquisition revenue in both Verification Services and Employer Services.

Workforce Solutions revenue increased by 39% in 2021 compared to 2020, due to strong growth in Verification Services driven by growth in mortgage, talent solutions, government and other verticals. Employer Services revenue also increased due to acquisition related growth and employee services, partially offset by a decline in our unemployment claims business.

**Verification Services.** Revenue increased 16% in 2022 compared to 2021. The increase in revenue was due to growth in government, talent solutions, and consumer finance verticals, along with growth from the full year impact of the Insights



acquisition, offset by a decline in the mortgage vertical due to significantly slower U.S. mortgage origination activity in 2022 due to higher interest rates. Verification Services benefited across all verticals from the continued growth of employment and income records in The Work Number database.

Revenue increased 46% in 2021 compared to 2020. Verification Services revenue experienced growth in the mortgage, talent solutions and government verticals as well as from the acquisition of Appriss Insights, which took place in the fourth quarter of 2021. Verification Services benefited across all verticals from the continued growth of employment and income records in The Work Number database.

**Employer Services.** Revenue increased 7% in 2022, compared to 2021 due to growth in employee services, partially offset by a decrease in unemployment claims management revenue as the number of unemployment claims returned to pre-COVID-19 levels in 2022 after having been significantly higher in 2021 due to the economic impact of COVID-19 on the U.S. economy. Employer Services also benefited from acquisition revenue in 2022.

Revenue increased 19% in 2021 compared to 2020 due to growth in employee services, partially offset by a decrease in unemployment claims revenue as the number of claims greatly reduced in 2021 after having been significantly higher in 2020 due to the economic impact of COVID-19 on the U.S. economy. Employer Services also benefited from acquisition revenue in 2021.

**Workforce Solutions Operating Margin.** Operating margin decreased to 43.3% in 2022 compared to 49.2% in 2021 due to increased royalty costs, people costs, purchased intangible asset amortization and production costs, which altogether grew faster than the increase in revenue. Operating margin increased to 49.2% in 2021 compared to 48.2% in 2020 primarily due to the increase in revenue, partially offset by increases in royalty, production and people costs.

#### ***U.S. Information Solutions***

|                              | Twelve Months Ended December 31, |            |            | Change        |           |               |         |
|------------------------------|----------------------------------|------------|------------|---------------|-----------|---------------|---------|
|                              | 2022                             | 2021       | 2020       | 2022 vs. 2021 |           | 2021 vs. 2020 |         |
| U.S. Information Solutions   |                                  |            |            | \$            | %         | \$            | %       |
| <i>(In millions)</i>         |                                  |            |            |               |           |               |         |
| Operating revenue:           |                                  |            |            |               |           |               |         |
| Online Information Solutions | \$ 1,295.4                       | \$ 1,349.8 | \$ 1,296.4 | \$ (54.4)     | (4)%      | \$ 53.4       | 4 %     |
| Mortgage Solutions           | 138.3                            | 190.4      | 199.8      | (52.1)        | (27)%     | (9.4)         | (5)%    |
| Financial Marketing Services | 224.0                            | 246.5      | 215.0      | (22.5)        | (9)%      | 31.5          | 15 %    |
| Total operating revenue      | \$ 1,657.7                       | \$ 1,786.7 | \$ 1,711.2 | \$ (129.0)    | (7)%      | \$ 75.5       | 4 %     |
| % of consolidated revenue    | 33 %                             | 36 %       | 42 %       |               |           |               |         |
| Total operating income       | \$ 402.1                         | \$ 551.8   | \$ 515.3   | \$ (149.7)    | (27)%     | \$ 36.5       | 7 %     |
| Operating margin             | 24.3 %                           | 30.9 %     | 30.1 %     |               | (6.6) pts |               | 0.8 pts |

U.S. Information Solutions revenue decreased 7% in 2022 compared to 2021 due to the negative impact of declining mortgage inquiry volumes on both online services and mortgage solutions, as well as a decline in marketing solutions, partially offset by growth in non-mortgage online services and acquisition-related revenue. The decline in mortgage related online revenue and mortgage solutions revenue in 2022 is due to declining mortgage credit inquiry volumes caused by declines in mortgage industry originations reflecting higher interest rates during 2022.

U.S. Information Solutions revenue increased 4% in 2021 compared to 2020 due to overall improvements in our core credit decisioning services, acquisition-related revenue and financial marketing services, partially offset by decreases in Mortgage Solutions.

**Online Information Solutions.** Revenue for 2022 decreased 4% compared to 2021, due to declining mortgage inquiry volumes compared to the prior year, partially offset by continued growth of non-mortgage online services and revenue from acquisitions.

Revenue for 2021 increased 4% compared to 2020, due to continued growth in non-mortgage online services and revenue related to acquisitions, partially offset by a decrease in U.S. consumer and mortgage online services.

**Mortgage Solutions.** Revenue decreased 27% and 5% in 2022 and 2021, respectively, due to declining mortgage inquiry volumes, as compared to the prior year.

**Financial Marketing Services.** Revenue decreased 9% in 2022 compared to 2021, driven by lower fraud, risk management and other data services revenue.

Revenue increased 15% in 2021 compared to 2020, due to increased marketing activities by customers as the U.S. economy continued its recovery from the economic impact of COVID-19.

**U.S. Information Solutions Operating Margin.** USIS operating margin decreased to 24.3% in 2022 compared to 30.9% in 2021, due to the decrease in revenue and increases in depreciation expense related to increased capitalized software development spending and cloud production costs, partially offset by lower production costs. USIS operating margin increased to 30.9% in 2021 compared to 30.1% in 2020, due to increased revenue and lower selling, general and administrative expenses, partially offset by increased depreciation expense, royalty costs and production costs.

## International

|                           | Twelve Months Ended December 31, |            |          | Change        |       |               |         |
|---------------------------|----------------------------------|------------|----------|---------------|-------|---------------|---------|
|                           |                                  |            |          | 2022 vs. 2021 |       | 2021 vs. 2020 |         |
| International             | 2022                             | 2021       | 2020     | \$            | %     | \$            | %       |
|                           | (In millions)                    |            |          |               |       |               |         |
| Operating revenue:        |                                  |            |          |               |       |               |         |
| Asia Pacific              | \$ 348.4                         | \$ 356.0   | \$ 296.5 | \$ (7.6)      | (2)%  | \$ 59.5       | 20 %    |
| Europe                    | 327.8                            | 319.9      | 285.2    | 7.9           | 2 %   | 34.7          | 12 %    |
| Latin America             | 206.8                            | 175.9      | 160.3    | 30.9          | 18 %  | 15.6          | 10 %    |
| Canada                    | 256.1                            | 250.0      | 212.6    | 6.1           | 2 %   | 37.4          | 18 %    |
| Total operating revenue   | \$ 1,139.1                       | \$ 1,101.8 | \$ 954.6 | \$ 37.3       | 3 %   | \$ 147.2      | 15 %    |
| % of consolidated revenue | 22 %                             | 22 %       | 23 %     |               |       |               |         |
| Total operating income    | \$ 147.0                         | \$ 141.9   | \$ 75.7  | \$ 5.1        | 4 %   | \$ 66.2       | 87 %    |
| Operating margin          | 12.9 %                           | 12.9 %     | 7.9 %    |               | — pts |               | 5.0 pts |

International revenue increased by 3% in 2022 as compared to 2021. Local currency revenue increased 12% in 2022, driven by increases in Latin America, Europe, Canada and Asia Pacific. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$94.8 million, or 9%.

International revenue increased by 15% in 2021 as compared to 2020. Local currency revenue increased 10% in 2021, driven by increases in all geographies as local economies continued to recover from negative impacts of COVID-19 despite the impact of measures to limit its spread in many regions during the year. Local currency fluctuations against the U.S. dollar positively impacted revenue by \$50.4 million, or 5%.

**Asia Pacific.** Local currency revenue increased 6% in 2022 as compared to 2021 driven by stronger volumes within consumer, commercial and identity and fraud, as well as growth in India due to higher consumer volumes, partially offset by a consumer direct business decline in Australia. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$29.2 million, or 8%. Reported revenue decreased 2% in 2022 as compared to 2021.

Local currency revenue increased 11% in 2021 as compared to 2020 driven by growth in our commercial, consumer, background check verifications and identity and fraud businesses in Australia, partially offset by declines in recovery management. Additionally, the increase in revenue for 2021 was also attributable to organic growth in India due to higher consumer volumes related to economic recovery from the impacts of COVID-19. Local currency fluctuations against the U.S. dollar positively impacted revenue by \$27.7 million, or 9%. Reported revenue increased 20% in 2021 as compared to 2020.

**Europe.** Local currency revenue increased 14% in 2022 as compared to 2021, driven by growth in the debt services business and core credit decisioning, identity and fraud, partially offset by a decline in the consumer direct business. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$37.4 million, or 12%, for 2022. Reported revenue increased 2% in 2022 as compared to 2021.

Local currency revenue increased 6% in 2021 as compared to 2020, driven by growth in the consumer vertical for the U.K. due to improving economic conditions, as well as growth in the debt management vertical driven by higher volumes within both the private and public sector. Local currency fluctuations against the U.S. dollar positively impacted revenue by \$18.4 million, or 6%, for 2021. Reported revenue increased 12% in 2021 as compared to 2020.

**Latin America.** Local currency revenue increased 29% in 2022 as compared to 2021 reflecting local currency growth across most countries driven by price increases mainly in Argentina and Chile, stronger online consumer growth, as well as growth due to acquisition revenue. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$20.3 million, or 11%, in 2021, primarily from Argentina and Chile. Reported revenue increased 18% in 2022 as compared to 2021.

Local currency revenue increased 15% in 2021 as compared to 2020 reflecting growth broadly across the region as it recovered from the impacts of COVID-19. Local currency growth rates were strongest in Argentina, Central America, Mexico and Peru, with growth also in Chile and other countries. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$8.4 million, or 5%, in 2021, primarily from Argentina. Reported revenue increased 10% in 2021 as compared to 2020.

**Canada.** Local currency revenue increased 6% in 2022 as compared to 2021 primarily driven by strong identity and fraud revenue and higher analytical batch credit services and decisioning online volumes, partially offset by declines in consumer direct services volumes and mortgage related products due to interest rate increases. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$8.0 million, or 4%, in 2022. Reported revenue increased 2% in 2022 as compared to 2021.

Local currency revenue increased 12% in 2021 as compared to 2020 primarily due to growth in the consumer, commercial, identity and fraud, and analytics businesses, mainly within the mortgage and fintech verticals, as Canada recovered from the negative impacts of COVID-19 despite continued lockdown measures during the year in several Canadian provinces. Local currency fluctuations against the U.S. dollar positively impacted revenue by \$12.7 million, or 6%, in 2021. Reported revenue increased 18% in 2021 as compared to 2020.

**International Operating Margin.** Operating margin was 12.9% in both 2022 and 2021. The 2022 margin is driven by higher revenue, lower purchased intangible asset amortization costs, and lower incentives, partially offset by higher cloud production costs and depreciation expense related to technology transformation project spending. Operating margin increased to 12.9% in 2021 as compared to 7.9% in 2020. The increase in margin is due to increased revenue, lower purchased intangible asset amortization costs and discretionary expense control, partially offset by increased people costs, royalty costs, production costs and depreciation of capitalized internal-use software and systems costs.

### General Corporate Expense

| General Corporate Expense | Twelve Months Ended<br>December 31, |          |          | Change        |       |               |       |
|---------------------------|-------------------------------------|----------|----------|---------------|-------|---------------|-------|
|                           | 2022                                | 2021     | 2020     | 2022 vs. 2021 |       | 2021 vs. 2020 |       |
|                           |                                     |          |          | \$            | %     | \$            | %     |
|                           | (In millions)                       |          |          |               |       |               |       |
| General corporate expense | \$ 499.1                            | \$ 556.4 | \$ 618.3 | \$ (57.3)     | (10)% | \$ (61.9)     | (10)% |

Our general corporate expenses are unallocated costs that are incurred at the corporate level and include those expenses impacted by corporate direction, including shared services, technology, administrative, legal, restructuring, and the portion of management incentive compensation determined by total company-wide performance.

General corporate expense decreased \$57.3 million in 2022. The decrease in 2022 as compared to 2021 is due to reduced people costs, primarily incentive plans, and professional fees.

General corporate expense decreased \$61.9 million in 2021. The decrease in 2021 as compared to 2020 is due to a decrease in incremental technology and data security costs associated with our technology transformation, partially offset by increased people costs and amortization expense.

## LIQUIDITY AND FINANCIAL CONDITION

Management assesses liquidity in terms of our ability to generate cash to fund operating, investing and financing activities. We continue to generate substantial cash from operating activities, remain in a strong financial position and manage our capital structure to meet short- and long-term objectives including reinvestment in existing businesses and completing strategic acquisitions.

Funds generated by operating activities, our Revolver and related commercial paper (“CP”) program, more fully described below, are our most significant sources of liquidity. At December 31, 2022, we had \$285.2 million in cash balances, as well as \$932.8 million available to borrow under our Revolver.

### Sources and Uses of Cash

Our financing activities in 2022, more fully described below, were designed to create additional liquidity through the issuance of senior notes and the pay down of our CP program to increase future borrowing capacity which was used to fund 2022 acquisitions. We had higher cash balances in 2022 versus 2021 and we intend to use this additional capacity, together with cash from operating activities, to meet our current obligations. This included the \$345.0 million consumer class action settlement payment that was made in January 2022 related to the U.S. Consumer MDL Litigation settlement that became effective on January 11, 2022. In addition, during October 2022, we paid off the \$500.0 million Senior Notes due December 2022 with the proceeds from the \$750.0 million 5.1% Senior Notes issued in September 2022 and commercial paper borrowings.

In December 2019, the Compensation Committee of our Board of Directors approved the termination of the Canadian Retirement Income Plan (“CRIP”), the defined benefit pension plan offered to certain employees in Canada, as more fully described in Note 9 of the Notes to Consolidated Financial Statements in Item 8 of this report. As such, during the third quarter of 2022, we settled the liabilities under the CRIP.

**Fund Transfer Limitations.** The ability of certain of our subsidiaries and associated companies to transfer funds to the U.S may be limited, in some cases, by certain restrictions imposed by foreign governments. These restrictions do not, individually or in the aggregate, materially limit our ability to service our indebtedness, meet our current obligations or pay dividends. As of December 31, 2022, we held \$202.1 million of cash in our foreign subsidiaries.

Information about our cash flows, by category, is presented in the Consolidated Statements of Cash Flows. The following table summarizes our cash flows for the twelve months ended December 31, 2022, 2021 and 2020:

| Net cash provided by (used in): | Twelve Months Ended December 31, |              |            | Change        |               |
|---------------------------------|----------------------------------|--------------|------------|---------------|---------------|
|                                 | 2022                             | 2021         | 2020       | 2022 vs. 2021 | 2021 vs. 2020 |
|                                 | <i>(In millions)</i>             |              |            |               |               |
| Operating activities            | \$ 757.1                         | \$ 1,334.8   | \$ 946.2   | \$ (577.7)    | \$ 388.6      |
| Investing activities            | \$ (959.5)                       | \$ (3,398.2) | \$ (492.7) | \$ 2,438.7    | \$ (2,905.5)  |
| Financing activities            | \$ 273.7                         | \$ 617.7     | \$ 810.8   | \$ (344.0)    | \$ (193.1)    |

### Operating Activities

Cash provided by operating activities for 2022 decreased by \$577.7 million compared to 2021 due to decreased net income and the \$345.0 million consumer class action settlement payment that was made in January 2022 related to the U.S. Consumer MDL Litigation settlement that became effective on January 11, 2022.

Cash provided by operating activities for 2021 increased by \$388.6 million compared to 2020 due to increased net income.

## Investing Activities

| Net cash used in:     | Twelve Months Ended December 31, |            |            | Change        |               |
|-----------------------|----------------------------------|------------|------------|---------------|---------------|
|                       | 2022                             | 2021       | 2020       | 2022 vs. 2021 | 2021 vs. 2020 |
| <i>(In millions)</i>  |                                  |            |            |               |               |
| Capital expenditures* | \$ (624.5)                       | \$ (469.0) | \$ (421.3) | \$ (155.5)    | \$ (47.7)     |

\*Amounts above are total cash outflows for capital expenditures.

Our capital expenditures are used for developing, enhancing and deploying new and existing software in support of our expanding product set, replacing or adding equipment, updating systems for regulatory compliance, licensing of standard software applications, investing in system reliability, security and disaster recovery enhancements, and updating or expanding our office facilities.

Capital expenditures increased in 2022 and 2021 from 2021 and 2020, respectively, as we are continuing to invest in enhanced technology systems and infrastructure as part of our technology transformation.

## Acquisitions, Divestitures and Investments

| Net cash (used in) provided by:              | Twelve Months Ended December 31, |              |           | Change        |               |
|----------------------------------------------|----------------------------------|--------------|-----------|---------------|---------------|
|                                              | 2022                             | 2021         | 2020      | 2022 vs. 2021 | 2021 vs. 2020 |
| <i>(In millions)</i>                         |                                  |              |           |               |               |
| Acquisitions, net of cash acquired           | \$ (433.8)                       | \$ (2,935.6) | \$ (61.4) | \$ 2,501.8    | \$ (2,874.2)  |
| Cash received from sale of asset             | \$ —                             | \$ 4.9       | \$ —      | \$ (4.9)      | \$ 4.9        |
| Cash received from divestitures              | \$ 98.8                          | \$ 1.5       | \$ —      | \$ 97.3       | \$ 1.5        |
| Investment in unconsolidated affiliates, net | \$ —                             | \$ —         | \$ (10.0) | \$ —          | \$ 10.0       |

**2022 Acquisitions and Investments.** During 2022, we acquired Efficient Hire and LawLogix within the Workforce Solutions operating segment. We acquired Midigator within the USIS operating segment. We acquired Data Crédito within the International operating segment. During 2022, we sold multiple equity investments.

**2021 Acquisitions and Investments.** During 2021, we acquired Appriss Insights, HIREtech, i2Verify and Health e(fx) within the Workforce Solutions operating segment. We acquired Kount and Teletrack within the USIS operating segment. We acquired AccountScore, as well as the remaining noncontrolling interest of businesses within our International segment.

**2020 Acquisitions and Investments.** During 2020, we acquired the remaining interest in our India joint venture in our International operating segment and completed an additional acquisition in our USIS operating segment.

For additional information about our acquisitions, see Note 3 of the Notes to Consolidated Financial Statements in Item 8 of this report.

## Financing Activities

| Net cash provided by (used in):          | Twelve Months Ended December 31, |              |            | Change        |               |
|------------------------------------------|----------------------------------|--------------|------------|---------------|---------------|
|                                          | 2022                             | 2021         | 2020       | 2022 vs. 2021 | 2021 vs. 2020 |
| <i>(In millions)</i>                     |                                  |              |            |               |               |
| Net short-term borrowings (repayments)   | \$ 242.2                         | \$ 323.4     | \$ (0.7)   | \$ (81.2)     | \$ 324.1      |
| Payments on long-term debt               | \$ (500.0)                       | \$ (1,100.2) | \$ (125.0) | \$ 600.2      | \$ (975.2)    |
| Proceeds from issuance of long-term debt | \$ 749.3                         | \$ 1,697.1   | \$ 1,123.3 | \$ (947.8)    | \$ 573.8      |

**Borrowing and Repayment Activity.** Net short-term repayments primarily represent repayments or borrowings of outstanding amounts under our CP program. We primarily borrow under our CP program as needed and as availability allows.



The decrease in short-term borrowings in 2022 is due to lower net short-term borrowings on our CP notes during the year as compared to 2021. The increase in short-term borrowings in 2021 is due to net short-term borrowings of our CP notes. The decrease in net short-term repayments in 2020 primarily relates to the net repayments of our CP notes.

In September 2022, we issued \$750.0 million aggregate principal amount of 5.1% five-year Senior Notes due 2027 (the "2027 Notes") in an underwritten public offering. Interest on the 2027 Notes accrues at a rate of 5.1% per year and is payable semi-annually in arrears on June 15 and December 15 of each year. The net proceeds of the sale of the 2027 Notes were ultimately used to repay, in October 2022, our then-outstanding \$500.0 million 3.30% Senior Notes due December 2022. The remaining proceeds were used for general corporate purposes, including the repayment of borrowings under our commercial paper program. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2027 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

In August 2021, we issued \$1.0 billion aggregate principal amount of 2.35% ten-year Senior Notes due 2031 (the "2031 Notes") in an underwritten public offering. Interest on the 2031 Notes accrues at a rate of 2.35% per year and is payable semi-annually in arrears on March 15 and September 15 of each year, beginning on March 15, 2022. The net proceeds of the sale of the 2031 Notes were used to repay the \$300.0 million 3.6% Senior Notes due 2021 and \$300.0 million Floating Rate Notes due 2021. The remaining proceeds were used for general corporate purposes, including the repayment of borrowings under our CP program and the funding of acquisitions, including the Company's \$1.825 billion acquisition of Appriss Insights. In addition, we also entered into a new \$700.0 million delayed draw term loan facility during August 2021.

In April 2020, we issued \$400.0 million aggregate principal amount of 2.6% five-year Senior Notes due 2025 (the "2025 Notes") and \$600.0 million aggregate principal amount of 3.1% ten-year Senior Notes due 2030 (the "2030 Notes") in an underwritten public offering. Interest on the 2025 Notes accrues at a rate of 2.6% per year and is payable semi-annually in arrears on June 15 and December 15 of each year. Interest on the 2030 Notes accrues at a rate of 3.1% per year and is payable semi-annually in arrears on May 15 and November 15 of each year. The net proceeds of the sale of the notes were used to repay borrowings under our Receivables Facility and Revolver, while the remaining funds were used for general corporate purposes.

Payments on long-term debt in 2022 reflect the October 2022 repayment of the \$500.0 million Senior Notes due December 2022 with the proceeds from the \$750.0 million 5.1% Senior Notes issued in September 2022 and commercial paper borrowings. Payments on long-term debt in 2021 reflect payments on the 2.3% Senior Notes, 3.6% Senior Notes and Floating Rate Notes that were due in 2021 using proceeds from the issuance of Senior Notes and the new term loan. Payments on long-term debt in 2020 reflect payments on our Receivable Facility using proceeds from the issuance of the senior notes.

**Credit Facility Availability.** In August 2021, the Company refinanced the existing unsecured revolving credit facility of \$1.1 billion set to expire September 2023, and entered into a new \$1.5 billion five-year unsecured revolving credit facility (the "Revolver") and a new \$700.0 million delayed draw term loan ("Term Loan"), collectively known as the "Senior Credit Facilities," both which mature in August 2026. Borrowings under the Senior Credit Facilities may be used for working capital, for capital expenditures, to refinance existing debt, to finance acquisitions and for other general corporate purposes. The Revolver includes an option to request a maximum of three one-year extensions of the maturity date, any time after the first anniversary of the closing date of the Revolver. We believe we are currently in compliance with all representations and warranties necessary as a condition for borrowing under the Revolver, but we cannot assure that we will be able to comply with all such conditions for borrowing in the future. Availability of the Revolver is reduced by the outstanding principal balance of our CP notes and by any letters of credit issued under the Revolver.

In the third quarter of 2021, we increased the size of our CP program from \$1.1 billion to \$1.5 billion, consistent with the increase in our Revolver. Our \$1.5 billion CP program has been established to allow for borrowing through the private placement of CP with maturities ranging from overnight to 397 days. We may use the proceeds of CP for general corporate purposes. The CP program is supported by our Revolver and the total amount of CP which may be issued is reduced by the amount of any outstanding borrowings under our Revolver and by any letters of credit issued under the facility.

As of December 31, 2022, there were \$566.8 million of outstanding CP notes, \$0.4 million of letters of credit outstanding, no outstanding borrowings under the Revolver and \$700.0 million outstanding under the Term Loan. Availability under the Revolver was \$932.8 million at December 31, 2022.

At December 31, 2022, approximately 78% of our debt was fixed rate and 22% was variable rate. Our variable-rate debt consists of CP and term loan borrowings. The interest rate resets periodically, based on the terms of the respective financing arrangement. At December 31, 2022, the interest rate on our variable-rate debt ranged from 4.55% to 5.63%.

In November 2020, we terminated our \$225.0 million receivables funding facility (the “Receivables Facility”).

**Debt Covenants.** A downgrade in credit ratings would increase the cost of borrowings under our CP program, Revolver and Term Loan, and could limit or, in the case of a significant downgrade, preclude our ability to issue CP. Our outstanding indentures and comparable instruments also contain customary covenants including, for example, limits on mortgages, liens, sale/leaseback transactions, mergers and sales of assets.

In August 2021, we entered into our new Senior Credit Facilities as noted above in anticipation of the Appriss Insights acquisition. The Senior Credit Facilities include a maximum leverage ratio, defined as consolidated funded debt divided by consolidated EBITDA for the preceding four quarters, of (i) 3.75 to 1.0 initially, (ii) 4.25 to 1.0 for the first fiscal quarter ending after the consummation of the Appriss Insights acquisition on October 1, 2021, through the third quarter of 2022, (iii) 4.0 to 1.0 for the fourth quarter of 2022 through the first quarter of 2023 and (iv) 3.75 to 1.0 for the second quarter of 2023 through the remaining term of the Revolver. We may also elect to increase the maximum leverage ratio by 0.5 to 1.0 (subject to a maximum leverage ratio of 4.75 to 1.0) in connection with certain material acquisitions if we satisfy certain requirements. The Senior Credit Facilities also permit cash in excess of \$175 million to be netted against debt in the calculation of the leverage ratio, subject to certain restrictions.

None of these covenants are considered restrictive to our operations. As of December 31, 2022, we were in compliance with all of our debt covenants.

We do not have any credit rating triggers that would accelerate the maturity of a material amount of the outstanding debt; however, our 3.95% senior notes due 2023, 2.6% senior notes due 2024, 2.6% senior notes due 2025, 3.25% senior notes due 2026, 5.1% senior notes due 2027, 3.1% senior notes due 2030, 2.35% senior notes due 2031 and 7.0% senior notes due 2037 (together, the “Senior Notes”) contain change in control provisions. If we experience a change of control or publicly announces our intention to effect a change of control and the rating on the Senior Notes is lowered by Standard & Poor’s (“S&P”) and Moody’s Investors Service (“Moody’s”) below an investment grade rating within 60 days of such change of control or notice thereof, then we will be required to offer to repurchase the Senior Notes at a price equal to 101% of the aggregate principal amount of the Senior Notes plus accrued and unpaid interest.

**Credit Ratings.** Credit ratings reflect an independent agency’s judgment on the likelihood that a borrower will repay a debt obligation at maturity. The ratings reflect many considerations, such as the nature of the borrower’s industry and its competitive position, the size of the company, its liquidity and access to capital and the sensitivity of a company’s cash flows to changes in the economy. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency.

A downgrade in our credit rating would increase the cost of borrowings under our CP program, Revolver and Term Loan, and could limit, or in the case of a significant downgrade, preclude our ability to issue CP. If our credit ratings were to decline to lower levels, we could experience increases in the interest cost for any new debt. In addition, the market’s demand for, and thus our ability to readily issue, new debt could become further affected by the economic and credit market environment. These ratings are subject to change as events and circumstances change.

For additional information about our debt, including the terms of our financing arrangements, basis for variable interest rates and debt covenants, see Note 5 of the Notes to Consolidated Financial Statements in Item 8 of this report.



## Equity Transactions

| Net cash (used in) provided by:                                          | Twelve Months Ended December 31, |            |            | Change        |               |
|--------------------------------------------------------------------------|----------------------------------|------------|------------|---------------|---------------|
|                                                                          | 2022                             | 2021       | 2020       | 2022 vs. 2021 | 2021 vs. 2020 |
| <i>(In millions)</i>                                                     |                                  |            |            |               |               |
| Treasury stock purchases                                                 | \$ —                             | \$ (69.9)  | \$ —       | \$ 69.9       | \$ (69.9)     |
| Dividends paid to Equifax shareholders                                   | \$ (191.1)                       | \$ (190.0) | \$ (189.5) | \$ (1.1)      | \$ (0.5)      |
| Dividends paid to noncontrolling interests                               | \$ (3.1)                         | \$ (6.5)   | \$ (4.6)   | \$ 3.4        | \$ (1.9)      |
| Proceeds from exercise of stock options and employee stock purchase plan | \$ 16.9                          | \$ 46.8    | \$ 41.7    | \$ (29.9)     | \$ 5.1        |
| Purchase of redeemable noncontrolling interests                          | \$ (0.4)                         | \$ (11.2)  | \$ (9.0)   | \$ 10.8       | \$ (2.2)      |

Sources and uses of cash related to equity during the twelve months ended December 31, 2022, 2021 and 2020 were as follows:

- We did not repurchase any shares from public market transactions in 2022. We repurchased 0.4 million of common shares from public market transactions in 2021. We did not repurchase any shares from public market transactions in 2020. As of December 31, 2022, under the existing board authorization, the Company is approved for additional stock repurchases of \$520.2 million.
- During the twelve months ended December 31, 2022, 2021 and 2020, we paid cash dividends to Equifax shareholders of \$191.1 million, \$190.0 million and \$189.5 million, respectively, at \$1.56 per share for 2022, 2021 and 2020.

We anticipate continuing the payment of quarterly cash dividends. The actual amount of such dividends is subject to declaration by our Board of Directors and will depend upon future earnings, results of operations, capital requirements, our financial condition and other relevant factors. There can be no assurance that the Company will continue to pay quarterly cash dividends at current levels or at all.

## Contractual Obligations and Commercial Commitments

The company's material cash requirements include the following contractual and other obligations. Our plan is to use existing cash balances and funds generated by operating activities to fund our obligations and commitments. If our cash requirements exceed our existing cash balances and funds generated by operations, we will finance future cash requirements with existing borrowing capacity, as necessary. In the event that additional financing is needed, we would finance using the public and private corporate bond markets and/or syndicated loan markets, if available. The following sections provide details of material cash requirements from known contractual and other obligations as of December 31, 2022.

### Debt

As of December 31, 2022, we had outstanding variable and fixed rate notes with varying maturities for an aggregate principal amount of \$5.3 billion, with \$400.4 million payable within the next twelve months, as detailed further in Note 5 of the Notes to Consolidated Financial Statements in Item 8 of this report. Future interest payments associated with the outstanding variable and fixed rate notes totals \$1,078.8 million, with \$219.6 million payable within the next twelve months.

We also issue unsecured short-term promissory notes through our revolving credit facility and CP program, which is set to expire in August 2026. As of December 31, 2022, we had no amount outstanding under our unsecured revolving credit facility and \$566.8 million outstanding under our CP program.

### Data Processing, Outsourcing Agreements and Other Purchase Obligations

We utilize several outsourcing partners for services that we outsource associated with our computer data processing operations and related functions, cloud provider services and certain administrative functions. These agreements expire between 2023 and 2028. As of December 31, 2022 the estimated aggregate minimum contractual obligation remaining under these agreements is approximately \$948.3 million, with \$361.0 million payable within the next twelve months.

### *Pension, Post-Retirement and Deferred Compensation Obligations*

As detailed further in Note 9 of the Notes to Consolidated Financial Statements in Item 8 of this report, we have several pension, post-retirement benefit and deferred compensation plans. Our U.S. Retirement Plan is frozen and is supported by plan assets to fund future payments. During the third quarter of 2022, we settled the liabilities under our Canadian Retirement Income Plan. We have three supplemental retirement plans for certain key employees which are unfunded. As of December 31, 2022, the total gross obligation for the pension and post retirement plans was \$513.9 million, with \$44.2 million of benefits expected to be paid within the next twelve months.

We maintain deferred compensation plans for certain management employees and the Board of Directors to defer the receipt of compensation until a later date based on the terms of the plan. As of December 31, 2022, the total obligation for the deferred compensation plans was \$39.9 million, with \$3.8 million expected to be paid within the next twelve months. These obligations exclude those under our deferred stock compensation plans.

### *Payments to Resolve Certain Legal Proceedings and Investigations*

The Company has made and expects to make payments to resolve certain legal proceedings and investigations related to the 2017 cybersecurity incident, described more fully in “Item 3. Legal Proceedings” in this Form 10-K. Through 2022, the Company has made payments of \$788.6 million for legal settlements related to the 2017 cybersecurity incident. On January 11, 2022, the Consumer Settlement became effective, and on January 24, 2022, we deposited the \$345.0 million remaining to be paid to the Consumer Restitution Fund.

### *Leases*

As detailed further in Note 12 of the Notes to Consolidated Financial Statements in Item 8 of this report, our lease arrangements principally involve office space. As of December 31, 2022, our total fixed lease payment obligations were \$105.1 million, with \$29.7 million payable within the next twelve months.

### **Other Planned Uses of Capital**

We will continue to invest in sales, marketing, new product development, security and our technology, as well as continue to make strategic acquisitions that align with our business strategy. Additions to property and equipment will continue in order to support growth in our technology transformation and new product development, although we expect spending related to capital expenditures for the next twelve months to be down from current levels.

### **Off-Balance Sheet Transactions**

We do not engage in off-balance sheet financing activities.

Pursuant to the terms of certain industrial revenue bonds, we previously transferred title to certain of our fixed assets with total costs of \$156.4 million as of December 31, 2021 to a local governmental authority in the U.S. to receive a property tax abatement related to economic development. As of December 31, 2022, the title to these assets had reverted back to us upon the retirement of the applicable bonds. These fixed assets are recognized in the Company’s Consolidated Balance Sheets as all risks and rewards remain with the Company.

### **Letters of Credit and Guarantees**

We will from time to time issue standby letters of credit, performance or surety bonds or other guarantees in the normal course of business. The aggregate notional amount of all performance and surety bonds and standby letters of credit was not material at December 31, 2022, and generally have a remaining maturity of one year or less. Guarantees are issued from time to time to support the needs of our operating units. The maximum potential future payments we could be required to make under the guarantees is not material at December 31, 2022.

### **Benefit Plans**

We sponsor a qualified defined benefit retirement plan, the U.S. Retirement Income Plan (“USRIP”), that covers approximately 6% of current U.S. salaried employees who were hired on or before June 30, 2007, the last date on which an individual could be hired and enter the plan before the USRIP was closed to new participation at December 31, 2008. This plan

also covers retirees as well as certain terminated but vested individuals not yet in retirement status. We also sponsored a retirement plan with both defined benefit and defined contribution components that covered most salaried and hourly employees in Canada, the Canadian Retirement Income Plan (“CRIP”); the defined benefit component was also closed to new hires on October 1, 2011.

During the twelve months ended December 31, 2022, we made no voluntary contributions to the USRIP and made contributions of \$15.5 million to the CRIP. During the twelve months ended December 31, 2021, we made no voluntary contributions to the USRIP and made contributions of \$2.8 million to the CRIP. At December 31, 2022, the USRIP met or exceeded ERISA’s minimum funding requirements. In the future, we will make minimum funding contributions as required and may make discretionary contributions, depending on certain circumstances, including market conditions and liquidity needs. We believe additional funding contributions would not prevent us from continuing to meet our liquidity needs, which are primarily funded from cash flows generated by operating activities, available cash and cash equivalents, and our credit facilities. During the third quarter of 2022, we settled the liabilities under the CRIP.

For our non-U.S. tax-qualified retirement plans, we fund an amount sufficient to meet minimum funding requirements but no more than allowed as a tax deduction pursuant to applicable tax regulations. For the non-qualified supplemental retirement plans, we fund the benefits as they are paid to retired participants, but accrue the associated expense and liabilities in accordance with GAAP.

For additional information about our benefit plans, see Notes 1 and 9 of the Notes to Consolidated Financial Statements in Item 8 of this report.

### **Effects of Inflation and Changes in Foreign Currency Exchange Rates**

Inflation in the countries in which we operate may result in increases in the Company’s expenses, which may not be readily recoverable in the price of services offered. To the extent inflation results in rising U.S. interest rates and has other adverse effects upon the U.S. securities markets and upon the value of financial instruments, it may adversely affect the Company’s financial position and profitability. Increases in U.S. interest rates may also negatively impact the U.S. mortgage market, which may adversely affect the Company’s revenue, financial position and profitability.

A portion of the Company’s business is conducted in currencies other than the U.S. dollar and changes in foreign exchange rates relative to the U.S. dollar can therefore affect the value of non-U.S. dollar net assets, revenues and expenses. Potential exposures as a result of these fluctuations in currencies are closely monitored. We generally do not mitigate the risks associated with fluctuating exchange rates, although we may from time to time through forward contracts or other derivative instruments, hedge a portion of our translational foreign currency exposure or exchange rate risks associated with material transactions which are denominated in a foreign currency.

### **RECENT ACCOUNTING PRONOUNCEMENTS**

For information about new accounting pronouncements and the potential impact on our Consolidated Financial Statements, see Note 1 of the Notes to Consolidated Financial Statements in Item 8 of this report.

### **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The Company’s Consolidated Financial Statements are prepared in conformity with U.S. generally accepted accounting principles, or GAAP. This requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in our Consolidated Financial Statements and the Notes to Consolidated Financial Statements. The following accounting policies involve critical accounting estimates because they are particularly dependent on estimates and assumptions made by management about matters that are uncertain at the time the accounting estimates are made. In addition, while we have used our best estimates based on facts and circumstances available to us at the time, different estimates reasonably could have been used in the current period, or changes in the accounting estimates that we used are reasonably likely to occur from period to period, either of which may have a material impact on the presentation of our Consolidated Balance Sheets, Statements of Income, and Statements of Comprehensive Income. We also have other significant accounting policies which involve the use of estimates, judgments and assumptions that are relevant to understanding our results. For additional information about these policies, see Note 1 of the Notes to Consolidated Financial Statements in Item 8 of this report. Although we believe that our estimates, assumptions and judgments are reasonable, they are based upon information available at the time. Actual results may differ significantly from these estimates under different assumptions, judgments or conditions.

## Revenue Recognition

In accordance with ASC 606, “Revenue from Contracts with Customers,” we recognize revenue when a performance obligation has been satisfied by transferring a promised good or service to a customer and the customer obtains control of the good or service. In order to recognize revenue, we note that the two parties must have an agreement that creates enforceable rights, the performance obligations must be distinct and the transaction price can be determined. Our revenue is derived from the provision of information services to our customers on a transactional basis, in which distinct services are delivered over time as the customer simultaneously receives and consumes the benefits of the services delivered. To measure our performance over time, the output method is utilized to measure the value to the customer based on the transfer to date of the services promised, with no rights of return once consumed. In these cases, revenue on transactional contracts with a defined price but an undefined quantity is recognized utilizing the right to invoice expedient resulting in revenue being recognized when the service is provided and billed. Additionally, multi-year contracts with defined pricing but an undefined quantity that utilize tier pricing would be defined as a series of distinct performance obligations satisfied over time utilizing the same method of measurement, the output method, with no rights of return once consumed. This measurement method is applied on a monthly basis resulting in revenue being recognized when the service is provided and billed.

Additionally, we recognize revenue from subscription-based contracts under which a customer pays a preset fee for a predetermined or unlimited number of transactions or services provided during the subscription period, generally one year. Revenue from subscription-based contracts having a preset number of transactions is recognized as the services are provided, using an effective transaction rate as the actual transactions are delivered. Any remaining revenue related to unfulfilled units is not recognized until the end of the related contract’s subscription period. Revenue from subscription-based contracts having an unlimited volume is recognized ratably during the contract term. Multi-year subscription contracts are analyzed to determine the full contract transaction price over the term of the contract and the subsequent price is ratably recognized over the full term of the contract.

Revenue is recorded net of sales taxes.

If at the outset of an arrangement, we determine that collectability is not reasonably assured, revenue is deferred until the earlier of when collectability becomes probable or the receipt of payment from the customer. If there is uncertainty as to the customer’s acceptance of the performance obligation, revenue is not recognized until the earlier of receipt of customer acceptance or expiration of the acceptance period.

Certain costs incurred prior to the satisfaction of a performance obligation are deferred as contract costs and are amortized on a systematic basis consistent with the pattern of transfer of the related goods and services. These costs generally consist of labor costs directly relating to the implementation and setup of the contract.

*Contract Balances* – The contract balances are generated when revenue recognized varies from billing in a given period. A contract asset is created when an entity transfers a good or service to a customer and recognizes more revenue than what has been billed. As of December 31, 2022, the contract asset balance was \$12.2 million. A contract liability is created when an entity transfers a good or service to a customer and recognizes less than what has been billed. Deferred revenue is recognized when we have an obligation to transfer goods or services to a customer and have already received consideration from the customer. We generally expect to recognize our deferred revenue as revenue within twelve months of being recorded based on the terms of the contracts.

## Goodwill

We review goodwill for impairment annually (as of September 30) and whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. These events or circumstances could include a significant change in the business climate, legal factors, operating performance or trends, competition, or sale or disposition of a significant portion of a reporting unit. We have six reporting units: Workforce Solutions, USIS, Asia Pacific, Europe, Latin America and Canada.

We performed a qualitative assessment to determine whether further impairment testing was necessary for our Workforce Solutions, USIS, Latin America, Europe and Canada reporting units. In this qualitative assessment, we considered the following items for each of the reporting units: macroeconomic conditions, industry and market conditions, overall financial performance and other entity specific events. In addition, for each of these reporting units, the most recent fair value determination resulted in an amount that significantly exceeded the carrying amount of the reporting units. Based on these assessments, we determined the likelihood that a current fair value determination would be less than the current carrying

amount of the reporting unit is not more likely than not. As a result of our conclusions, no further testing was required for these reporting units.

The goodwill balance at December 31, 2022, for our six reporting units was as follows:

|                            | <b>December 31, 2022</b> |
|----------------------------|--------------------------|
|                            | <i>(In millions)</i>     |
| Workforce Solutions        | \$ 2,520.8               |
| U.S. Information Solutions | 2,004.8                  |
| Asia Pacific               | 1,361.2                  |
| Europe                     | 169.3                    |
| Latin America              | 237.9                    |
| Canada                     | 89.9                     |
| Total goodwill             | <u>\$ 6,383.9</u>        |

### *Valuation Techniques*

We performed a quantitative assessment for our Asia Pacific reporting unit to determine whether impairment exists from the most recent valuation date due to the size of the cushion and overall uncertainty in the reporting unit due to the negative impacts of the COVID-19 pandemic on the region. In determining the fair value of the reporting unit, we used a combination of the income and market approaches to estimate the reporting unit's business enterprise value.

Under the income approach, we calculate the fair value of a reporting unit based on estimated future discounted cash flows which require assumptions about short and long-term revenue growth rates, operating margins for the reporting unit, discount rates, foreign currency exchange rates and estimates of capital expenditures. The assumptions we use are based on what we believe a hypothetical marketplace participant would use in estimating fair value. Under the market approach, we estimate the fair value based on market multiples of revenue or earnings before income taxes, depreciation and amortization, for benchmark companies or guideline transactions. We believe the benchmark companies used for our Asia Pacific reporting unit serves as an appropriate input for calculating a fair value for the reporting unit as those benchmark companies have similar risks, participate in similar markets, provide similar services for their customers and compete with us directly. The companies we use as benchmarks are principally outlined in our discussion of Competition in Item 1 of this Form 10-K and have not significantly changed since the date of our last annual impairment test. Competition for our Asia Pacific reporting unit generally includes global consumer credit reporting companies, such as Experian, which offer a product suite similar to the reporting unit's credit reporting solutions.

The values separately derived from each of the income and market approach valuation techniques were used to develop an overall estimate of a reporting unit's fair value. We use a consistent approach across all reporting units when considering the weight of the income and market approaches for calculating the fair value of each of our reporting units. This approach relies more heavily on the calculated fair value derived from the income approach with 70% of the value coming from the income approach. We believe this approach is consistent with that of a market participant in valuing prospective purchase business combinations. The selection and weighting of the various fair value techniques may result in a higher or lower fair value. Judgment is applied in determining the weightings that are most representative of fair value.

We have not made any material changes to the valuation methodology we use to assess goodwill impairment since the date of our last annual impairment test.

### *Growth Assumptions*

The assumptions for our future cash flows begin with our historical operating performance, the details of which are described in our Management's Discussion & Analysis of operating performance. Additionally, we consider the impact that known economic, industry and market trends, including the impact of rising interest rates and inflation, will have on our future forecasts, as well as the impact that we expect from planned business initiatives including new product initiatives, client service and retention standards, and cost management programs. At the end of the forecast period, the long-term growth rate we used to determine the terminal value of our Asia Pacific reporting unit was between 3.0% and 4.0% based on management's assessment of the minimum expected terminal growth rate of the reporting unit, as well as broader economic considerations such as GDP, inflation and the maturity of the markets we serve.



We projected revenue growth in 2023 for our Asia Pacific reporting unit in completing our 2022 impairment testing based on expected continued economic recovery from the negative impact the COVID-19 pandemic had on these regions in previous years and planned business initiatives and prevailing trends exhibited by this reporting unit. The anticipated revenue growth in this reporting unit, however, is partially offset by assumed increases in expenses and capital expenditures for the reporting unit which reflects the additional level of investment needed in order to achieve the planned revenue growth and completion of our technology transformation initiatives.

#### *Discount Rate Assumptions*

We utilize a weighted average cost of capital, or WACC, in our impairment analysis that makes assumptions about the capital structure that we believe a market participant would make and include a risk premium based on an assessment of risks related to the projected cash flows for the reporting unit. We believe this approach yields a discount rate that is consistent with an implied rate of return that a market participant would require for an investment in a company having similar risks and business characteristics to the reporting unit being assessed. To calculate the WACC, the cost of equity and cost of debt are multiplied by the assumed capital structure of the reporting unit as compared to industry trends and relevant benchmark company structures. The cost of equity was computed using the Capital Asset Pricing Model which considers the risk-free interest rate, beta, equity risk premium and specific company risk premium related to a particular reporting unit. The cost of debt was computed using a benchmark rate and the Company's tax rate. For the 2022 annual goodwill impairment evaluation, the discount rate used to develop the estimated fair value of the Asia Pacific reporting unit was between 9.5% and 11.0%.

#### *Estimated Fair Value and Sensitivities*

The estimated fair value of the reporting unit is derived from the valuation techniques described above incorporating the related projections and assumptions. Impairment occurs when the estimated fair value of the reporting unit is below the carrying value of its equity. The estimated fair value for our Asia Pacific reporting unit exceeded its related carrying value as of September 30, 2022. As a result, no goodwill impairment was recorded.

The estimated fair value of the reporting unit is highly sensitive to changes in these projections and assumptions; therefore, in some instances changes in these assumptions could impact whether the fair value of a reporting unit is greater than its carrying value. For example, an increase in the discount rate and decline in the projected cumulative cash flow of a reporting unit could cause the fair value of certain reporting units to be below its carrying value. We perform sensitivity analyses around these assumptions in order to assess the reasonableness of the assumptions and the resulting estimated fair values. Ultimately, future potential changes in these assumptions may impact the estimated fair value of a reporting unit and cause the fair value of the reporting unit to be below its carrying value. Due to the lower cushion when compared to other reporting units, Asia Pacific is more sensitive to changes in the assumptions noted above that could result in a fair value that is less than its carrying value. The excess of fair value over carrying value for the Asia Pacific reporting unit was greater than 5% and 10% as of September 30, 2022 and September 30, 2021, respectively.

Given the relatively smaller excess of fair value over carrying value for the Asia Pacific reporting unit, we believe that it is at risk of a possible future goodwill impairment. The excess of fair value for the Asia Pacific reporting unit is lower in 2022 than in 2021 primarily due to higher observed risk free interest rates and the loss of income from our joint venture in Russia which was formerly included in this reporting unit. The future impact of changes in economic conditions, including rising interest rates and inflation, remains uncertain. Avoidance of a future impairment will be dependent on continued growth during current economic conditions and our ability to execute on initiatives to grow revenue and manage expenses prudently. We will continue to monitor the performance of this reporting unit to ensure no interim indications of possible impairment have occurred before our next annual goodwill impairment assessment in September 2023.

#### **Loss Contingencies**

We are subject to various proceedings, lawsuits and claims arising in the normal course of our business. We determine whether to disclose and/or accrue for loss contingencies based on our assessment of whether the potential loss is estimable, probable, reasonably possible or remote.

In 2017, we experienced a cybersecurity incident following a criminal attack on our systems that involved the theft of personal information of consumers. As a result of the 2017 cybersecurity incident, we were subject to proceedings and investigations as described in "Item 3. Legal Proceedings" in this Form 10-K. We recorded estimated expenses, net of insurance recoveries, of \$800.9 million in other current liabilities and selling, general, and administrative expenses in our Consolidated Statements of Income (Loss) for the twelve months ended December 31, 2019, exclusive of our legal and professional services expenses. The amount accrued represents our best estimate of the liability related to these matters. The Company will continue

to evaluate information as it becomes known and adjust accruals for new information and further developments in accordance with ASC 450-20-25. While it is reasonably possible that losses exceeding the amount accrued may be incurred, it is not possible at this time to estimate the additional possible loss in excess of the amount already accrued that might result from adverse judgments, settlements, penalties or other resolution of the proceedings and investigations described in “Item 3. Legal Proceedings” in this Form 10-K.

*Judgments and uncertainties* — We periodically review claims and legal proceedings and assess whether we have potential financial exposure based on consultation with internal and outside legal counsel and other advisors. If the likelihood of an adverse outcome from any claim or legal proceeding is probable and the amount can be reasonably estimated, we record a liability on our Consolidated Balance Sheets for the estimated amount. If the likelihood of an adverse outcome is reasonably possible, but not probable, we provide disclosures related to the potential loss contingency. Our assumptions related to loss contingencies are inherently subjective.

*Effect if actual results differ from assumptions* — We do not believe there is a reasonable likelihood that there will be a material change in the future estimates or assumptions we use to determine loss contingencies. However, if facts and circumstances change in the future that change our belief regarding assumptions used to determine our estimates, we may be exposed to a loss that could be material.

## **Income Taxes**

We record deferred income taxes using enacted tax laws and rates for the years in which the taxes are expected to be paid. We assess the likelihood that our deferred tax assets will be recovered from future taxable income or other tax planning strategies. To the extent that we believe that recovery is not likely, we must establish a valuation allowance to reduce the deferred tax assets to the amount we estimate will be recoverable.

Our income tax provisions are based on assumptions and calculations which will be subject to examination by various tax authorities. We record tax benefits for positions in which we believe are more likely than not of being sustained under such examinations. We assess the potential outcome of such examinations to determine the adequacy of our income tax accruals.

*Judgments and uncertainties* — We consider accounting for income taxes critical because management is required to make significant judgments in determining our provision for income taxes, our deferred tax assets and liabilities, and our future taxable income for purposes of assessing our ability to realize any future benefit from our deferred tax assets. These judgments and estimates are affected by our expectations of future taxable income, mix of earnings among different taxing jurisdictions, and timing of the reversal of deferred tax assets and liabilities.

We also use our judgment to determine whether it is more likely than not that we will sustain positions that we have taken on tax returns and, if so, the amount of benefit to initially recognize within our financial statements. We review our uncertain tax positions and adjust our unrecognized tax benefits in light of changes in facts and circumstances, such as changes in tax law, interactions with taxing authorities and developments in case law. These adjustments to our unrecognized tax benefits may affect our income tax expense. Settlement of uncertain tax positions may require use of our cash. At December 31, 2022, \$42.7 million was recorded for uncertain tax benefits, including interest and penalties, of which it is reasonably possible that up to \$3.9 million of our unrecognized tax benefit may change within the next twelve months.

*Effect if actual results differ from assumptions* — Although management believes that the judgments and estimates discussed herein are reasonable, actual results could differ, and we may be exposed to increases or decreases in income tax expense that could be material.



## Purchase Accounting for Acquisitions

We account for acquisitions under Accounting Standards Codification 805, Business Combinations. In general, the acquisition method of accounting requires companies to record assets acquired and liabilities assumed at their respective fair market values at the date of acquisition. We primarily estimate fair value of identified intangible assets using discounted cash flow analyses based on market participant based inputs. Any amount of the purchase price paid that is in excess of the estimated fair values of net assets acquired is recorded in the line item Goodwill in our Consolidated Balance Sheets. Transaction costs, as well as costs to reorganize acquired companies, are expensed as incurred in our Consolidated Statements of Income.

*Judgments and uncertainties* — We consider accounting for business combinations critical because management's judgment is used to determine the estimated fair values assigned to assets acquired and liabilities assumed and amortization periods for intangible assets which can materially affect our results of operations.

*Effect if actual results differ from assumptions* — Although management believes that the judgments and estimates discussed herein are reasonable, actual results could differ and we may be exposed to an impairment charge if we are unable to recover the value of the recorded net assets.

## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of our business, we are exposed to market risk, primarily from changes in foreign currency exchange rates and interest rates that could impact our results of operations and financial position. We manage our exposure to these market risks through our regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments, such as interest rate swaps, to hedge certain of these exposures. We use derivative financial instruments as risk management tools and not for speculative or trading purposes.

### Foreign Currency Exchange Rate Risk

A substantial majority of our revenue, expense and capital expenditure activities are transacted in U.S. dollars. However, we do transact business in other currencies, primarily the British pound, the Australian dollar, the Canadian dollar, the Chilean peso, the Argentine peso and the Euro. For most of these foreign currencies, we are a net recipient, and, therefore, benefit from a weaker U.S. dollar and are adversely affected by a stronger U.S. dollar relative to the foreign currencies in which we transact significant amounts of business.

We are required to translate, or express in U.S. dollars, the assets and liabilities of our foreign subsidiaries that are denominated or measured in foreign currencies at the applicable year-end rate of exchange on our Consolidated Balance Sheets and income statement items of our foreign subsidiaries at the average rates prevailing during the year. We record the resulting translation adjustment, and gains and losses resulting from the translation of intercompany balances of a long-term investment nature within other comprehensive income, as a component of our shareholders' equity. Foreign currency transaction gains and losses, which have historically been immaterial, are recorded on our Consolidated Statements of Income (Loss). We generally do not mitigate the risks associated with fluctuating exchange rates, although we may from time to time through forward contracts or other derivative instruments hedge a portion of our translational foreign currency exposure or exchange rate risks associated with material transactions which are denominated in a foreign currency.

For the year ended December 31, 2022, a 10% weaker U.S. dollar against the currencies of all foreign countries in which we had operations during 2022 would have increased our revenue by \$105.8 million and our pre-tax operating profit by \$8.2 million. For the year ended December 31, 2021, a 10% weaker U.S. dollar against the currencies of all foreign countries in which we had operations during 2021 would have increased our revenue by \$107.4 million and our pre-tax operating profit by \$13.6 million. A 10% stronger U.S. dollar would have resulted in similar decreases to our revenue and pre-tax operating profit for 2022 and 2021.

On average across our mix of international businesses, foreign currencies at December 31, 2022 were weaker against the U.S. dollar than the average foreign exchange rates that prevailed across the full year 2021. As a result, if foreign exchange rates were unchanged throughout 2022, foreign exchange translation would increase growth as reported in U.S. dollars. As foreign exchange rates change daily, there can be no assurance that foreign exchange rates will remain constant throughout 2023, and rates could go either higher or lower.

### Interest Rate Risk

Our exposure to market risk for changes in interest rates relates to our variable-rate CP, the Revolver and term loan borrowings. We attempt to achieve the lowest all-in weighted-average cost of debt while simultaneously taking into account the mix of our fixed- and variable-rate debt and the average life and scheduled maturities of our debt. At December 31, 2022, our weighted average cost of debt was 3.2% and weighted-average life of debt was 4.7 years. At December 31, 2022, 78% of our debt was fixed rate and the remaining 22% was variable rate. Occasionally, we use derivatives to manage our exposure to changes in interest rates by entering into interest rate swaps. A 100 basis point increase in the weighted-average interest rate on our variable-rate debt would have increased our 2022 interest expense by \$12.7 million.

Based on the amount of outstanding variable-rate debt, we have exposure to interest rate risk. In the future, if our mix of fixed-rate and variable-rate debt were to change due to additional borrowings under existing or new variable-rate debt, we could have additional exposure to interest rate risk. The nature and amount of our long-term and short-term debt, as well as the proportionate amount of fixed-rate and variable-rate debt, can be expected to vary as a result of future business requirements, market conditions and other factors.

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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| Consolidated Statements of Income for each of the three years in the period ended December 31, 2022                                                        | 56 |
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| Consolidated Balance Sheets at December 31, 2022 and 2021                                                                                                  | 58 |
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## **Report of Independent Registered Public Accounting Firm**

To the Shareholders and the Board of Directors of Equifax Inc.

### **Opinion on Internal Control over Financial Reporting**

We have audited Equifax Inc.'s internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("2013 framework") (the COSO criteria). In our opinion, Equifax Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2022 and 2021, the related consolidated statements of income, comprehensive income, cash flows, and shareholders' equity and accumulated other comprehensive loss for each of the three years in the period ended December 31, 2022, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) and our report dated February 23, 2023 expressed an unqualified opinion thereon.

### **Basis for Opinion**

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### **Definition and Limitations of Internal Control Over Financial Reporting**

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

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

/s/ Ernst & Young LLP

Atlanta, Georgia  
February 23, 2023

## **Report of Independent Registered Public Accounting Firm**

To the Shareholders and the Board of Directors of Equifax Inc.

### **Opinion on the Consolidated Financial Statements**

We have audited the accompanying consolidated balance sheets of Equifax Inc. (the Company) as of December 31, 2022 and 2021, the related consolidated statements of income, comprehensive income, cash flows, and shareholders' equity and accumulated other comprehensive loss for each of the three years in the period ended December 31, 2022, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 23, 2023 expressed an unqualified opinion thereon.

### **Basis for Opinion**

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

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

### **Critical Audit Matter**

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

*Description of the Matter*

***Goodwill impairment test for the Asia Pacific reporting unit***

At December 31, 2022, the Company's goodwill was \$6.4 billion and the goodwill attributed to the Asia Pacific reporting unit was \$1.4 billion. As discussed in Note 4 of the consolidated financial statements, goodwill is tested for impairment at least annually at the reporting unit level. The Company's goodwill is initially assigned to its reporting units as of the acquisition date. The Company determined that a quantitative impairment test was required for the Asia Pacific reporting unit. Therefore, the Company determined the fair value of this reporting unit as of September 30, 2022, the annual goodwill impairment testing date.

In relation to the limited excess fair value of the Asia Pacific reporting unit over the carrying value of the net assets of the reporting unit, auditing management's annual goodwill impairment test for the Asia Pacific reporting unit required judgement due to the estimation required in determining the fair value of the reporting unit. In particular, the fair value estimate was sensitive to significant assumptions such as the revenue growth rate for certain businesses, projected EBITDA margins, long-term growth rate, and weighted average cost of capital, which are affected by expectations about future market or economic conditions and the economic performance of the Asia Pacific reporting unit.

*How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's process to quantitatively test the Company's Asia Pacific reporting unit's goodwill balance for impairment including among others, controls related to management's review of the significant assumptions described above and resulting fair value for the Asia Pacific reporting unit.

To test the estimated fair value of the Asia Pacific reporting unit used in the annual goodwill impairment test, we performed audit procedures that included, among others, assessing the methodologies used to determine the fair value of the Asia Pacific reporting unit, testing the significant assumptions discussed above and testing the underlying data used by the Company in its analysis. We compared the significant assumptions used by management to historical results and current industry and economic trends. We also evaluated any identified contrary evidence, assessed the historical accuracy of management's estimates and performed sensitivity analyses of significant assumptions to evaluate the changes in the fair value of the reporting unit that would result from changes in the assumptions. In addition, we utilized more experienced members of the audit team and involved our internal valuation specialists to assist in the evaluation and testing of the significant valuation assumptions discussed above.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2002.

Atlanta, Georgia  
February 23, 2023

# CONSOLIDATED STATEMENTS OF INCOME

|                                                                                                         | Twelve Months Ended<br>December 31, |            |            |
|---------------------------------------------------------------------------------------------------------|-------------------------------------|------------|------------|
|                                                                                                         | 2022                                | 2021       | 2020       |
| <i>(In millions, except per share amounts)</i>                                                          |                                     |            |            |
| Operating revenue                                                                                       | \$ 5,122.2                          | \$ 4,923.9 | \$ 4,127.5 |
| Operating expenses:                                                                                     |                                     |            |            |
| Cost of services (exclusive of depreciation and amortization below)                                     | 2,177.2                             | 1,980.9    | 1,737.4    |
| Selling, general and administrative expenses                                                            | 1,328.9                             | 1,324.6    | 1,322.5    |
| Depreciation and amortization                                                                           | 560.1                               | 480.4      | 391.0      |
| Total operating expenses                                                                                | 4,066.2                             | 3,785.9    | 3,450.9    |
| Operating income                                                                                        | 1,056.0                             | 1,138.0    | 676.6      |
| Interest expense                                                                                        | (183.0)                             | (145.6)    | (141.6)    |
| Other income (expense), net                                                                             | 56.7                                | (43.2)     | 150.2      |
| Consolidated income before income taxes                                                                 | 929.7                               | 949.2      | 685.2      |
| Provision for income taxes                                                                              | (229.5)                             | (200.7)    | (159.0)    |
| Consolidated net income                                                                                 | 700.2                               | 748.5      | 526.2      |
| Less: Net income attributable to noncontrolling interests including redeemable noncontrolling interests | (4.0)                               | (4.3)      | (6.1)      |
| Net income attributable to Equifax                                                                      | \$ 696.2                            | \$ 744.2   | \$ 520.1   |
| Basic earnings per common share:                                                                        |                                     |            |            |
| Net income attributable to Equifax                                                                      | \$ 5.69                             | \$ 6.11    | \$ 4.28    |
| Weighted-average shares used in computing basic earnings per share                                      | 122.4                               | 121.9      | 121.5      |
| Diluted earnings per common share:                                                                      |                                     |            |            |
| Net income attributable to Equifax                                                                      | \$ 5.65                             | \$ 6.02    | \$ 4.24    |
| Weighted-average shares used in computing diluted earnings per share                                    | 123.3                               | 123.6      | 122.8      |
| Dividends per common share                                                                              | \$ 1.56                             | \$ 1.56    | \$ 1.56    |

See Notes to Consolidated Financial Statements.



**Twelve Months Ended December 31,**

See Notes to Consolidated Financial Statements.

## CONSOLIDATED BALANCE SHEETS

| (In millions, except par values)                                                                                                                                                                       | December 31, |             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|
|                                                                                                                                                                                                        | 2022         | 2021        |
| <b>ASSETS</b>                                                                                                                                                                                          |              |             |
| Current assets:                                                                                                                                                                                        |              |             |
| Cash and cash equivalents                                                                                                                                                                              | \$ 285.2     | \$ 224.7    |
| Trade accounts receivable, net of allowance for doubtful accounts of \$19.1 and \$13.9 at December 31, 2022 and 2021, respectively                                                                     | 857.7        | 727.6       |
| Prepaid expenses                                                                                                                                                                                       | 134.3        | 108.4       |
| Other current assets                                                                                                                                                                                   | 93.3         | 60.2        |
| Total current assets                                                                                                                                                                                   | 1,370.5      | 1,120.9     |
| Property and equipment:                                                                                                                                                                                |              |             |
| Capitalized internal-use software and system costs                                                                                                                                                     | 2,139.1      | 1,727.3     |
| Data processing equipment and furniture                                                                                                                                                                | 281.4        | 299.6       |
| Land, buildings and improvements                                                                                                                                                                       | 261.6        | 250.3       |
| Total property and equipment                                                                                                                                                                           | 2,682.1      | 2,277.2     |
| Less accumulated depreciation and amortization                                                                                                                                                         | (1,095.1)    | (961.3)     |
| Total property and equipment, net                                                                                                                                                                      | 1,587.0      | 1,315.9     |
| Goodwill                                                                                                                                                                                               | 6,383.9      | 6,258.1     |
| Indefinite-lived intangible assets                                                                                                                                                                     | 94.8         | 94.9        |
| Purchased intangible assets, net                                                                                                                                                                       | 1,818.5      | 1,898.0     |
| Other assets, net                                                                                                                                                                                      | 293.2        | 353.1       |
| Total assets                                                                                                                                                                                           | \$ 11,547.9  | \$ 11,040.9 |
| <b>LIABILITIES AND EQUITY</b>                                                                                                                                                                          |              |             |
| Current liabilities:                                                                                                                                                                                   |              |             |
| Short-term debt and current maturities of long-term debt                                                                                                                                               | \$ 967.2     | \$ 824.8    |
| Accounts payable                                                                                                                                                                                       | 250.8        | 211.6       |
| Accrued expenses                                                                                                                                                                                       | 229.0        | 237.5       |
| Accrued salaries and bonuses                                                                                                                                                                           | 138.7        | 257.9       |
| Deferred revenue                                                                                                                                                                                       | 132.9        | 121.3       |
| Other current liabilities                                                                                                                                                                              | 296.6        | 638.2       |
| Total current liabilities                                                                                                                                                                              | 2,015.2      | 2,291.3     |
| Long-term debt                                                                                                                                                                                         | 4,820.1      | 4,470.1     |
| Deferred income tax liabilities, net                                                                                                                                                                   | 460.3        | 358.2       |
| Long-term pension and other postretirement benefit liabilities                                                                                                                                         | 100.4        | 130.1       |
| Other long-term liabilities                                                                                                                                                                            | 178.6        | 190.0       |
| Total liabilities                                                                                                                                                                                      | 7,574.6      | 7,439.7     |
| Commitments and Contingencies (see Note 6)                                                                                                                                                             |              |             |
| Equifax shareholders' equity:                                                                                                                                                                          |              |             |
| Preferred stock, \$0.01 par value: Authorized shares - 10.0; Issued shares - none                                                                                                                      | —            | —           |
| Common stock, \$1.25 par value: Authorized shares - 300.0;<br>Issued shares - 189.3 at December 31, 2022 and 2021;<br>Outstanding shares - 122.5 and 122.1 at December 31, 2022 and 2021, respectively | 236.6        | 236.6       |
| Paid-in capital                                                                                                                                                                                        | 1,594.2      | 1,536.7     |
| Retained earnings                                                                                                                                                                                      | 5,256.0      | 4,751.6     |
| Accumulated other comprehensive loss                                                                                                                                                                   | (473.7)      | (295.4)     |
| Treasury stock, at cost, 66.2 shares and 66.6 shares at December 31, 2022 and 2021, respectively                                                                                                       | (2,650.7)    | (2,639.2)   |
| Stock held by employee benefits trusts, at cost, 0.6 shares at December 31, 2022 and 2021, respectively                                                                                                | (5.9)        | (5.9)       |
| Total Equifax shareholders' equity                                                                                                                                                                     | 3,956.5      | 3,584.4     |
| Noncontrolling interests including redeemable noncontrolling interests                                                                                                                                 | 16.8         | 16.8        |
| Total shareholders' equity                                                                                                                                                                             | 3,973.3      | 3,601.2     |
| Total liabilities and equity                                                                                                                                                                           | \$ 11,547.9  | \$ 11,040.9 |

See Notes to Consolidated Financial Statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| <i>(In millions)</i>                                                                           | Twelve Months Ended<br>December 31, |           |            |
|------------------------------------------------------------------------------------------------|-------------------------------------|-----------|------------|
|                                                                                                | 2022                                | 2021      | 2020       |
| Operating activities:                                                                          |                                     |           |            |
| Consolidated net income                                                                        | \$ 700.2                            | \$ 748.5  | \$ 526.2   |
| Adjustments to reconcile consolidated net income to net cash provided by operating activities: |                                     |           |            |
| Depreciation and amortization                                                                  | 568.6                               | 489.6     | 399.3      |
| Stock-based compensation expense                                                               | 62.6                                | 54.9      | 54.7       |
| Deferred income taxes                                                                          | 88.1                                | 9.3       | 66.5       |
| (Gain) Loss on fair market value adjustment and gain on sale of equity investment              | (36.8)                              | 63.6      | (149.5)    |
| (Gain) on sale of asset                                                                        | —                                   | (4.6)     | —          |
| (Gain) on divestiture                                                                          | —                                   | (0.2)     | —          |
| Changes in assets and liabilities, excluding effects of acquisitions:                          |                                     |           |            |
| Accounts receivable, net                                                                       | (138.6)                             | (66.2)    | (93.7)     |
| Other assets, current and long-term                                                            | (22.4)                              | 16.4      | 35.8       |
| Current and long-term liabilities, excluding debt                                              | (464.6)                             | 23.5      | 106.9      |
| Cash provided by operating activities                                                          | 757.1                               | 1,334.8   | 946.2      |
| Investing activities:                                                                          |                                     |           |            |
| Capital expenditures                                                                           | (624.5)                             | (469.0)   | (421.3)    |
| Acquisitions, net of cash acquired                                                             | (433.8)                             | (2,935.6) | (61.4)     |
| Cash received from sale of asset                                                               | —                                   | 4.9       | —          |
| Cash received from divestitures                                                                | 98.8                                | 1.5       | —          |
| Investment in unconsolidated affiliates, net                                                   | —                                   | —         | (10.0)     |
| Cash used in investing activities                                                              | (959.5)                             | (3,398.2) | (492.7)    |
| Financing activities:                                                                          |                                     |           |            |
| Net short-term borrowings                                                                      | 242.2                               | 323.4     | (0.7)      |
| Payments on long-term debt                                                                     | (500.0)                             | (1,100.2) | (125.0)    |
| Proceeds from issuance of long-term debt                                                       | 749.3                               | 1,697.1   | 1,123.3    |
| Treasury stock purchases                                                                       | —                                   | (69.9)    | —          |
| Dividends paid to Equifax shareholders                                                         | (191.1)                             | (190.0)   | (189.5)    |
| Dividends paid to noncontrolling interests                                                     | (3.1)                               | (6.5)     | (4.6)      |
| Proceeds from exercise of stock options and employee stock purchase plan                       | 16.9                                | 46.8      | 41.7       |
| Payment of taxes related to settlement of equity awards                                        | (33.9)                              | (57.3)    | (15.9)     |
| Purchase of redeemable noncontrolling interests                                                | (0.4)                               | (11.2)    | (9.0)      |
| Debt issuance costs                                                                            | (6.2)                               | (14.5)    | (9.8)      |
| Other                                                                                          | —                                   | —         | 0.3        |
| Cash provided by financing activities                                                          | 273.7                               | 617.7     | 810.8      |
| Effect of foreign currency exchange rates on cash and cash equivalents                         | (10.8)                              | (14.2)    | 19.0       |
| Increase (decrease) in cash and cash equivalents                                               | 60.5                                | (1,459.9) | 1,283.3    |
| Cash and cash equivalents, beginning of period                                                 | 224.7                               | 1,684.6   | 401.3      |
| Cash and cash equivalents, end of period                                                       | \$ 285.2                            | \$ 224.7  | \$ 1,684.6 |

See Notes to Consolidated Financial Statements.

# CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND ACCUMULATED OTHER COMPREHENSIVE LOSS

|                                                                               | Equifax Shareholders |          |                                      |                   |                |                                        |                          |                            |            |
|-------------------------------------------------------------------------------|----------------------|----------|--------------------------------------|-------------------|----------------|----------------------------------------|--------------------------|----------------------------|------------|
|                                                                               | Common Stock         |          | Accumulated Other Comprehensive Loss |                   |                | Stock Held By Employee Benefits Trusts | Noncontrolling Interests | Total Shareholders' Equity |            |
|                                                                               | Shares Outstanding   | Amount   | Paid-In Capital                      | Retained Earnings | Treasury Stock |                                        |                          |                            |            |
| Balance, December 31, 2019                                                    | 121.2                | \$ 236.6 | \$1,405.1                            | \$3,854.6         | \$ (354.4)     | \$ (2,557.4)                           | \$ (5.9)                 | \$ 44.3                    | \$ 2,622.9 |
| (In millions, except per share values)                                        |                      |          |                                      |                   |                |                                        |                          |                            |            |
| Net income                                                                    | —                    | —        | —                                    | 520.1             | —              | —                                      | —                        | 6.1                        | 526.2      |
| Other comprehensive income                                                    | —                    | —        | —                                    | —                 | 183.0          | —                                      | —                        | 1.2                        | 184.2      |
| Shares issued under stock and benefit plans, net of minimum tax withholdings  | 0.6                  | —        | 15.0                                 | —                 | —              | 10.4                                   | —                        | —                          | 25.4       |
| Cash dividends (\$1.56 per share)                                             | —                    | —        | —                                    | (190.5)           | —              | —                                      | —                        | —                          | (190.5)    |
| Dividends paid to employee benefits trusts                                    | —                    | —        | 1.0                                  | —                 | —              | —                                      | —                        | —                          | 1.0        |
| Stock-based compensation expense                                              | —                    | —        | 54.7                                 | —                 | —              | —                                      | —                        | —                          | 54.7       |
| Cumulative adjustment from change in accounting principle                     | —                    | —        | —                                    | (0.4)             | —              | —                                      | —                        | —                          | (0.4)      |
| Redeemable noncontrolling interest adjustment                                 | —                    | —        | —                                    | 1.5               | —              | —                                      | —                        | (1.5)                      | —          |
| Dividends paid to noncontrolling interests                                    | —                    | —        | —                                    | —                 | —              | —                                      | —                        | (4.6)                      | (4.6)      |
| Purchase of noncontrolling interests                                          | —                    | —        | (5.1)                                | —                 | —              | —                                      | —                        | (3.9)                      | (9.0)      |
| Other                                                                         | —                    | —        | —                                    | 0.1               | —              | —                                      | —                        | 0.3                        | 0.4        |
| Balance, December 31, 2020                                                    | 121.8                | 236.6    | 1,470.7                              | 4,185.4           | (171.4)        | (2,547.0)                              | (5.9)                    | 41.9                       | 3,210.3    |
| Net income                                                                    | —                    | —        | —                                    | 744.2             | —              | —                                      | —                        | 4.3                        | 748.5      |
| Other comprehensive loss                                                      | —                    | —        | —                                    | —                 | (124.0)        | —                                      | —                        | (0.6)                      | (124.6)    |
| Shares issued under stock and benefit plans, net of minimum tax withholdings  | 0.7                  | —        | 11.9                                 | —                 | —              | (22.3)                                 | —                        | —                          | (10.4)     |
| Treasury stock purchased under share repurchase program (\$197.52 per share)* | (0.4)                | —        | —                                    | —                 | —              | (69.9)                                 | —                        | —                          | (69.9)     |
| Cash dividends (\$1.56 per share)                                             | —                    | —        | —                                    | (191.2)           | —              | —                                      | —                        | —                          | (191.2)    |
| Dividends paid to employee benefits trusts                                    | —                    | —        | 1.2                                  | —                 | —              | —                                      | —                        | —                          | 1.2        |
| Stock-based compensation expense                                              | —                    | —        | 54.9                                 | —                 | —              | —                                      | —                        | —                          | 54.9       |
| Redeemable noncontrolling interest adjustment                                 | —                    | —        | —                                    | 13.2              | —              | —                                      | —                        | (13.2)                     | —          |
| Dividends paid to noncontrolling interests                                    | —                    | —        | —                                    | —                 | —              | —                                      | —                        | (6.5)                      | (6.5)      |
| Purchases of noncontrolling and redeemable noncontrolling interests           | —                    | —        | (1.8)                                | —                 | —              | —                                      | —                        | (9.4)                      | (11.2)     |
| Other                                                                         | —                    | —        | (0.2)                                | —                 | —              | —                                      | —                        | 0.3                        | 0.1        |
| Balance, December 31, 2021                                                    | 122.1                | 236.6    | 1,536.7                              | 4,751.6           | (295.4)        | (2,639.2)                              | (5.9)                    | 16.8                       | 3,601.2    |
| Net income                                                                    | —                    | —        | —                                    | 696.2             | —              | —                                      | —                        | 4.0                        | 700.2      |
| Other comprehensive loss                                                      | —                    | —        | —                                    | —                 | (178.3)        | —                                      | —                        | (0.8)                      | (179.1)    |
| Shares issued under stock and benefit plans, net of minimum tax withholdings  | 0.4                  | —        | (5.5)                                | —                 | —              | (11.5)                                 | —                        | —                          | (17.0)     |
| Cash dividends (\$1.56 per share)                                             | —                    | —        | —                                    | (191.8)           | —              | —                                      | —                        | —                          | (191.8)    |
| Dividends paid to employee benefits trusts                                    | —                    | —        | 0.7                                  | —                 | —              | —                                      | —                        | —                          | 0.7        |
| Stock-based compensation expense                                              | —                    | —        | 62.6                                 | —                 | —              | —                                      | —                        | —                          | 62.6       |
| Dividends paid to noncontrolling interests                                    | —                    | —        | —                                    | —                 | —              | —                                      | —                        | (3.1)                      | (3.1)      |
| Purchases of noncontrolling and redeemable noncontrolling interests           | —                    | —        | (0.3)                                | —                 | —              | —                                      | —                        | (0.1)                      | (0.4)      |
| Balance, December 31, 2022                                                    | 122.5                | \$ 236.6 | \$1,594.2                            | \$5,256.0         | \$ (473.7)     | \$ (2,650.7)                           | \$ (5.9)                 | \$ 16.8                    | \$ 3,973.3 |

\* At December 31, 2022, \$520.2 million was authorized for future repurchases of our common stock.

See Notes to Consolidated Financial Statements.

# **CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND ACCUMULATED OTHER COMPREHENSIVE LOSS**

Accumulated Other Comprehensive Loss consists of the following components:

|                                                                                                                                                                                      | December 31,         |                   |                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------|-------------------|
|                                                                                                                                                                                      | 2022                 | 2021              | 2020              |
|                                                                                                                                                                                      | <i>(In millions)</i> |                   |                   |
| Foreign currency translation                                                                                                                                                         | \$ (469.3)           | \$ (292.5)        | \$ (168.4)        |
| Unrecognized prior service cost related to our pension and other postretirement benefit plans, net of accumulated tax of \$1.2, \$0.4 and \$0.5 in 2022, 2021 and 2020, respectively | (3.4)                | (1.9)             | (2.0)             |
| Cash flow hedging transactions, net of tax of \$0.6, \$0.6 and \$0.7 in 2022, 2021 and 2020, respectively                                                                            | (1.0)                | (1.0)             | (1.0)             |
| Accumulated other comprehensive loss                                                                                                                                                 | <u>\$ (473.7)</u>    | <u>\$ (295.4)</u> | <u>\$ (171.4)</u> |

See Notes to Consolidated Financial Statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As used herein, the terms Equifax, the Company, we, our and us refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

**Nature of Operations.** We collect, organize and manage various types of financial, demographic, employment, criminal history and marketing information. Our products and services enable businesses to make credit and service decisions, manage their portfolio risk, automate or outsource certain payroll-related, tax and human resources business processes, and develop marketing strategies concerning consumers and commercial enterprises. We serve customers across a wide range of industries, including the financial services, mortgage, retail, telecommunications, utilities, automotive, brokerage, healthcare and insurance industries, as well as government agencies. We also enable consumers to manage and protect their financial health through a portfolio of products offered directly to consumers. As of December 31, 2022, we operated in the following countries: Argentina, Australia, Canada, Chile, Costa Rica, Ecuador, El Salvador, Dominican Republic, Honduras, India, Ireland, Mexico, New Zealand, Paraguay, Peru, Portugal, Spain, the United Kingdom, or U.K., Uruguay, and the United States of America, or U.S. We also have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia and Singapore and have an investment in a consumer and commercial credit information company in Brazil. We previously had a joint venture in Russia that offered consumer credit services; however, during the third quarter of 2022, we completed the sale of this equity method investment.

We develop, maintain and enhance secured proprietary information databases through the compilation of consumer specific data, including credit, income, employment, criminal history, asset, liquidity, net worth and spending activity, and business data, including credit and business demographics, that we obtain from a variety of sources, such as credit granting institutions, and income and tax information primarily from large to mid-sized companies in the U.S. We process this information utilizing our proprietary information management systems. We also provide information, technology and services to support debt collections and recovery management.

**Basis of Consolidation.** Our Consolidated Financial Statements and the accompanying notes, which are prepared in accordance with U.S. generally accepted accounting principles, or GAAP, include Equifax and all its subsidiaries. We consolidate all majority-owned and controlled subsidiaries as well as variable interest entities in which we are the primary beneficiary. Other parties' interests in consolidated entities are reported as noncontrolling interests. We use the equity method of accounting for investments in which we are able to exercise significant influence. Non-consolidated equity investments are recorded at fair value when readily determinable or at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions when the fair value of the investment is not readily determinable. All intercompany transactions and balances are eliminated.

Our Consolidated Financial Statements reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the periods presented therein.

**Segments.** We manage our business and report our financial results through the following three reportable segments, which are our operating segments:

- Workforce Solutions
- U.S. Information Solutions (USIS)
- International

Workforce Solutions is our largest reportable segment, with 45% of total operating revenue for 2022. Our most significant foreign operations are located in Australia, the U.K. and Canada.

**Use of Estimates.** The preparation of our Consolidated Financial Statements requires us to make estimates and assumptions in accordance with GAAP. Accordingly, we make these estimates and assumptions after exercising judgment. We believe that the estimates and assumptions inherent in our Consolidated Financial Statements are reasonable, based upon information available to us at the time they are made, including the consideration of events that have occurred up until the point these Consolidated Financial Statements have been filed. These estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from these estimates.

**Revenue Recognition and Deferred Revenue.** In accordance with ASC 606, “Revenue from Contracts with Customers,” we recognize revenue when a performance obligation has been satisfied by transferring a promised good or service to a customer and the customer obtains control of the good or service. In order to recognize revenue, we note that the two parties must have an agreement that creates enforceable rights, the performance obligations must be distinct and the transaction price can be determined. Our revenue is derived from the provision of information services to our customers on a transactional basis, in which distinct services are delivered over time as the customer simultaneously receives and consumes the benefits of the services delivered. To measure our performance over time, the output method is utilized to measure the value to the customer based on the transfer to date of the services promised, with no rights of return once consumed. In these cases, revenue on transactional contracts with a defined price but an undefined quantity is recognized utilizing the right to invoice expedient resulting in revenue being recognized when the service is provided and billed. Additionally, multi-year contracts with defined pricing but an undefined quantity that utilize tier pricing would be defined as a series of distinct performance obligations satisfied over time utilizing the same method of measurement, the output method, with no rights of return once consumed. This measurement method is applied on a monthly basis resulting in revenue being recognized when the service is provided and billed.

Additionally, we recognize revenue from subscription-based contracts under which a customer pays a preset fee for a predetermined or unlimited number of transactions or services provided during the subscription period, generally one year. Revenue from subscription-based contracts having a preset number of transactions is recognized as the services are provided, using an effective transaction rate as the actual transactions are delivered. Any remaining revenue related to unfulfilled units is not recognized until the end of the related contract’s subscription period. Revenue from subscription-based contracts having an unlimited volume is recognized ratably during the contract term. Multi-year subscription contracts are analyzed to determine the full contract transaction price over the term of the contract and the subsequent price is ratably recognized over the full term of the contract.

Revenue is recorded net of sales taxes.

If at the outset of an arrangement, we determine that collectability is not reasonably assured, revenue is deferred until the earlier of when collectability becomes probable or the receipt of payment from the customer. If there is uncertainty as to the customer’s acceptance of the performance obligation, revenue is not recognized until the earlier of receipt of customer acceptance or expiration of the acceptance period.

We sell certain offerings that contain multiple performance obligations. These obligations may include consumer or commercial information, file updates for certain solutions, services provided by our decisioning technologies personnel, training services, statistical models and other services. In order to account for each of these obligations separately, the delivered promises within our contracts must meet the criterion to be considered distinct performance obligations to our customer. If we determine that the arrangement does not contain separate distinct obligations, the performance obligations are bundled together until a distinct obligation is achieved. This may lead to the arrangement consideration being recognized as the final contract obligation is delivered to our customer or ratably over the term of the contract.

Some of our arrangements with multiple performance obligations involve the delivery of services generated by a combination of services provided by one or more of our operating segments. No individual information service impacts the value or usage of other information services included in an arrangement and each service can be sold alone or, in most cases, purchased from another vendor without affecting the quality of use or value to the customer of the other information services included in the arrangement. Some of our products require the installation of interfaces or platforms by our technology personnel that allow our customers to interact with our proprietary information databases. These installation services do not meet the requirement for being distinct, thus any related installation fees are deferred when billed and are recognized over the expected period that the customer will benefit from the related services. Revenue from the delivery of one-time files and models is recognized as the service is provided and accepted, assuming all other revenue recognition criteria are met. The direct costs of installation of a customer are capitalized and amortized over the useful life of the identifiable asset.

We record revenue on a net basis for those sales in which we have in substance acted as an agent or broker in the transaction and therefore do not have control.

In certain instances within our debt collections and recovery management services in our International operating segment and certain tax management services within our Workforce Solutions operating segment, variable consideration is constrained due to the fact that the revenue is contingent on a particular outcome. Within our debt collections and recovery management businesses, revenue is calculated as a percentage of debt collected on behalf of the customer and, as such, is primarily recognized when the debt is collected assuming all other revenue recognition criteria are met. Within our Workforce Solutions operating segment, the fees for certain of our tax credits and incentives revenue are based on a percentage of the



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

credit delivered to our clients. Revenue for these arrangements is recognized based on the achievement of milestones, upon calculation of the credit, approval from a regulatory agency or when the credit is utilized by our client, depending on the provisions of the client contract.

Certain costs incurred prior to the satisfaction of a performance obligation are deferred as contract costs and are amortized on a systematic basis consistent with the pattern of transfer of the related goods and services. These costs generally consist of labor costs directly relating to the implementation and setup of the contract.

*Judgments and Uncertainties* – Each performance obligation within a contract must be considered separately to ensure that appropriate accounting is performed for these distinct goods or services. These considerations include assessing the price at which the element is sold compared to its standalone selling price; concluding when the element will be delivered; evaluating collectability; and determining whether any contingencies exist in the related customer contract that impact the prices paid to us for the services.

*Contract Balances* – The contract balances are generated when revenue recognized varies from billing in a given period. A contract asset is created when an entity transfers a good or service to a customer and recognizes more revenue than what has been billed. As of December 31, 2022, the contract asset balance was \$12.2 million. A contract liability is created when an entity transfers a good or service to a customer and recognizes less than what has been billed. Deferred revenue is recognized when we have an obligation to transfer goods or services to a customer and have already received consideration from the customer. We generally expect to recognize our deferred revenue as revenue within twelve months of being recorded based on the terms of the contracts.

*Remaining Performance Obligation* – We have elected to disclose only the remaining performance obligations for those contracts with an expected duration of greater than 1 year and do not disclose the value of remaining performance obligations for contracts in which we recognize revenue at the amount to which we have the right to invoice. We expect to recognize as revenue the following amounts related to our remaining performance obligations as of December 31, 2022, inclusive of the foreign exchange impact:

| Performance Obligation                 | Balance       |
|----------------------------------------|---------------|
|                                        | (In millions) |
| Less than 1 year                       | \$ 26.7       |
| 1 to 3 years                           | 35.4          |
| 3 to 5 years                           | 16.9          |
| Thereafter                             | 27.0          |
| Total remaining performance obligation | \$ 106.0      |

**Cost of Services.** Cost of services consist primarily of (1) data acquisition and royalty fees; (2) customer service costs, which include: personnel costs to collect, maintain and update our proprietary databases, to develop and maintain software application platforms and to provide consumer and customer call center support; (3) hardware and software expense associated with transaction processing systems; (4) telecommunication, cloud computing and computer network expense; and (5) occupancy costs associated with facilities where these functions are performed by Equifax employees.

**Selling, General and Administrative Expenses.** Selling, general and administrative expenses consist primarily of personnel-related costs, corporate costs, fees for professional and consulting services, advertising costs, restructuring costs and other costs of administration.

**Advertising.** Advertising costs, which are expensed as incurred, totaled \$70.1 million, \$70.2 million and \$59.0 million during 2022, 2021 and 2020, respectively.

**Stock-Based Compensation.** We recognize the cost of stock-based payment transactions in the financial statements over the period services are rendered according to the fair value of the stock-based awards issued. All of our stock-based awards, which are stock options and nonvested stock, are classified as equity instruments.

**Income Taxes.** We account for income taxes under the liability method. We record deferred income taxes using enacted tax laws and rates for the years in which the taxes are expected to be paid. Deferred income tax assets and liabilities are recorded based on the differences between the financial reporting and income tax bases of assets and liabilities. We assess whether it is more likely than not that we will generate sufficient taxable income to realize our deferred tax assets. We record a

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

valuation allowance, as necessary, to reduce our deferred tax assets to the amount of future tax benefit that we estimate is more likely than not to be realized.

We record tax benefits for positions that we believe are more likely than not of being sustained under audit examinations. We assess the potential outcome of such examinations to determine the adequacy of our income tax accruals. We recognize interest and penalties accrued related to unrecognized tax benefits in the provision for income taxes on our Consolidated Statements of Income. We adjust our income tax provision during the period in which we determine that the actual results of the examinations may differ from our estimates or when statutory terms expire. Changes in tax laws and rates are reflected in our income tax provision in the period in which they are enacted.

**Earnings Per Share.** Our basic earnings per share, or EPS, is calculated as net income divided by the weighted-average number of common shares outstanding during the reporting period. Diluted EPS is calculated to reflect the potential dilution that would occur if stock options or other contracts to issue common stock were exercised and resulted in additional common shares outstanding. The net income amounts used in both our basic and diluted EPS calculations are the same. A reconciliation of the weighted-average outstanding shares used in the two calculations is as follows:

|                                               | Twelve Months Ended<br>December 31, |       |       |
|-----------------------------------------------|-------------------------------------|-------|-------|
|                                               | 2022                                | 2021  | 2020  |
|                                               | <i>(In millions)</i>                |       |       |
| Weighted-average shares outstanding (basic)   | 122.4                               | 121.9 | 121.5 |
| Effect of dilutive securities:                |                                     |       |       |
| Stock options and restricted stock units      | 0.9                                 | 1.7   | 1.3   |
| Weighted-average shares outstanding (diluted) | 123.3                               | 123.6 | 122.8 |

For the twelve months ended December 31, 2022, 0.6 million stock options were anti-dilutive and therefore excluded from this calculation. For the twelve months ended December 31, 2021, stock options with an anti-dilutive effect were not material. For the twelve months ended December 31, 2020, 0.4 million stock options were anti-dilutive and therefore excluded from this calculation.

**Cash Equivalents.** We consider all highly-liquid investments with an original maturity of three months or less to be cash equivalents.

**Trade Accounts Receivable and Allowance for Doubtful Accounts.** Accounts receivable are stated at cost. Significant payment terms for customers are identified in the contract. We do not recognize interest income on our trade accounts receivable. Additionally, we generally do not require collateral from our customers related to our trade accounts receivable.

The allowance for doubtful accounts is based on management's estimate for expected credit losses for outstanding trade accounts receivables. We determine expected credit losses based on historical write-off experience, an analysis of the aging of outstanding receivables, customer payment patterns, the establishment of specific reserves for customers in an adverse financial condition and adjusted based upon our expectations of changes in macroeconomic conditions that may impact the collectability of outstanding receivables. We reassess the adequacy of the allowance for doubtful accounts each reporting period. Increases to the allowance for doubtful accounts are recorded as bad debt expense, which are included in selling, general and administrative expenses on the accompanying Consolidated Statements of Income. Below is a rollforward of our allowance for doubtful accounts for the twelve months ended December 31, 2022 and 2021:

|                                                      | Twelve Months Ended December 30, |        |
|------------------------------------------------------|----------------------------------|--------|
|                                                      | 2022                             | 2021   |
|                                                      | <i>(In millions)</i>             |        |
| Allowance for doubtful accounts, beginning of period | \$13.9                           | \$12.9 |
| Current period bad debt expense                      | 8.5                              | 0.3    |
| Write-offs, net of recoveries                        | (3.3)                            | 0.7    |
| Allowance for doubtful accounts, end of period       | \$19.1                           | \$13.9 |

**Other Current Assets.** Other current assets also include amounts receivable related to vendor rebates and current tax receivable accounts. As of December 31, 2022 and 2021, these assets were approximately \$55.3 million and \$19.8 million, respectively. Additionally, other current assets include amounts in specifically designated accounts that hold the funds that are due to customers from our debt collection and recovery management services. As of December 31, 2022 and 2021 these assets were approximately \$27.0 million and \$28.5 million, respectively, with fully offsetting balances in other current liabilities. These amounts are restricted as to their current use and will be released according to the specific customer agreements.

**Long-Lived Assets.** Property and equipment are stated at cost less accumulated depreciation and amortization. The cost of additions is capitalized. Property and equipment are depreciated on a straight-line basis over the assets' estimated useful lives, which are generally three to ten years for data processing equipment and capitalized internal-use software and systems costs. Leasehold improvements are depreciated over the shorter of their estimated useful lives or lease terms that are reasonably assured. Buildings are depreciated over the shorter of their estimated useful lives or a forty-year period. Other fixed assets are depreciated over three to seven years. Upon sale or retirement of an asset, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is recognized and included in income from operations on the Consolidated Statements of Income with the classification of any gain or loss dependent on the characteristics of the asset sold or retired.

Certain internal-use software and system development costs are capitalized. Accordingly, the specifically identified costs incurred to develop or obtain software, which is intended for internal use, are not capitalized until the preliminary project stage is completed and management, with the relevant authority, authorizes and commits to funding a software project and it is probable that the project will be completed and the software will be used to perform the function intended. Costs incurred during a software development project's preliminary stage and post-implementation stage are expensed as incurred. Application development activities that are eligible for capitalization include software design and configuration, development of interfaces, coding, testing and installation. Capitalized internal-use software and systems costs are subsequently amortized on a straight-line basis over a three- to ten-year period after project completion and when the related software or system is ready for its intended use.

Depreciation and amortization expense related to property and equipment was \$323.4 million, \$304.0 million and \$249.3 million during the twelve months ended December 31, 2022, 2021, and 2020, respectively.

**Industrial Revenue Bonds.** Pursuant to the terms of certain industrial revenue bonds, we previously transferred title to certain of our fixed assets with total costs of \$156.4 million as of December 31, 2021 to a local governmental authority in the U.S. to receive a property tax abatement related to economic development. As of December 31, 2022, the title to these assets had reverted back to us upon the retirement of the applicable bonds. These fixed assets are recognized in the Company's Consolidated Balance Sheets as all risks and rewards remain with the Company.

**Impairment of Long-Lived Assets.** We monitor the status of our long-lived assets in order to determine if conditions exist or events and circumstances indicate that an asset group may be impaired in that its carrying amount may not be recoverable. Significant factors that are considered that could be indicative of impairment include: changes in business strategy, market conditions or the manner in which an asset group is used; underperformance relative to historical or expected future operating results; and negative industry or economic trends. If potential indicators of impairment exist, we estimate recoverability based on the asset group's ability to generate cash flows greater than the carrying value of the asset group. We estimate the undiscounted future cash flows arising from the use and eventual disposition of the related long-lived asset group. If the carrying value of the long-lived asset group exceeds the estimated future undiscounted cash flows, an impairment loss is recorded based on the amount by which the asset group's carrying amount exceeds its fair value. We utilize estimates of discounted future cash flows to determine the asset group's fair value. We did not record any material impairment losses of long-lived assets in any of the periods presented.

**Goodwill and Indefinite-Lived Intangible Assets.** Goodwill represents the cost in excess of the fair value of the net assets of acquired businesses. Goodwill is not amortized. We are required to test goodwill for impairment at the reporting unit level on an annual basis and on an interim basis if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. We perform our annual goodwill impairment test as of September 30 each year.

Under ASC 350, we have an option to perform a "qualitative" assessment of our reporting units to determine whether further impairment testing is necessary. For reporting units that we determine meet these criteria, we perform a qualitative assessment. In this qualitative assessment, we consider the following items for each of the reporting units: macroeconomic conditions, industry and market conditions, overall financial performance and other entity specific events. In addition, for each of these reporting units, we assess whether the most recent fair value determination results in an amount that exceeds the carrying amount of the reporting units. Based on these assessments, we determine whether the likelihood that a current fair

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

value determination would be less than the current carrying amount of the reporting unit is not more likely than not. If it is determined it is not more likely than not, no further testing is required. If further testing is required, we continue with the quantitative impairment test.

In analyzing goodwill for potential impairment in the quantitative impairment test, we use a combination of the income and market approaches to estimate the reporting unit's fair value. Under the income approach, we calculate the fair value of a reporting unit based on estimated future discounted cash flows. The assumptions we use are based on what we believe a hypothetical marketplace participant would use in estimating fair value. Under the market approach, we estimate the fair value based on market multiples of revenue or earnings before interest, income taxes, depreciation and amortization for benchmark companies. If the fair value of a reporting unit exceeds its carrying value, then no further testing is required. However, if a reporting unit's fair value were to be less than its carrying value, we would then determine the amount of the impairment charge, if any, which would be the amount that the carrying value of the reporting unit's goodwill exceeded its fair value.

Indefinite-lived reacquired rights represent the value of rights which we had granted to various affiliate credit reporting agencies that were reacquired in the U.S. and Canada. A portion of our reacquired rights are perpetual in nature and, therefore, the useful lives are considered indefinite in accordance with the accounting guidance in place at the time of the acquisitions. Indefinite-lived intangible assets are not amortized. We are required to test indefinite-lived intangible assets for impairment annually and whenever events and circumstances indicate that there may be an impairment of the asset value. Our annual impairment test date is September 30. We perform the impairment test for our indefinite-lived intangible assets by first assessing qualitative factors to determine whether it is necessary to perform a quantitative impairment test. If the qualitative assessment indicates that we need to perform a quantitative impairment test, we compare the asset's fair value to its carrying value. We estimate the fair value based on projected discounted future cash flows. An impairment charge is recognized if the asset's estimated fair value is less than its carrying value.

We completed our annual impairment testing for goodwill and indefinite-lived intangible assets during the twelve months ended December 31, 2022, 2021 and 2020 and we determined that there was no impairment in any of these years.

**Purchased Intangible Assets.** Purchased intangible assets represent the estimated fair value of acquired intangible assets used in our business. Purchased data files represent the estimated fair value of consumer and commercial data files acquired through our acquisitions of various companies, including a fraud and identity solutions provider and independent credit reporting agencies in the U.S., Australia and Canada. We expense the cost of modifying and updating credit files in the period such costs are incurred. We amortize purchased data files, which primarily consist of acquired credit files, on a straight-line basis. All of our other purchased intangible assets are also amortized on a straight-line basis.

| Asset                            | Useful Life<br>(In years) |
|----------------------------------|---------------------------|
| Purchased data files             | 15                        |
| Acquired software and technology | 2 to 7                    |
| Non-compete agreements           | 3 to 10                   |
| Proprietary database             | 6 to 15                   |
| Customer relationships           | 7 to 25                   |
| Trade names                      | 2 to 15                   |

**Other Assets.** Other assets on our Consolidated Balance Sheets primarily represent our investment in unconsolidated affiliates, the long-term portion of the Company's operating lease right-of-use assets, assets related to life insurance policies covering certain officers of the Company and employee benefit trust assets.

**Equity Investment.** We record our equity investment in Brazil within Other Assets at fair value, using observable Level 1 inputs. The carrying value of the investment has been adjusted to \$74.5 million as of December 31, 2022 based on quoted market prices, resulting in an unrealized gain of \$13.3 million for the twelve months December 31, 2022. The carrying value of the investment was \$56.4 million as of December 31, 2021, resulting in an unrealized loss of \$64.0 million for the twelve months ended December 31, 2021. During the second quarter of 2022, we sold our interest in two equity investments resulting in a gain of \$27.5 million recorded in Other Income (Expense), Net within the Consolidated Statements of Income. We previously had a joint venture in Russia that offered consumer credit services; however, during the third quarter of 2022, we completed the sale of this equity method investment. All unrealized gains or losses on these investments are recorded in Other Income (Expense), Net within the Consolidated Statements of Income.

**Other Current Liabilities.** Other current liabilities on our Consolidated Balance Sheets consist of the current portion of our operating lease liabilities and various accrued liabilities such as costs related to the 2017 cybersecurity incident as described more fully in Note 6, interest expense, and accrued employee benefits. Other current liabilities includes accrued legal expense of \$22.4 million and \$373.6 million as of December 31, 2022 and 2021, respectively. The accrued legal balance primarily consists of \$5.7 million and \$350.7 million accruals for losses associated with certain legal proceedings and investigations related to the 2017 cybersecurity incident that have not been paid as of December 31, 2022 and 2021, respectively. Other current liabilities also include the offset to other current assets related to amounts in specifically designated accounts that hold the funds that are due to customers from our debt collection and recovery management services. These funds were approximately \$27.0 million and \$28.5 million as of December 31, 2022 and 2021, respectively. The associated assets are restricted as to their current use and will be released according to the specific customer agreements.

**Benefit Plans.** We sponsor various pension and defined contribution plans. We also maintain certain healthcare and life insurance benefit plans for eligible retired U.S. employees. Benefits under the pension and other postretirement benefit plans are generally based on age at retirement and years of service and for some pension plans, benefits are also based on the employee's annual earnings. The net periodic cost of our pension and other postretirement plans is determined using several actuarial assumptions, the most significant of which are the discount rate and the expected return on plan assets. The expected rate of return on plan assets is based on both our historical returns and forecasted future investment returns by asset class, as provided by our external investment advisor. Our Consolidated Balance Sheets reflect the funded status of the pension and other postretirement plans.

**Foreign Currency Translation.** The functional currency of each of our foreign operating subsidiaries is that subsidiary's local currency except for Argentina. Argentina has experienced multiple periods of increasing inflation rates, devaluation of the peso and increasing borrowing rates. As such, Argentina was deemed a highly inflationary economy by accounting policymakers. Beginning in the third quarter of 2018, we accounted for Argentina as a highly inflationary economy by remeasuring the peso denominated monetary assets and liabilities which resulted in the recognition of \$0.2 million of foreign currency gains for the twelve months ended December 31, 2022. We recorded foreign currency gains of \$0.8 million and foreign currency losses of \$0.5 million during the twelve months ended December 31, 2021 and 2020, respectively. Foreign currency gains and losses are recorded in Other Income (Expense), Net in our Consolidated Statements of Income.

Other than Argentina, we translate the assets and liabilities of foreign subsidiaries at the year-end rate of exchange and revenue and expenses at the monthly average rates during the year. We record the resulting translation adjustment in other comprehensive loss, included in accumulated other comprehensive loss, a component of shareholders' equity. We also record gains and losses resulting from the translation of intercompany balances of a long-term investment nature in foreign currency translation in other comprehensive income (loss) and accumulated other comprehensive loss. For the year ended December 31, 2022, we recorded \$1.8 million of foreign currency transaction losses. For the years ended December 31, 2021 and 2020, we recorded foreign currency transaction gains of \$2.6 million and foreign currency transaction losses of \$7.5 million, respectively, in our Consolidated Statements of Income.

**Financial Instruments.** Our financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable and short and long-term debt. The carrying amounts of these items, other than long-term debt, approximate their fair market values due to the short-term nature of these instruments. The fair value of our fixed-rate debt is determined using Level 2 inputs such as quoted market prices for publicly traded instruments, and for non-publicly traded instruments, through valuation techniques depending on the specific characteristics of the debt instrument, taking into account credit risk. As of December 31, 2022 and 2021, the fair value of our long-term debt, including the current portion, based on observable inputs was \$4.8 billion and \$5.2 billion, respectively, compared to its carrying value of \$5.3 billion and \$5.0 billion, respectively.

**Fair Value Measurements.** Fair value is determined based on the assumptions marketplace participants use in pricing an asset or liability. We use a three level fair value hierarchy to prioritize the inputs used in valuation techniques between observable inputs that reflect quoted prices in active markets, inputs other than quoted prices with observable market data and unobservable data (e.g., a company's own data).



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The following table presents assets and liabilities measured at fair value on a recurring basis:

| Description                                         | Fair Value at<br>December 31, 2022 | Fair Value Measurements at Reporting Date Using:                        |                                                        |                                                    |
|-----------------------------------------------------|------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------|
|                                                     |                                    | Quoted Prices in<br>Active Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs (Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <i>(In millions)</i>                                |                                    |                                                                         |                                                        |                                                    |
| Assets and Liabilities:                             |                                    |                                                                         |                                                        |                                                    |
| Deferred Compensation Plan Assets <sup>(1)</sup>    | \$ 39.9                            | \$ 39.9                                                                 | \$ —                                                   | \$ —                                               |
| Deferred Compensation Plan Liability <sup>(1)</sup> | (39.9)                             | —                                                                       | (39.9)                                                 | —                                                  |
| Total assets and liabilities                        | \$ —                               | \$ 39.9                                                                 | \$ (39.9)                                              | \$ —                                               |

- (1) We maintain deferred compensation plans that allow for certain management employees to defer the receipt of compensation (such as salary and incentive compensation) until a later date based on the terms of the plans. The liability representing benefits accrued for plan participants is valued at the quoted market prices of the participants' investment elections. The asset consists of mutual funds reflective of the participants investment selections and is valued at daily quoted market prices.

*Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis.* As disclosed in Note 3, we completed various acquisitions during the years ended December 31, 2022 and 2021. The values of net assets acquired were recorded at fair value using Level 3 inputs. The majority of the related current assets acquired and liabilities assumed were recorded at their carrying values as of the date of acquisition, as their carrying values approximated their fair values due to their short-term nature. The fair values of definite-lived intangible assets acquired in these acquisitions were estimated primarily based on the income approach. The income approach estimates fair value based on the present value of the cash flows that the assets are expected to generate in the future. We developed internal estimates for the expected cash flows and discount rates in the present value calculations.

**Variable Interest Entities.** We hold interests in certain entities, including credit data and information solutions companies, that are considered variable interest entities, or VIEs. These variable interests relate to ownership interests that require financial support for these entities. Our investments related to these VIEs totaled \$0.3 million and \$30.2 million at December 31, 2022 and 2021, respectively, representing our maximum exposure to loss, with the exception of the guarantees referenced in Note 6. We are not the primary beneficiary and are not required to consolidate any of these VIEs.

In evaluating whether we have the power to direct the activities of a VIE that most significantly impact its economic performance, we consider the purpose for which the VIE was created, the importance of each of the activities in which it is engaged and our decision-making role, if any, in those activities that significantly determine the entity's economic performance as compared to other economic interest holders. This evaluation requires consideration of all facts and circumstances relevant to decision-making that affects the entity's future performance and the exercise of professional judgment in deciding which decision-making rights are most important.

In determining whether we have the right to receive benefits or the obligation to absorb losses that could potentially be significant to the VIE, we evaluate all of our economic interests in the entity, regardless of form (debt, equity, management and servicing fees, and other contractual arrangements). This evaluation considers all relevant factors of the entity's design, including: the entity's capital structure, contractual rights to earnings (losses), subordination of our interests relative to those of other investors, contingent payments, as well as other contractual arrangements that have the potential to be economically significant. The evaluation of each of these factors in reaching a conclusion about the potential significance of our economic interests is a matter that requires the exercise of professional judgment.

Certain of our VIEs have redeemable noncontrolling interests that are subject to classification outside of permanent equity on the Company's Consolidated Balance Sheet. The redeemable noncontrolling interests are reflected using the redemption method as of the balance sheet date. Redeemable noncontrolling interest adjustments to the redemption values are reflected in retained earnings. The adjustment of redemption value at the period end that reflects a redemption value in excess of fair value is included as an adjustment to net income attributable to Equifax stockholders for the purposes of the calculation of earnings per share. None of the current period adjustments reflect a redemption in excess of fair value. Additionally, due to the immaterial balance of the redeemable noncontrolling interest, we have elected to maintain the noncontrolling interest in permanent equity, rather than temporary equity, within our Consolidated Balance Sheet.

**Adoption of New Accounting Standards.** In June 2016, the FASB issued ASU No. 2016-13 “Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments” which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss methodology, which will result in more timely recognition of credit losses. ASU 2016-13 was effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2019. As of January 1, 2020, we adopted the standard. The adoption of the standard did not have a material impact on our consolidated financial statements with the most significant impact being the increase in allowance for doubtful accounts related to our trade accounts receivable. The adoption adjustment was recorded to Retained Earnings as seen in the Consolidated Statements of Changes in Equity.

In January 2017, the FASB issued ASU 2017-04 “Simplifying the Test for Goodwill Impairment (Topic 350).” This standard eliminates Step 2 from the current goodwill impairment test, instead requiring an entity to recognize a goodwill impairment charge for the amount by which the reporting unit's carrying amount exceeds the reporting unit's fair value. This guidance is effective for interim and annual goodwill impairment tests in fiscal years beginning after December 15, 2019 with early adoption permitted. This guidance must be applied on a prospective basis. The adoption of this standard did not materially impact our consolidated financial statements or disclosures.

In August 2018, the FASB issued ASU No. 2018-13 “Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement” which eliminates, adds, and modifies certain disclosure requirements for fair value measurements as part of its disclosure framework project. ASU 2018-13 is effective for all entities for fiscal years beginning after December 15, 2019, and interim periods therein, but entities are permitted to early adopt either the entire standard or only the provisions that eliminate or modify the requirements. The adoption of this standard did not materially impact our consolidated financial statements or disclosures.

In August 2018, the FASB issued ASU No. 2018-14 “Compensation-Retirement Benefits-Defined Benefit Plans-General (Subtopic 715-20): Disclosure Framework-Changes to the Disclosure Requirements for Defined Benefit Plans” which requires minor changes to the disclosure requirements for employers that sponsor defined benefit pension and/or other postretirement benefit plans. ASU 2018-14 is effective for fiscal years ending after December 15, 2020 and early adoption is permitted. We have updated our disclosures in Note 9 to conform with the standard.

In August 2018, the FASB issued ASU No. 2018-15 “Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract.” ASU 2018-15 requires that issuers follow the internal-use software guidance in Accounting Standards Codification (ASC) 350-40 to determine which costs to capitalize as assets or expense as incurred. The ASC 350-40 guidance requires that certain costs incurred during the application development stage be capitalized and other costs incurred during the preliminary project and post-implementation stages be expensed as they are incurred. ASU 2018-15 is effective for fiscal years beginning after December 15, 2019 and interim periods therein. The adoption of the standard did not have a material impact on our consolidated financial statements.

**Recent Accounting Pronouncements.** *Business Combinations.* In October 2021, the FASB issued ASU No. 2021-08 “Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers.” The update provides clarifying guidance to reduce diversity in practice stating that contract assets, contract liabilities and deferred revenue acquired in business combinations should be measured in accordance with Accounting Standards topic 606, rather than the fair value principles of Accounting Standards topic 805. ASU 2021-08 is effective for all public business entities for annual periods beginning after December 15, 2022, although early adoption is permitted. This guidance must be applied on a prospective basis. The adoption of this guidance is not expected to have a material impact on our financial position, results of operations or cash flows.

*Reference Rate Reform.* In March 2020, the FASB issued ASU No. 2020-04 “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting.” The update provides optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) contract modifications on financial reporting, caused by reference rate reform. ASU 2020-04 is effective for all entities as of March 12, 2020 through December 31, 2022. In December 2022, the FASB issued ASU No. 2022-06 “Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848.” The update extends the sunset date from ASU No. 2020-04 from December 31, 2022, to December 31, 2024. After this date, entities will no longer be permitted to apply the relief in Topic 848. We are still evaluating the impact, but do not expect the adoption of the standard to have a material impact on our Consolidated Financial Statements.



**2. REVENUE**

**Revenue Recognition.** Based on the information management reviews internally for evaluating operating segment performance and nature, amount, timing, and uncertainty of revenue and cash flows affected by economic factors, we disaggregate revenue as follows:

| <i>Consolidated Operating Revenue</i> | Twelve Months Ended<br>December 31, |            |            | Change   |       | Change   |      |
|---------------------------------------|-------------------------------------|------------|------------|----------|-------|----------|------|
|                                       |                                     |            |            | 2022     | 2021  | 2021     | 2020 |
|                                       | 2022                                | 2021       | 2020       | \$       | %     | \$       | %    |
| <i>(In millions)</i>                  |                                     |            |            |          |       |          |      |
| Verification Services                 | \$ 1,871.0                          | \$ 1,608.9 | \$ 1,103.2 | \$ 262.1 | 16 %  | \$ 505.7 | 46 % |
| Employer Services                     | 454.4                               | \$ 426.5   | 358.5      | 27.9     | 7 %   | 68.0     | 19 % |
| Total Workforce Solutions             | 2,325.4                             | \$ 2,035.4 | 1,461.7    | 290.0    | 14 %  | 573.7    | 39 % |
| Online Information Solutions          | 1,295.4                             | 1,349.8    | 1,296.4    | (54.4)   | (4)%  | 53.4     | 4 %  |
| Mortgage Solutions                    | 138.3                               | 190.4      | 199.8      | (52.1)   | (27)% | (9.4)    | (5)% |
| Financial Marketing Services          | 224.0                               | 246.5      | 215.0      | (22.5)   | (9)%  | 31.5     | 15 % |
| Total U.S. Information Solutions      | 1,657.7                             | 1,786.7    | 1,711.2    | (129.0)  | (7)%  | 75.5     | 4 %  |
| Asia Pacific                          | 348.4                               | 356.0      | 296.5      | (7.6)    | (2)%  | 59.5     | 20 % |
| Europe                                | 327.8                               | 319.9      | 285.2      | 7.9      | 2 %   | 34.7     | 12 % |
| Latin America                         | 206.8                               | 175.9      | 160.3      | 30.9     | 18 %  | 15.6     | 10 % |
| Canada                                | 256.1                               | 250.0      | 212.6      | 6.1      | 2 %   | 37.4     | 18 % |
| Total International                   | 1,139.1                             | 1,101.8    | 954.6      | 37.3     | 3 %   | 147.2    | 15 % |
| Total operating revenue               | \$ 5,122.2                          | \$ 4,923.9 | \$ 4,127.5 | \$ 198.3 | 4 %   | \$ 796.4 | 19 % |

**3. ACQUISITIONS AND INVESTMENTS**

**2022 Acquisitions and Investments.** In the first quarter of 2022, the Company acquired 100% of Efficient Hire, a provider of cloud recruiting, onboarding and human resources management solutions, within the Workforce Solutions operating segment, and Data Crédito, a consumer credit reporting agency in the Dominican Republic, within the International operating segment. These acquisitions expand the Company's data assets and product offerings and broaden our geographic footprint. In the third quarter of 2022, the Company acquired 100% of LawLogix, a leading provider of cloud-based I-9 software and immigration case management software, within the Workforce Solutions operating segment, and Midigator, a provider of post-transaction fraud mitigation solutions, within the U.S. Information Solutions ("USIS") business segment. These acquisitions expand the Company's data assets as well as product offerings. The Company accounted for these acquisitions in accordance with ASC 805, Business Combinations, which requires the assets acquired and the liabilities assumed to be measured at fair value at the date of the acquisition. The primary area of the purchase price that is not yet finalized for LawLogix and Midigator is related to working capital. Accordingly, adjustments may be made to the values of the assets acquired and liabilities assumed as additional information is obtained about the facts and circumstances that existed at the valuation date.

**2021 Acquisitions and Investments.** In February 2021, the Company acquired 100% of Kount, a provider of fraud prevention and digital identity solutions for \$640 million within the USIS business unit. Additionally in the first quarter of 2021, the Company acquired 100% of HIREtech and iVerify within the Workforce Solutions business unit as well as a small acquisition and purchase of the remaining noncontrolling interest of a business within our International business unit. In the third quarter of 2021, the Company acquired 100% of Health e(fx) and Teletrack within the Workforce Solutions and USIS business units, respectively, as well as the purchase of the remaining noncontrolling interest of a business within our International business unit. Additionally, the Company acquired 100% of Appriss Insights in October 2021, for cash consideration of approximately \$1.825 billion. Appriss Insights is a source of risk and criminal justice intelligence information and will be reported within the Workforce Solutions business unit. We have completed the allocation of the purchase prices for the 2021 acquisitions.

**2020 Acquisitions and Investments.** In February 2020, we acquired the remaining 40.6% interest in our India joint venture. In 2020, the Company also completed an acquisition in our USIS segment to expand the Company's product offerings.

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**Purchase Price Allocation.** The following table summarizes the estimated fair value of the net assets acquired and the liabilities assumed at the acquisition dates during 2022 and 2021.

|                                               | December 31,  |            |
|-----------------------------------------------|---------------|------------|
|                                               | 2022          | 2021       |
|                                               | (In millions) |            |
| Cash                                          | \$ 10.8       | \$ 5.2     |
| Accounts receivable and other current assets  | 5.9           | 43.1       |
| Other assets                                  | 6.0           | 26.6       |
| Identifiable intangible assets <sup>(1)</sup> | 187.4         | 1,094.1    |
| Goodwill <sup>(2)</sup>                       | 283.9         | 1,842.7    |
| Total assets acquired                         | 494.0         | 3,011.7    |
| Other current liabilities                     | (22.6)        | (27.2)     |
| Other liabilities                             | (26.8)        | (43.7)     |
| Net assets acquired                           | \$ 444.6      | \$ 2,940.8 |

(1) Identifiable intangible assets are further disaggregated in the following table.

(2) The goodwill related to the 2022 acquisitions was recognized in the Workforce Solutions, USIS, and International operating segments. \$201.7 million of goodwill related to the 2022 acquisitions was tax deductible, which excludes goodwill related to Data Crédito within International and a portion of goodwill related to Midigator within USIS. The goodwill related to the 2021 acquisitions were recognized in the Workforce Solutions, USIS and International operating segments. \$1.4 billion of goodwill related to 2021 acquisitions was tax deductible, which excludes goodwill related to Kount within USIS and AccountScore within International.

The primary reasons the purchase price of these acquisitions exceeded the fair value of the net assets acquired, which resulted in the recognition of goodwill, were expanded growth opportunities from new or enhanced product offerings and geographies, cost savings from the elimination of duplicative activities and the acquisition of an assembled workforce that are not recognized as assets apart from goodwill.

| Intangible asset category               | December 31,                |                                                   |                             |                                                   |
|-----------------------------------------|-----------------------------|---------------------------------------------------|-----------------------------|---------------------------------------------------|
|                                         | 2022                        |                                                   | 2021                        |                                                   |
|                                         | Fair value<br>(in millions) | Weighted-<br>average<br>useful life<br>(in years) | Fair value<br>(in millions) | Weighted-<br>average<br>useful life<br>(in years) |
| Proprietary database                    | \$ —                        | 0.0                                               | \$ 562.3                    | 14.5                                              |
| Purchased data files                    | 14.9                        | 15.0                                              | 207.0                       | 15.0                                              |
| Customer relationships                  | 89.5                        | 10.0                                              | 160.7                       | 10.0                                              |
| Acquired software and technology        | 74.8                        | 6.6                                               | 146.3                       | 6.0                                               |
| Trade names and other intangible assets | 4.5                         | 2.0                                               | 11.3                        | 2.0                                               |
| Non-compete agreements                  | 3.7                         | 7.9                                               | 6.5                         | 4.5                                               |
| Total acquired intangibles              | \$ 187.4                    | 8.8                                               | \$ 1,094.1                  | 12.6                                              |

## 4. GOODWILL AND OTHER INTANGIBLE ASSETS

**Goodwill.** Goodwill represents the cost in excess of the fair value of the net assets acquired in a business combination. As discussed in Note 1, goodwill is tested for impairment at the reporting unit level on an annual basis and on an interim basis if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. We perform our annual goodwill impairment tests as of September 30 each year. The fair value estimates for our reporting units were determined using a combination of the income and market approaches in accordance with the Company's methodology. Our annual impairment tests as of September 30, 2022, 2021 and 2020 resulted in no impairment of goodwill.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

During 2022, we acquired Efficient Hire and LawLogix within the Workforce Solutions operating segment. We acquired Midigator within the USIS operating segment. We acquired Data Crédito within the International operating segment.

During 2021, we acquired Appriss Insights, HIREtech, i2Verify and Health e(fx) within the Workforce Solutions operating segment. We acquired Kount and Teletrack within the USIS operating segment. We acquired AccountScore, as well as the remaining noncontrolling interest of businesses within our International segment.

During 2020, we acquired the remaining interest in our India joint venture in our International operating segment and completed an additional acquisition in our USIS operating segment.

Changes in the amount of goodwill for the twelve months ended December 31, 2022 and 2021, are as follows:

|                                                  | Workforce<br>Solutions | U.S.<br>Information<br>Solutions | International     | Total             |
|--------------------------------------------------|------------------------|----------------------------------|-------------------|-------------------|
|                                                  |                        |                                  | (In millions)     |                   |
| Balance, December 31, 2020                       | \$ 1,023.3             | \$ 1,417.9                       | \$ 2,054.6        | \$ 4,495.8        |
| Acquisitions                                     | 1,342.1                | 481.5                            | 18.4              | 1,842.0           |
| Adjustments to initial purchase price allocation | —                      | 0.7                              | —                 | 0.7               |
| Foreign currency translation                     | —                      | —                                | (79.1)            | (79.1)            |
| Divestitures                                     | —                      | —                                | (1.3)             | (1.3)             |
| Balance, December 31, 2021                       | 2,365.4                | 1,900.1                          | 1,992.6           | 6,258.1           |
| Acquisitions                                     | 145.0                  | 111.8                            | 27.0              | 283.8             |
| Adjustments to initial purchase price allocation | 10.7                   | (7.1)                            | (3.5)             | 0.1               |
| Foreign currency translation                     | (0.3)                  | —                                | (133.2)           | (133.5)           |
| Divestitures                                     | —                      | —                                | (24.6)            | (24.6)            |
| Balance, December 31, 2022                       | <u>\$ 2,520.8</u>      | <u>\$ 2,004.8</u>                | <u>\$ 1,858.3</u> | <u>\$ 6,383.9</u> |

***Indefinite-Lived Intangible Assets.*** Indefinite-lived intangible assets consist of indefinite-lived reacquired rights representing the value of rights which we had granted to various affiliate credit reporting agencies that were reacquired in the U.S. and Canada. At the time we acquired these agreements, they were considered perpetual in nature under the accounting guidance in place at that time and, therefore, the useful lives are considered indefinite. Indefinite-lived intangible assets are not amortized. We are required to test indefinite-lived intangible assets for impairment annually and whenever events or circumstances indicate that there may be an impairment of the asset value. We perform our annual indefinite-lived intangible asset impairment test as of September 30. Our 2022 annual impairment test completed during the third quarter of 2022 resulted in no impairment of indefinite-lived intangible assets. As of December 31, 2022 and 2021, these assets were approximately \$94.8 million and \$94.9 million, respectively.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

***Purchased Intangible Assets.*** Purchased intangible assets, net, recorded on our Consolidated Balance Sheets at December 31, 2022 and 2021, are as follows:

|                                          | December 31, 2022    |                          |                   | December 31, 2021 |                          |                   |
|------------------------------------------|----------------------|--------------------------|-------------------|-------------------|--------------------------|-------------------|
|                                          | Gross                | Accumulated Amortization | Net               | Gross             | Accumulated Amortization | Net               |
| <b>Definite-lived intangible assets:</b> | <i>(In millions)</i> |                          |                   |                   |                          |                   |
| Purchased data files                     | \$ 1,090.0           | \$ (527.8)               | \$ 562.2          | \$ 1,103.1        | \$ (466.0)               | \$ 637.1          |
| Proprietary database                     | 705.9                | (115.0)                  | 590.9             | 710.2             | (59.3)                   | 650.9             |
| Customer relationships                   | 874.6                | (407.4)                  | 467.2             | 805.2             | (354.9)                  | 450.3             |
| Acquired software and technology         | 225.4                | (42.6)                   | 182.8             | 160.0             | (18.9)                   | 141.1             |
| Trade names and other intangible assets  | 26.7                 | (19.6)                   | 7.1               | 23.9              | (12.6)                   | 11.3              |
| Non-compete agreements                   | 14.5                 | (6.2)                    | 8.3               | 11.0              | (3.7)                    | 7.3               |
| Total definite-lived intangible assets   | <u>\$ 2,937.1</u>    | <u>\$ (1,118.6)</u>      | <u>\$ 1,818.5</u> | <u>\$ 2,813.4</u> | <u>\$ (915.4)</u>        | <u>\$ 1,898.0</u> |

Amortization expense related to purchased intangible assets was \$236.7 million, \$176.4 million, and \$141.8 million during the twelve months ended December 31, 2022, 2021, and 2020, respectively.

Estimated future amortization expense related to definite-lived purchased intangible assets at December 31, 2022 is as follows:

| Years ending December 31, | Amount               |
|---------------------------|----------------------|
|                           | <i>(In millions)</i> |
| 2023                      | \$ 240.0             |
| 2024                      | 228.7                |
| 2025                      | 222.8                |
| 2026                      | 210.3                |
| 2027                      | 196.1                |
| Thereafter                | 720.6                |
|                           | <u>\$ 1,818.5</u>    |

**5. DEBT**

Debt outstanding at December 31, 2022 and 2021 was as follows:

|                                                    | December 31,         |            |
|----------------------------------------------------|----------------------|------------|
|                                                    | 2022                 | 2021       |
|                                                    | <i>(In millions)</i> |            |
| Commercial paper ("CP")                            | \$ 566.8             | \$ 321.9   |
| Notes, 3.30%, due Dec 2022                         | —                    | 500.0      |
| Notes, 3.95%, due June 2023                        | 400.0                | 400.0      |
| Notes, 2.60%, due December 2024                    | 750.0                | 750.0      |
| Notes, 2.60%, due December 2025                    | 400.0                | 400.0      |
| Notes, 3.25%, due June 2026                        | 275.0                | 275.0      |
| Term loan, due August 2026                         | 700.0                | 700.0      |
| Notes, 5.10%, due December 2027                    | 750.0                | —          |
| Debentures, 6.90%, due July 2028                   | 125.0                | 125.0      |
| Notes, 3.1%, due May 2030                          | 600.0                | 600.0      |
| Notes, 2.35%, due September 2031                   | 1,000.0              | 1,000.0    |
| Notes, 7.00%, due July 2037                        | 250.0                | 250.0      |
| Other                                              | 0.4                  | 3.2        |
| Total debt                                         | 5,817.2              | 5,325.1    |
| Less short-term debt and current maturities        | (967.2)              | (824.8)    |
| Less unamortized discounts and debt issuance costs | (29.9)               | (30.2)     |
| Total long-term debt, net of discount              | \$ 4,820.1           | \$ 4,470.1 |

Scheduled future maturities of debt at December 31, 2022, are as follows:

| Years ending December 31, | Amount               |
|---------------------------|----------------------|
|                           | <i>(In millions)</i> |
| 2023                      | \$ 967.2             |
| 2024                      | 771.9                |
| 2025                      | 417.5                |
| 2026                      | 935.6                |
| 2027                      | 750.0                |
| Thereafter                | 1,975.0              |
| Total debt                | \$ 5,817.2           |

**5.1% Senior Notes.** In September 2022, we issued \$750.0 million aggregate principal amount of 5.1% five-year Senior Notes due 2027 (the "2027 Notes") in an underwritten public offering. Interest on the 2027 Notes accrues at a rate of 5.1% per year and is payable semi-annually in arrears on June 15 and December 15 of each year. The net proceeds of the sale of the 2027 Notes were ultimately used to repay, in October 2022, our then-outstanding \$500.0 million 3.30% Senior Notes due December 2022. The remaining proceeds were used for general corporate purposes, including the repayment of borrowings under our commercial paper program. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2027 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

**2.35% Senior Notes.** On August 11, 2021, we issued \$1.0 billion aggregate principal amount of 2.35% ten-year Senior Notes due 2031 (the "2031 Notes") in an underwritten public offering. Interest on the 2031 Notes accrues at a rate of 2.35% per year and is payable semi-annually in arrears on March 15 and September 15 of each year, beginning on March 15, 2022. The net proceeds of the sale of the 2031 Notes were used to repay the \$300.0 million 3.6% Senior Notes due 2021 and \$300.0 million Floating Rate Notes due 2021. The remaining proceeds were used for general corporate purposes, including the repayment of borrowings under our CP program and the funding of acquisitions, including the Company's \$1.825 billion acquisition of Apriss Insights. We must comply with various non-financial covenants, including certain limitations on

mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2031 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

**2.6% and 3.1% Senior Notes.** On April 22, 2020, we issued \$400.0 million aggregate principal amount of 2.6% five-year Senior Notes due 2025 (the "2025 Notes") and \$600.0 million aggregate principal amount of 3.1% ten-year Senior Notes due 2030 (the "2030 Notes") in an underwritten public offering. Interest on the 2025 Notes accrues at a rate of 2.6% per year and is payable semi-annually in arrears on June 15 and December 15 of each year. Interest on the 2030 Notes accrues at a rate of 3.1% per year and is payable semi-annually in arrears on May 15 and November 15 of each year. The net proceeds of the sale of the notes were used to repay borrowings under our Receivables Facility and Revolver, while the remaining funds were used for general corporate purposes, including the repayment of a portion of the 2021 debt maturities. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2025 Notes and 2030 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

**2.6% Senior Notes.** On November 15, 2019, we issued \$750.0 million aggregate principal amount of 2.6% five-year Senior Notes due 2024 (the "2024 Notes") in an underwritten public offering. Interest on the 2024 Notes accrues at a rate of 2.6% per year and is payable semi-annually in arrears on June 1 and December 1 of each year of each year. The net proceeds of the sale of the notes were used to repay borrowings under our Receivables Facility and our CP program and for general corporate purposes. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2024 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

**3.6%, 3.95%, and Floating Rate Senior Notes.** In May 2018, we issued \$300.0 million aggregate principal amount of 3.6% Senior Notes due 2021 (the "2021 Notes"), \$400.0 million aggregate principal amount of 3.95% Senior Notes due 2023 (the "2023 Notes"), and \$300.0 million aggregate principal amount Floating Rate Notes due 2021 (the "Floating Rate Notes") in an underwritten public offering. Interest on the 2021 Notes accrued from their date of issuance at a rate of 3.6% per year and was payable in cash semi-annually in arrears on February 15 and August 15 of each year. Interest on the 2023 Notes accrues from their date of issuance at a rate of 3.95% per year and is payable in cash semi-annually in arrears on June 15 and December 15 of each year beginning on December 15, 2018. Interest on the Floating Rate Notes for a particular interest period was a rate equal to three-month LIBOR on the interest determination date plus 0.87% per annum and was payable in cash quarterly in arrears on February 15, May 15, August 15, and November 15 of each year. The net proceeds of the sale of the 2021 Notes, 2023 Notes and Floating Rate Notes were used to repay borrowings under our Revolver, our prior \$800.0 million three-year delayed draw term loan facility ("Term Loan") and our CP program. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2021 Notes, 2023 Notes and Floating Rate Notes were unsecured and rank equally with all of our unsecured and unsubordinated indebtedness. In August 2021, we repaid the 2021 Notes and Floating Rate Notes using the proceeds from the 2031 Notes.

**Senior Credit Facilities.** In August 2021, the Company refinanced the existing unsecured revolving credit facility of \$1.1 billion set to expire September 2023 and entered into a new \$1.5 billion five-year unsecured revolving credit facility and a new \$700.0 million delayed draw term loan, collectively known as the "Senior Credit Facilities," both which mature in August 2026. Borrowings under the Senior Credit Facilities may be used for working capital, for capital expenditures, to refinance existing debt, to finance acquisitions, including the acquisition of Appriss Insights, and for other general corporate purposes. The Revolver includes an option to request a maximum of three one-year extensions of the maturity date any time after the first anniversary of the closing date of the Revolver. Availability of the Revolver is reduced by the outstanding principal balance of our CP notes and by any letters of credit issued under the Revolver. As of December 31, 2022, there were \$566.8 million of outstanding CP notes, \$0.4 million of letters of credit outstanding, no outstanding borrowings under the Revolver and \$700.0 million outstanding under the Term Loan. Availability under the Revolver was \$932.8 million at December 31, 2022.

Under the Senior Credit Facilities, the Company must comply with various financial and non-financial covenants. The Senior Credit Facilities include a maximum leverage ratio, defined as consolidated funded debt divided by consolidated EBITDA for the preceding four quarters, of (i) 3.75 to 1.0 initially, (ii) 4.25 to 1.0 for the first fiscal quarter ending after the consummation of the Appriss Insights acquisition on October 1, 2021, through the third quarter of 2022, (iii) 4.0 to 1.0 for the fourth quarter of 2022 through the first quarter of 2023 and (iv) 3.75 to 1.0 for the second quarter of 2023 through the remaining term of the Revolver. We may also elect to increase the maximum leverage ratio by 0.5 to 1.0 (subject to a maximum leverage ratio of 4.75 to 1.0) in connection with certain material acquisitions if we satisfy certain requirements. The Senior Credit Facilities also permit cash in excess of \$175 million to be netted against debt in the calculation of the leverage ratio, subject to certain restrictions. Compliance with this financial covenant is tested quarterly. The non-financial covenants include limitations on liens, subsidiary debt, mergers, liquidations, asset dispositions and certain government regulations. As of



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022, we were in compliance with our covenants under the Revolver and Term Loan. Our borrowings under these facilities, which have not been guaranteed by any of our subsidiaries, are unsecured and will rank on parity in right of payment with all of our other unsecured and unsubordinated indebtedness from time to time outstanding.

At December 31, 2022, interest was payable on borrowings under the Revolver and Term Loan at the base rate or London Interbank Offered Rate, or LIBOR, plus a specified margin. The Company is required to pay on a quarterly basis a commitment fee with respect to our Revolver, which is calculated based upon the amount of daily usage of the Revolver over the available aggregate lender commitments thereunder during the applicable quarterly period. Both the applicable interest rate and the commitment fee are subject to adjustment based on the Company's debt ratings.

**Commercial Paper Program.** In the third quarter of 2021, we increased the size of our CP program from \$1.1 billion to \$1.5 billion, consistent with the increase in our Revolver. The \$1.5 billion CP program has been established through the private placement of CP notes from time-to-time, in which borrowings may bear interest at either a variable rate or a fixed rate, plus the applicable margin. Maturities of CP can range from overnight to 397 days. Because the CP is backstopped by our Revolver, the amount of CP which may be issued under the program is reduced by the outstanding face amount of any letters of credit issued and by the outstanding borrowings under our Revolver. At December 31, 2022, there were \$566.8 million of outstanding CP notes. We have disclosed the net short-term borrowing activity for the year ended December 31, 2022 in the Consolidated Statements of Cash Flows. The amount disclosed includes Commercial Paper borrowings of \$161.0 million and payments of \$346.8 million with a maturity date greater than 90 days and less than 365 days for the twelve months ended December 31, 2022.

**2.3% and 3.25% Senior Notes.** On May 12, 2016, we issued \$500.0 million principal amount of 2.3%, five-year senior notes and \$275.0 million principal amount of 3.25%, ten-year senior notes in an underwritten public offering. Interest is payable semi-annually in arrears on June 1 and December 1 of each year. The net proceeds of the sale of the notes were used to repay borrowings under our prior revolving credit facility and a portion of the borrowings under our CP incurred to finance the acquisition of Veda. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The senior notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness. In May 2021, we repaid the 2.3% Senior Notes with cash on hand.

**7.0% Senior Notes.** On June 28, 2007, we issued \$250.0 million principal amount of 7.0%, thirty-year senior notes in underwritten public offerings. Interest is payable semi-annually in arrears on January 1 and July 1 of each year. The net proceeds of the financing were used to repay short-term indebtedness, a substantial portion of which was incurred in connection with an acquisition. We must comply with various non-financial covenants, including certain limitations on liens, additional debt and mortgages, mergers, asset dispositions and sale-leaseback arrangements. The senior notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

**3.3% Senior Notes.** On December 17, 2012, we issued \$500.0 million principal amount of 3.3%, ten-year senior notes in an underwritten public offering. Interest was payable semi-annually in arrears on December 15 and June 15 of each year. The net proceeds of the sale of the notes were used to partially finance an acquisition in December 2012. We must comply with various non-financial covenants, including certain limitations on liens, additional debt and mortgages, mergers, asset dispositions and sale-leaseback arrangements. The senior notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

**6.9% Debentures.** We have \$125.0 million of debentures outstanding with a maturity date of 2028. The debentures are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

Cash paid for interest was \$161.7 million, \$139.7 million and \$130.9 million during the twelve months ended December 31, 2022, 2021 and 2020, respectively.

## 6. COMMITMENTS AND CONTINGENCIES

### Canadian Class Actions

In 2017, we experienced a cybersecurity incident following a criminal attack on our systems that involved the theft of personal information of consumers. Five putative Canadian class actions, four of which are on behalf of a national class of approximately 19,000 Canadian consumers, are pending against us in Ontario, British Columbia and Alberta. Each of the proposed Canadian class actions asserts a number of common law and statutory claims seeking monetary damages and other related relief in connection with the 2017 cybersecurity incident. In addition to seeking class certification on behalf of Canadian



consumers whose personal information was allegedly impacted by the 2017 cybersecurity incident, in some cases, plaintiffs also seek class certification on behalf of a larger group of Canadian consumers who had contracts for subscription products with Equifax around the time of the incident or earlier and were not impacted by the incident.

On December 13, 2019, the court in Ontario granted certification of a nationwide class that includes all impacted Canadians as well as Canadians who had subscription products with Equifax between March 7, 2017 and July 30, 2017 who were not impacted by the incident. We appealed one of the claims on which a class was certified and on June 9, 2021, our appeal was granted by the Ontario Divisional Court. The plaintiff filed a notice of further appeal with the Ontario Court of Appeal, and on November 25, 2022, the Ontario Court of Appeal dismissed the plaintiff's appeal and upheld the Divisional Court's ruling in our favor. On January 24, 2023, the plaintiff appealed this decision to the Supreme Court of Canada. All remaining purported class actions are at preliminary stages or stayed.

### **FCA Investigation**

The U.K.'s Financial Conduct Authority ("FCA") opened an enforcement investigation against our U.K. subsidiary, Equifax Limited, in October 2017 in connection with the 2017 cybersecurity incident. The investigation by the FCA has involved a number of information requirements and interviews. We have responded to the information requirements and continue to cooperate with the investigation. At this time, we are unable to predict the outcome of this FCA investigation, including whether the investigation will result in any action or proceeding against us.

### **Data Processing, Outsourcing Services and Other Agreements**

We have separate agreements with Google, Amazon Web Services, UST Global, Kyndryl and others to outsource portions of our network and security infrastructure, computer data processing operations, applications development, business continuity and recovery services, help desk service and desktop support functions, operation of our voice and data networks, maintenance and related functions and to provide certain other administrative and operational services. The agreements expire between 2023 and 2028. The estimated aggregate minimum contractual obligation remaining under these agreements is approximately \$948 million as of December 31, 2022, with no future year's minimum contractual obligation expected to exceed approximately \$361 million. Annual payment obligations in regard to these agreements vary due to factors such as the volume of data processed; changes in our servicing needs as a result of new product offerings, acquisitions or divestitures; the introduction of significant new technologies; foreign currency; or the general rate of inflation. In certain circumstances (e.g., a change in control or for our convenience), we may terminate these data processing and outsourcing agreements, and, in doing so, certain of these agreements require us to pay significant termination fees.

Under our agreement with Google, we have outsourced certain areas of our network and security infrastructure. The estimated future minimum contractual obligation under the agreement is approximately \$440 million for the remaining term, with no individual year's minimum expected to exceed approximately \$120 million. We may terminate certain portions of this agreement without penalty in the event that Google is in material breach of the terms of the agreement. During 2022, 2021 and 2020, we paid approximately \$152 million, \$62 million and \$29 million, respectively, for these services.

Under our agreement with Amazon Web Services, we have outsourced certain areas of our network and security infrastructure. The estimated future minimum contractual obligation under the agreement is approximately \$222 million for the remaining term, with no individual year's minimum expected to exceed approximately \$52 million. During 2022, 2021, and 2020, we paid approximately \$74 million, \$58 million and \$43 million, respectively, for these services.

### **Change in Control Agreements**

In February 2019, we adopted the Equifax Inc. Change in Control Severance Plan (the "CIC Plan") for certain key executives. The CIC Plan does not apply to Mark W. Begor, our Chief Executive Officer, whose severance benefits in a change of control are contained in his employment agreement with the Company. The CIC Plan and Mr. Begor's agreement provide for, among other things, certain payments and benefits in the event of a qualifying termination of employment (i.e., termination of employment by the executive for "good reason" or termination of employment by the Company without "cause," each as defined in the applicable document) following a change in control of the Company. In the event of a qualifying termination, the executive will become entitled to continuation of certain employee benefits for two years, as well as a lump sum severance payment, all of which differs by executive.

Change in control events potentially triggering benefits under the CIC Plan and Mr. Begor's agreement would occur, subject to certain exceptions, if (1) any person acquires 20% or more of our voting stock; (2) upon a merger or other business combination, our shareholders receive less than two-thirds of the common stock and combined voting power of the new

company; (3) members of the current Board of Directors ceasing to constitute a majority of the Board of Directors, except for new directors that are regularly elected; (4) we sell or otherwise dispose of all or substantially all of our assets; or (5) we liquidate or dissolve. If these change in control benefits had been triggered as of December 31, 2022, payments of approximately \$30.5 million would have been made.

Under the Company's existing employee stock benefit plans, upon a change in control, outstanding awards will continue to vest in accordance with the terms. However, if outstanding awards are not assumed or continued in the change in control transaction or if the executive incurs a qualifying termination in connection with the change in control, then all outstanding stock options and nonvested stock awards will vest. With respect to unvested performance based share awards dependent upon the Company's three-year relative total shareholder return, if at least one calendar year of performance during the performance period has been completed prior to the change in control event, the awards will be paid out based on the Company's performance at that time; otherwise the payout of shares will be at 100% of the target award. Under the Company's existing director stock benefit plans, upon a change in control, all outstanding nonvested stock awards will vest.

## **Guarantees**

We will from time to time issue standby letters of credit, performance or surety bonds or other guarantees in the normal course of business. The aggregate notional amount of all performance bonds, surety bonds and standby letters of credit is not material at December 31, 2022 and generally have a remaining maturity of one year or less. We may issue other guarantees in the ordinary course of business. The maximum potential future payments we could be required to make under the guarantees is not material at December 31, 2022. We have agreed to guarantee the liabilities and performance obligations (some of which have limitations) of a certain debt collections and recovery management subsidiary under its commercial agreements. We cannot reasonably estimate our potential future payments under the guarantees and related provisions described above because we cannot predict when and under what circumstances these provisions may be triggered. We had no accruals related to guarantees on our Consolidated Balance Sheets at December 31, 2022.

## **General Indemnifications**

Many of our commercial agreements contain commercially standard indemnification obligations related to tort, material breach or other liabilities that arise during the course of performance under the agreement. These indemnification obligations are typically mutual.

We are the lessee under many real estate leases. It is common in these commercial lease transactions for us, as the lessee, to agree to indemnify the lessor and other related third parties for tort, environmental and other liabilities that arise out of or relate to our use or occupancy of the leased premises. This type of indemnity would typically make us responsible to indemnified parties for liabilities arising out of the conduct of, among others, contractors, licensees and invitees at or in connection with the use or occupancy of the leased premises. This indemnity often extends to related liabilities arising from the negligence of the indemnified parties, but usually excludes any liabilities caused by either their sole or gross negligence and their willful misconduct.

Certain of our credit agreements include provisions which require us to make payments to preserve an expected economic return to the lenders if that economic return is diminished due to certain changes in law or regulations. In certain of these credit agreements, we also bear the risk of certain changes in tax laws that would be subject to payments to non-U.S. lenders to withholding taxes.

In conjunction with certain transactions, such as sales or purchases of operating assets or services in the ordinary course of business, or the disposition of certain assets or businesses, we sometimes provide routine indemnifications, the terms of which range in duration and sometimes are not limited.

The Company has entered into indemnification agreements with its directors and executive officers. Under these agreements, the Company has agreed to indemnify such individuals to the fullest extent permitted by law against liabilities that arise by reason of their status as directors or officers and to advance expenses incurred by such individuals in connection with the related legal proceedings. The Company maintains directors and officers liability insurance coverage to reduce its exposure to such obligations.

We cannot reasonably estimate our potential future payments under the indemnities and related provisions described above because we cannot predict when and under what circumstances these provisions may be triggered. We have no accrual related to indemnifications on our Consolidated Balance Sheets at December 31, 2022 and 2021.

**Subsidiary Dividend and Fund Transfer Limitations**

The ability of some of our subsidiaries and associated companies to transfer funds to us is limited, in some cases, by certain restrictions imposed by foreign governments, which do not, individually or in the aggregate, materially limit our ability to service our indebtedness, meet our current obligations or pay dividends.

**Contingencies**

In addition to the matters set forth above, we are involved in legal and regulatory matters, government investigations, claims and litigation arising in the ordinary course of business. We periodically assess our exposure related to these matters based on the information which is available. We have recorded accruals in our Consolidated Financial Statements for those matters in which it is probable that we have incurred a loss and the amount of the loss, or range of loss, can be reasonably estimated.

Although the final outcome of these matters cannot be predicted with certainty, any possible adverse outcome arising from these matters is not expected to have a material impact on our Consolidated Financial Statements, either individually or in the aggregate. However, our evaluation of the likely impact of these matters may change in the future. We accrue for unpaid legal fees for services performed to date.

**7. INCOME TAXES**

The provision from income taxes consisted of the following:

|                             | <b>Twelve Months Ended December 31,</b> |                 |                 |
|-----------------------------|-----------------------------------------|-----------------|-----------------|
|                             | <b>2022</b>                             | <b>2021</b>     | <b>2020</b>     |
|                             | <i>(In millions)</i>                    |                 |                 |
| Current:                    |                                         |                 |                 |
| Federal                     | \$ 73.4                                 | \$ 108.1        | \$ 34.8         |
| State                       | 27.7                                    | 39.3            | 24.0            |
| Foreign                     | 40.3                                    | 44.0            | 33.7            |
|                             | <u>141.4</u>                            | <u>191.4</u>    | <u>92.5</u>     |
| Deferred:                   |                                         |                 |                 |
| Federal                     | 68.6                                    | 43.3            | 40.6            |
| State                       | 19.0                                    | 4.7             | (0.1)           |
| Foreign                     | 0.5                                     | (38.7)          | 26.0            |
|                             | <u>88.1</u>                             | <u>9.3</u>      | <u>66.5</u>     |
| Provision from income taxes | <u>\$ 229.5</u>                         | <u>\$ 200.7</u> | <u>\$ 159.0</u> |

Domestic and foreign income before income taxes was as follows:

|         | <b>Twelve Months Ended December 31,</b> |                 |                 |
|---------|-----------------------------------------|-----------------|-----------------|
|         | <b>2022</b>                             | <b>2021</b>     | <b>2020</b>     |
|         | <i>(In millions)</i>                    |                 |                 |
| U.S.    | \$ 794.7                                | \$ 885.6        | \$ 470.3        |
| Foreign | 135.0                                   | 63.6            | 214.9           |
|         | <u>\$ 929.7</u>                         | <u>\$ 949.2</u> | <u>\$ 685.2</u> |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The provision from income taxes reconciles with the U.S. federal statutory rate, as follows:

|                                                   | Twelve Months Ended December 31, |                 |                 |
|---------------------------------------------------|----------------------------------|-----------------|-----------------|
|                                                   | 2022                             | 2021            | 2020            |
|                                                   | <i>(In millions)</i>             |                 |                 |
| Federal statutory rate                            | 21.0 %                           | 21.0 %          | 21.0 %          |
| Provision computed at federal statutory rate      | \$ 195.2                         | \$ 199.3        | \$ 143.9        |
| State and local taxes, net of federal tax benefit | 34.7                             | 34.9            | 17.8            |
| Foreign differential                              | 14.8                             | (10.4)          | 5.5             |
| Federal research & development credit             | (28.5)                           | (16.6)          | (15.9)          |
| Equity compensation                               | (6.8)                            | (14.0)          | (6.0)           |
| Tax reserves                                      | 4.9                              | (0.8)           | 1.4             |
| Legal settlement                                  | —                                | —               | 0.1             |
| Excess officer's compensation                     | 6.1                              | 5.8             | 5.8             |
| Valuation allowance                               | 3.8                              | 0.5             | 7.8             |
| Other                                             | 5.3                              | 2.0             | (1.4)           |
| Provision from income taxes                       | <u>\$ 229.5</u>                  | <u>\$ 200.7</u> | <u>\$ 159.0</u> |
| Effective income tax rate                         | <u>24.7 %</u>                    | <u>21.2 %</u>   | <u>23.2 %</u>   |

We record deferred income taxes using enacted tax laws and rates for the years in which the taxes are expected to be paid. Deferred income tax assets and liabilities are recorded based on the differences between the financial reporting and income tax bases of assets and liabilities. For additional information about our income tax policy see Note 1 of the Notes to Consolidated Financial Statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Components of the deferred income tax assets and liabilities at December 31, 2022 and 2021, were as follows:

|                                                | December 31,         |            |
|------------------------------------------------|----------------------|------------|
|                                                | 2022                 | 2021       |
|                                                | <i>(In millions)</i> |            |
| Deferred income tax assets:                    |                      |            |
| Net operating and capital loss carryforwards   | \$ 110.2             | \$ 124.9   |
| Goodwill and intangible assets                 | 114.6                | 123.4      |
| Employee compensation programs                 | 45.3                 | 61.0       |
| Foreign tax credits                            | 17.2                 | 17.2       |
| Employee pension benefits                      | 26.7                 | 34.7       |
| Reserves and accrued expenses                  | 10.1                 | 19.6       |
| Accrued legal expense                          | 7.1                  | 94.9       |
| Research and development costs                 | 32.6                 | 34.1       |
| Operating lease asset                          | 19.3                 | 26.0       |
| Other                                          | 18.3                 | 14.8       |
| Gross deferred income tax assets               | 401.4                | 550.6      |
| Valuation allowance                            | (185.1)              | (192.0)    |
| Total deferred income tax assets, net          | 216.3                | 358.6      |
| Deferred income tax liabilities:               |                      |            |
| Goodwill and intangible assets                 | (582.6)              | (620.6)    |
| Undistributed earnings of foreign subsidiaries | (6.0)                | (5.7)      |
| Depreciation                                   | (26.6)               | (23.4)     |
| Operating lease liability                      | (19.3)               | (26.0)     |
| Prepaid expenses                               | (11.3)               | (10.7)     |
| Investment basis difference                    | (23.4)               | (17.4)     |
| Other                                          | (0.8)                | (4.0)      |
| Total deferred income tax liability            | (670.0)              | (707.8)    |
| Net deferred income tax liability              | \$ (453.7)           | \$ (349.2) |

Our deferred income tax assets and deferred income tax liabilities at December 31, 2022 and 2021, are included in the accompanying Consolidated Balance Sheets as follows:

|                                                                | December 31,         |            |
|----------------------------------------------------------------|----------------------|------------|
|                                                                | 2022                 | 2021       |
|                                                                | <i>(In millions)</i> |            |
| Long-term deferred income tax assets, included in other assets | \$ 6.6               | \$ 9.0     |
| Long-term deferred income tax liabilities                      | (460.3)              | (358.2)    |
| Net deferred income tax liability                              | \$ (453.7)           | \$ (349.2) |

We record deferred income taxes on the temporary differences of our foreign subsidiaries, except for the temporary differences related to undistributed earnings of subsidiaries which we consider indefinitely invested. As of December 31, 2022, we have indefinitely invested \$289.9 million attributable to undistributed earnings of our Canadian and Chilean subsidiaries. If these earnings were not considered indefinitely invested, we estimate that \$20.6 million of deferred withholding tax liability would have been provided. Further, we are permanently invested with respect to the original investment in foreign subsidiaries. Therefore, we have not provided the deferred tax assets on the outside basis of these subsidiaries as we have no intent to sell or divest of these subsidiaries. However, the Company has provided for local country withholding taxes related to these earnings.

At December 31, 2022, we had U.S. federal and state net operating loss carryforwards of \$34.8 million and \$501.6 million, respectively, which will expire at various times between 2023 and 2041. We also had foreign net operating loss carryforwards totaling \$260.6 million of which \$15.7 million will expire between 2023 and 2041 and the remaining \$244.9

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

million will carryforward indefinitely. Foreign capital loss carryforwards of \$16.3 million may be carried forward indefinitely. We had foreign tax credit carryforwards of \$17.2 million which will expire in the years 2025 through 2028. Additionally, we had state and foreign research and development credit carryforwards of \$32.6 million. The state credits expire between 2029 through 2032 and the foreign credits have an indefinite expiration period. We have state §163(j) interest limitation carryovers of \$630.4 million which have an indefinite expiration period. The tax effected amount of the state §163(j) interest limitation carryovers is \$5.1 million. The deferred tax asset related to the net operating loss, capital loss carryforwards, foreign tax credit carryforwards, §163(j) carryforwards and research and development credit is \$165.1 million of which \$65.3 million has been fully reserved in the deferred tax valuation allowance.

Cash paid for income taxes, net of amounts refunded, was \$152.4 million, \$192.3 million and \$75.6 million during the twelve months ended December 31, 2022, 2021 and 2020, respectively.

We recognize interest and penalties accrued related to unrecognized tax benefits in the provision for income taxes on our Consolidated Statements of Income.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

|                                                                      | 2022                 | 2021           |
|----------------------------------------------------------------------|----------------------|----------------|
|                                                                      | <i>(In millions)</i> |                |
| Beginning balance (January 1)                                        | \$ 48.5              | \$ 41.5        |
| Increases related to prior year tax positions                        | 7.7                  | 8.7            |
| Decreases related to prior year tax positions                        | (1.0)                | (0.1)          |
| Increases related to current year tax positions                      | 12.2                 | 8.7            |
| Decreases related to settlements                                     | (1.0)                | (0.5)          |
| Expiration of the statute of limitations for the assessment of taxes | (9.9)                | (9.6)          |
| Currency translation adjustment                                      | (0.3)                | (0.2)          |
| Ending balance (December 31)                                         | <u>\$ 56.2</u>       | <u>\$ 48.5</u> |

We recorded liabilities of \$42.7 million and \$34.5 million for unrecognized tax benefits as of December 31, 2022 and 2021, respectively, which included interest and penalties of \$6.5 million and \$5.2 million, respectively. As of December 31, 2022 and 2021, the total amount of unrecognized benefits that, if recognized, would have affected the effective tax rate was \$41.1 million and \$33.0 million, respectively, which included interest and penalties of \$5.9 million and \$4.7 million, respectively. During 2022 and 2021, gross interest and penalties of \$2.2 million and \$1.0 million, respectively, were accrued.

As of December 31, 2022 and 2021, the gross amount of unrecognized tax benefits was \$56.2 million and \$48.5 million, respectively. Of the total, \$19.9 million in 2022 and \$19.2 million in 2021 relate to unrecognized tax benefits for which no liability has been recorded associated with the carryforward of certain state attributes. If we were to prevail on all uncertain tax positions, the net effect would be a benefit of \$36.3 million and \$29.3 million in 2022 and 2021, respectively, exclusive of any benefits related to interest and penalties.

Equifax and its subsidiaries are subject to U.S. federal, state and international income taxes. We are generally no longer subject to federal, state or international income tax examinations by tax authorities for years before 2018. Due to the potential for resolution of state and foreign examinations, and the expiration of various statutes of limitations, it is reasonably possible that Equifax's gross unrecognized tax benefit balance may change within the next twelve months by a range of zero to \$3.9 million.

### Inflation Reduction Act

On August 16, 2022, President Biden signed the Inflation Reduction Act into law, which included enactment of a 15% corporate minimum tax effective in 2023. We currently do not expect the corporate minimum tax to have a material impact on our financial results.



**8. STOCK-BASED COMPENSATION**

We have one active share-based award plan, the amended and restated 2008 Omnibus Incentive Plan. This plan was originally approved by our shareholders in 2008 and was amended and restated with shareholder approval in May 2013 to, among other things, increase the reserve for awards under the plan by 11 million shares. The plan provides our directors, officers and certain key employees with stock options, restricted stock units and performance share awards. The plan is described below. We expect to issue common shares held as either treasury stock or new issue shares upon the exercise of stock options or once shares vest pursuant to restricted stock units or performance share awards. Total stock-based compensation expense in our Consolidated Statements of Income during the twelve months ended December 31, 2022, 2021 and 2020, was as follows:

|                                                       | Twelve Months Ended December 31, |         |         |
|-------------------------------------------------------|----------------------------------|---------|---------|
|                                                       | 2022                             | 2021    | 2020    |
|                                                       | <i>(In millions)</i>             |         |         |
| Cost of services                                      | \$ 12.4                          | \$ 12.0 | \$ 11.2 |
| Selling, general and administrative expenses          | 50.2                             | 42.9    | 43.5    |
| Stock-based compensation expense, before income taxes | \$ 62.6                          | \$ 54.9 | \$ 54.7 |

The total income tax benefit recognized for stock-based compensation expense was \$14.8 million, \$13.0 million and \$13.0 million for the twelve months ended December 31, 2022, 2021 and 2020, respectively.

**Stock Options.** The 2008 Omnibus Incentive Plan provides that qualified and nonqualified stock options may be granted to officers and other employees. The 2008 Omnibus Incentive Plan requires that stock options be granted at exercise prices not less than market value on the date of grant. Generally, stock options are subject to graded vesting for periods of up to three years based on service, with 33% vesting for each year of completed service, and expire ten years from the grant date.

We use the binomial model to calculate the fair value of stock options granted. The binomial model incorporates assumptions regarding anticipated employee exercise behavior, expected stock price volatility, dividend yield and risk-free interest rate. Anticipated employee exercise behavior and expected post-vesting cancellations over the contractual term used in the binomial model were primarily based on historical exercise patterns. These historical exercise patterns indicated there was not significantly different exercise behavior between employee groups. For our expected stock price volatility assumption, we weighted historical volatility and implied volatility. We used daily observations for historical volatility, while our implied volatility assumption was based on actively traded options related to our common stock. The expected term is derived from the binomial model based on assumptions incorporated into the binomial model as described above.

The fair value for stock options granted during the twelve months ended December 31, 2022, 2021 and 2020, was estimated at the date of grant, using the binomial model with the following weighted-average assumptions:

|                                                      | Twelve Months Ended December 31, |          |          |
|------------------------------------------------------|----------------------------------|----------|----------|
|                                                      | 2022                             | 2021     | 2020     |
| Dividend yield                                       | 0.7 %                            | 1.0 %    | 1.3 %    |
| Expected volatility                                  | 31.5 %                           | 28.5 %   | 23.5 %   |
| Risk-free interest rate                              | 2.4 %                            | 0.5 %    | 1.3 %    |
| Expected term (in years)                             | 5.0                              | 4.8      | 4.4      |
| Weighted-average fair value of stock options granted | \$ 59.70                         | \$ 39.63 | \$ 24.29 |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes changes in outstanding stock options during the twelve months ended December 31, 2022, as well as stock options that are vested and expected to vest and stock options exercisable at December 31, 2022:

|                                                  | Shares<br>(In thousands) | Weighted-Average<br>Exercise<br>Price | Weighted-Average<br>Remaining<br>Contractual<br>Term<br>(In years) | Aggregate<br>Intrinsic<br>Value<br>(In millions) |
|--------------------------------------------------|--------------------------|---------------------------------------|--------------------------------------------------------------------|--------------------------------------------------|
| Outstanding at December 31, 2021                 | 1,710                    | \$ 149.67                             |                                                                    |                                                  |
| Granted (all at market price)                    | 369                      | \$ 232.28                             |                                                                    |                                                  |
| Exercised                                        | (76)                     | \$ 136.84                             |                                                                    |                                                  |
| Forfeited and canceled                           | (39)                     | \$ 198.34                             |                                                                    |                                                  |
| Outstanding at December 31, 2022                 | 1,964                    | \$ 164.72                             | 5.0                                                                | \$ 72.7                                          |
| Vested and expected to vest at December 31, 2022 | 1,943                    | \$ 164.12                             | 5.0                                                                | \$ 72.6                                          |
| Exercisable at December 31, 2022                 | 1,268                    | \$ 141.40                             | 3.7                                                                | \$ 67.2                                          |

The aggregate intrinsic value amounts in the table above represent the difference between the closing price of Equifax's common stock on December 31, 2022 and the exercise price, multiplied by the number of in-the-money stock options as of the same date. This represents the value that would have been received by the stock option holders if they had all exercised their stock options on December 31, 2022. In future periods, this amount will change depending on fluctuations in Equifax's stock price. The total intrinsic value of stock options exercised during the twelve months ended December 31, 2022, 2021 and 2020, was \$5.9 million, \$41.9 million and \$20.3 million, respectively. At December 31, 2022, our total unrecognized compensation cost related to stock options was \$10.5 million with a weighted-average recognition period of 1.9 years.

The following table summarizes changes in outstanding options and the related weighted-average exercise price per share for the twelve months ended December 31, 2021 and 2020:

|                                          | December 31,             |                                       |                          |                                       |
|------------------------------------------|--------------------------|---------------------------------------|--------------------------|---------------------------------------|
|                                          | 2021                     |                                       | 2020                     |                                       |
|                                          | Shares<br>(In thousands) | Weighted-Average<br>Exercise<br>Price | Shares<br>(In thousands) | Weighted-Average<br>Exercise<br>Price |
| Outstanding at the beginning of the year | 1,831                    | \$ 137.01                             | 1,825                    | \$ 122.46                             |
| Granted (all at market price)            | 314                      | \$ 184.03                             | 433                      | \$ 158.62                             |
| Exercised                                | (341)                    | \$ 114.35                             | (365)                    | \$ 106.04                             |
| Forfeited and canceled                   | (94)                     | \$ 145.92                             | (62)                     | \$ 147.83                             |
| Outstanding at the end of the year       | 1,710                    | \$ 149.67                             | 1,831                    | \$ 137.01                             |
| Exercisable at end of year               | 522                      | \$ 129.57                             | 563                      | \$ 112.11                             |

**Other Stock Awards.** Our 2008 Omnibus Incentive Plan also provides for awards of restricted stock units and performance shares or units that are settled in shares of our common stock that can be granted to executive officers, employees and directors. Such stock awards are generally subject to cliff vesting over a period between one to three years based on service and may also have vesting conditions based on meeting specified performance goals.

The fair value of these stock awards is based on the fair market value of our common stock on the date of grant. However, stock awards granted prior to February 16, 2017 did not accrue or pay dividends during the vesting period, so the fair value on the date of grant for the pre-2017 awards was reduced by the present value of the expected dividends over the requisite service period (discounted using the appropriate risk-free interest rate). Stock awards granted beginning in 2017 include the right to dividends or dividend equivalents, which are accrued and payable only if and when the underlying stock vests and is payable.

Pursuant to our 2008 Omnibus Incentive Plan, certain executives have been granted performance shares pursuant to which the number of shares earned is dependent upon the Company's three-year total shareholder return relative to the three-year total shareholder return of the companies in the S&P 500 stock index, as comprised on the grant date, subject to adjustment. In 2017, certain executives were granted performance shares pursuant to which the number of shares earned was

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

dependent upon the Company's three-year cumulative adjusted earnings per share. Beginning in 2022, certain executives have been granted performance shares pursuant to which the number of shares earned is dependent upon the Company's adjusted EBITDA growth over the three-year performance period.

The number of shares which could potentially be issued under these performance share awards ranges from zero to 200% of the target award. The grants outstanding subject to market performance as of December 31, 2022 would result in 291,376 shares outstanding at 100% of target and 582,752 at 200% of target at the end of the vesting period. Compensation expense for shares earned based on the Company's three-year total shareholder return is recognized on a straight-line basis over the measurement period and is based upon the fair market value of the shares estimated to be earned at the date of grant using a Monte-Carlo simulation. Compensation expense for shares earned based on the Company's three-year cumulative adjusted earnings per share was recognized on a straight-line basis over the measurement period based on the grant date fair value of our common stock and the number of awards expected to vest at each reporting date. Compensation expense for shares earned based on the Company's adjusted EBITDA is recognized on a straight-line basis over the measurement period and is based upon the fair market value of the shares estimated to be earned at the date of grant using a Monte-Carlo simulation.

The following table summarizes changes in these other stock awards during the twelve months ended December 31, 2022, 2021 and 2020 and the related weighted-average grant date fair value:

|                                | Shares         | Weighted-Average Grant Date Fair Value |
|--------------------------------|----------------|----------------------------------------|
|                                | (In thousands) |                                        |
| Nonvested at December 31, 2019 | 1,041          | \$ 118.25                              |
| Granted                        | 257            | \$ 155.84                              |
| Vested                         | (279)          | \$ 157.73                              |
| Forfeited                      | (92)           | \$ 153.43                              |
| Nonvested at December 31, 2020 | 927            | \$ 128.04                              |
| Granted                        | 396            | \$ 175.51                              |
| Vested                         | (465)          | \$ 130.96                              |
| Forfeited                      | (79)           | \$ 141.73                              |
| Nonvested at December 31, 2021 | 779            | \$ 159.73                              |
| Granted                        | 483            | \$ 196.97                              |
| Vested                         | (406)          | \$ 133.26                              |
| Forfeited                      | (72)           | \$ 202.70                              |
| Nonvested at December 31, 2022 | 784            | \$ 192.47                              |

The total fair value of stock awards that vested during the twelve months ended December 31, 2022, 2021 and 2020, was \$85.9 million, \$106.7 million and \$44.0 million, respectively, based on the weighted-average fair value on the vesting date, and \$54.2 million, \$61.0 million and \$32.5 million, respectively, based on the weighted-average fair value on the date of grant. At December 31, 2022, our total unrecognized compensation cost related to these nonvested stock awards was \$56.6 million with a weighted-average recognition period of 2.1 years.

**Employee Stock Purchase Plan.** Effective July 1, 2020, the Equifax board approved the 2020 Employee Stock Purchase Plan ("ESPP"). Under the ESPP, participating employees will have the option to withhold 1% - 10% of their annual salary, up to \$25,000 annually, to purchase Equifax stock at a 5% discount based on the closing stock price of the final day of the offering period. The ESPP is noncompensatory in nature and is treated as any other sale of the Company's equity instruments.

## 9. BENEFIT PLANS

We have defined benefit pension plans and defined contribution plans. We also maintain certain healthcare and life insurance benefit plans for eligible retired employees. The measurement date for our defined benefit pension plans and other postretirement benefit plans is December 31 of each year.

**Pension Benefits.** Pension benefits are provided through U.S., and previously, Canadian defined benefit pension plans and three supplemental executive defined benefit pension plans.

*U.S. and Canadian Retirement Plans.* We sponsor a qualified defined benefit retirement plan, the U.S. Retirement Income Plan (“USRIP”), that covers approximately 6% of current U.S. salaried employees who were hired on or before June 30, 2007, the last date on which an individual could be hired and enter the plan before the USRIP was closed to new participation at December 31, 2008. This plan also covers retirees as well as certain terminated but vested individuals not yet in retirement status. We also sponsored a retirement plan with both defined benefit and defined contribution components that covered most salaried and hourly employees in Canada, the Canadian Retirement Income Plan (“CRIP”); the defined benefit component was also closed to new hires on October 1, 2011.

Effective December 31, 2014, the USRIP plan was frozen for all participants eligible to accrue benefits. Accordingly, pension plan participants earn no new benefits under the plan formula. Additionally, the CRIP, a registered defined benefit pension plan, was changed for employees who did not meet retirement-eligibility status under the CRIP as of December 31, 2012 (“Non-Grandfathered” participants). Under the plan amendment, the service credit for Non-Grandfathered participants froze, but these participants continued to receive credit for salary increases and vesting service. Additionally, Non-Grandfathered employees and certain other employees not eligible to participate in the CRIP (i.e., new hires on or after October 1, 2011) are eligible to participate in an enhanced defined contribution plan. In 2019, the Compensation Committee of the Board of Directors approved the termination of the plan. The CRIP was frozen effective December 31, 2020 at which date we ceased accruing benefits for all active members. During the third quarter of 2022, we settled the liabilities under the CRIP with lump sum payments and an annuity purchase.

During the twelve months ended December 31, 2022, we made no voluntary contributions to the USRIP and made contributions of \$15.5 million to the CRIP. During the twelve months ended December 31, 2021, we made no voluntary contributions to the USRIP and made contributions of \$2.8 million to the CRIP. At December 31, 2022, the USRIP met or exceeded ERISA’s minimum funding requirements.

The annual report produced by our consulting actuaries specifies the funding requirements for our plans based on projected benefits for plan participants, historical investment results on plan assets, current discount rates for liabilities, assumptions for future demographic developments and recent changes in statutory requirements. We may elect to make additional discretionary contributions to our plans in excess of minimum funding requirements, subject to statutory limitations.

*Supplemental Retirement Plans.* We maintain three supplemental executive retirement programs for certain key employees. The plans, which are unfunded, provide supplemental retirement payments based on salary and years of service.

**Other Benefits.** We maintain certain healthcare and life insurance benefit plans for eligible retired employees. Substantially all of our U.S. employees may become eligible for the retiree healthcare benefits if they reach retirement age while working for us and satisfy certain years of service requirements. Employees hired on or after January 1, 2009 are required to pay the full cost of coverage after retirement. The retiree life insurance program covers employees who retired on or before December 31, 2003. We accrue the cost of providing healthcare benefits over the active service period of the employee.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Obligations and Funded Status.** A reconciliation of the projected benefit obligations, plan assets and funded status of the plans is as follows:

|                                               | Pension Benefits  |                   | Other Benefits  |                 |
|-----------------------------------------------|-------------------|-------------------|-----------------|-----------------|
|                                               | 2022              | 2021              | 2022            | 2021            |
| <i>(In millions)</i>                          |                   |                   |                 |                 |
| <b>Change in projected benefit obligation</b> |                   |                   |                 |                 |
| Benefit obligation at January 1,              | \$ 731.9          | \$ 766.5          | \$ 17.1         | \$ 20.7         |
| Service cost                                  | 1.5               | 1.4               | 0.2             | 0.2             |
| Interest cost                                 | 20.1              | 19.0              | 0.5             | 0.5             |
| Plan participants' contributions              | —                 | —                 | —               | 1.3             |
| Amendments                                    | —                 | —                 | —               | (2.2)           |
| Actuarial (gain)                              | (151.7)           | (12.5)            | (3.3)           | (1.5)           |
| Foreign currency exchange rate changes        | (1.1)             | 0.1               | (0.1)           | —               |
| Settlements                                   | (57.4)            | —                 | —               | —               |
| Benefits paid                                 | (42.2)            | (42.6)            | (1.6)           | (1.9)           |
| Projected benefit obligation at December 31,  | <u>501.1</u>      | <u>731.9</u>      | <u>12.8</u>     | <u>17.1</u>     |
| <b>Change in plan assets</b>                  |                   |                   |                 |                 |
| Fair value of plan assets at January 1,       | 600.5             | 638.4             | 15.0            | 15.8            |
| Actual return on plan assets                  | (124.4)           | (5.2)             | (3.3)           | —               |
| Employer contributions                        | 22.4              | 9.7               | 0.1             | 1.5             |
| Plan participants' contributions              | —                 | —                 | —               | 1.3             |
| Foreign currency exchange rate changes        | (0.9)             | 0.2               | —               | —               |
| Other disbursements                           | (56.4)            | —                 | —               | (0.8)           |
| Benefits paid                                 | (42.2)            | (42.6)            | (1.1)           | (2.8)           |
| Fair value of plan assets at December 31,     | <u>399.0</u>      | <u>600.5</u>      | <u>10.7</u>     | <u>15.0</u>     |
| <b>Funded status of plan</b>                  | <u>\$ (102.1)</u> | <u>\$ (131.4)</u> | <u>\$ (2.1)</u> | <u>\$ (2.1)</u> |

The accumulated benefit obligation for the USRIP, CRIP and Supplemental Retirement Plans was \$500.6 million at December 31, 2022. The accumulated benefit obligation for the USRIP, CRIP and Supplemental Retirement Plans was \$730.8 million at December 31, 2021.

At December 31, 2022, the USRIP had projected benefit obligations and accumulated benefit obligations in excess of the plan's respective assets. The fair value of plan assets for this plan were \$398.1 million and the projected benefit obligation and accumulated benefit obligation were \$412.3 million at December 31, 2022.

At December 31, 2022, the Supplemental Retirement Plans had projected benefit obligations and accumulated benefit obligations in excess of those plans' respective assets. The projected benefit obligation and accumulated benefit obligation for these plans in the aggregate were \$87.9 million and \$87.4 million, respectively, and these plans did not have any plan assets at December 31, 2022.

At December 31, 2021, the USRIP had projected benefit obligations and accumulated benefit obligations in excess of the plan's respective assets. The fair value of plan assets for this plan were \$551.4 million and the projected benefit obligation and accumulated benefit obligation were \$552.6 million at December 31, 2021.

At December 31, 2021, the Supplemental Retirement Plans had projected benefit obligations and accumulated benefit obligations in excess of those plans' respective assets. The projected benefit obligation and accumulated benefit obligation for these plans in the aggregate were \$113.1 million and \$112.1 million, respectively, and these plans did not have any plan assets at December 31, 2021. The fair value of plan assets for the CRIP was \$49.1 million and the projected benefit obligation and accumulated benefit obligation for the CRIP was \$66.1 million at December 31, 2021.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table represents the net amounts recognized, or the funded status of our pension and other postretirement benefit plans, in our Consolidated Balance Sheets at December 31, 2022 and 2021:

|                                                                               | Pension Benefits  |                   | Other Benefits  |                 |
|-------------------------------------------------------------------------------|-------------------|-------------------|-----------------|-----------------|
|                                                                               | 2022              | 2021              | 2022            | 2021            |
| <i>(In millions)</i>                                                          |                   |                   |                 |                 |
| <b>Amounts recognized in the statements of financial position consist of:</b> |                   |                   |                 |                 |
| Current liabilities                                                           | (6.7)             | (6.8)             | (0.1)           | (0.1)           |
| Long-term liabilities                                                         | (95.4)            | (124.6)           | (2.0)           | (2.0)           |
| Net amount recognized                                                         | <u>\$ (102.1)</u> | <u>\$ (131.4)</u> | <u>\$ (2.1)</u> | <u>\$ (2.1)</u> |

At December 31, 2022 and 2021 amounts included in accumulated other comprehensive loss related to pension benefit plans consisted of prior service cost of \$3.4 million and \$1.9 million, net of accumulated taxes of \$1.2 million and \$0.4 million, respectively. For the twelve months ended December 31, 2022 and 2021, we recognized a \$1.4 million gain and \$20.2 million loss, respectively, through net periodic benefit cost related to the annual mark-to-market remeasurement of our pension and postretirement plans. For the twelve months ended December 31, 2022 and 2021, amounts recognized through net periodic benefit cost related to prior service cost, curtailments and settlements were not material.

### Components of Net Periodic Benefit Cost

|                                                   | Pension Benefits |                |                | Other Benefits |                 |               |
|---------------------------------------------------|------------------|----------------|----------------|----------------|-----------------|---------------|
|                                                   | 2022             | 2021           | 2020           | 2022           | 2021            | 2020          |
| <i>(In millions)</i>                              |                  |                |                |                |                 |               |
| Service cost                                      | \$ 1.5           | \$ 1.4         | \$ 1.7         | \$ 0.2         | \$ 0.2          | \$ 0.2        |
| Interest cost                                     | 20.1             | 19.0           | 23.5           | 0.5            | 0.5             | 0.6           |
| Expected return on plan assets                    | (24.8)           | (28.7)         | (37.7)         | (0.7)          | (0.7)           | (1.0)         |
| Amortization of prior service cost                | (1.7)            | (1.8)          | (1.7)          | (0.5)          | (0.1)           | (0.2)         |
| Recognized actuarial (gain) loss - mark to market | (2.7)            | 21.0           | 30.4           | 0.5            | (0.8)           | 1.8           |
| Settlements                                       | (1.0)            | —              | —              | —              | —               | —             |
| Total net periodic benefit cost (income)          | <u>\$ (8.6)</u>  | <u>\$ 10.9</u> | <u>\$ 16.2</u> | <u>\$ —</u>    | <u>\$ (0.9)</u> | <u>\$ 1.4</u> |

### Weighted-Average Assumptions

| Weighted-average assumptions used to determine benefit obligations at December 31, | Pension Benefits |        | Other Benefits |        |
|------------------------------------------------------------------------------------|------------------|--------|----------------|--------|
|                                                                                    | 2022             | 2021   | 2022           | 2021   |
| Discount rate                                                                      | 5.70 %           | 2.85 % | 5.65 %         | 2.86 % |
| Rate of compensation increase                                                      | 6.00 %           | 6.00 % | N/A            | N/A    |

| Weighted-average assumptions used to determine net periodic benefit cost at December 31, | Pension Benefits |        |        | Other Benefits |        |        |
|------------------------------------------------------------------------------------------|------------------|--------|--------|----------------|--------|--------|
|                                                                                          | 2022             | 2021   | 2020   | 2022           | 2021   | 2020   |
| Discount rate                                                                            | 2.85 %           | 2.56 % | 3.38 % | 2.86 %         | 2.47 % | 3.26 % |
| Expected return on plan assets                                                           | 4.27 %           | 4.65 % | 6.46 % | 4.60 %         | 4.80 % | 6.50 % |
| Rate of compensation increase                                                            | 6.00 %           | 6.00 % | 4.37 % | N/A            | N/A    | N/A    |

During 2021, we adopted the MP-2021 mortality improvement projections in determining the liability for the U.S. plans. The updated mortality tables and projection scale contributed to a slight increase in the projected benefit obligation, partially offsetting the increase in the discount rates in 2021, the net of which resulted in the decrease of the projected benefit obligation as of December 31, 2021. During 2022, we continued to use the MP-2021 mortality projection scale as a new version was not issued during the year.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

During 2020, we adopted the MP-2020 mortality improvement scale in determining liability for the U.S. plans. The updated projection scale contributed to a slight decrease in the projected benefit obligation, partially offsetting the decrease in the discount rates in 2020, the net of which resulted in the increase of the projected benefit obligation as of December 31, 2020.

**Discount Rates.** We determine our discount rates primarily based on high-quality, fixed-income investments and yield-to-maturity analyses specific to our estimated future benefit payments available as of the measurement date. Discount rates are reset annually on the measurement date to reflect current market conditions. To determine the discount rate for our U.S. pension and postretirement benefit plans, we use a bond matching approach to select specific bonds that would satisfy our projected benefit payments. We believe the bond matching approach reflects the process we would employ to settle our pension and postretirement benefit obligations.

**Expected and Actual Return on Plan Assets.** We use a mark-to-market approach to recognize actuarial gains and losses and expected return on plan assets for our defined benefit pension and other postretirement benefit plans. Under this accounting principle the expected returns on plan assets are used to estimate pension expense throughout the year and remeasurement of the projected benefit obligation and plan assets are immediately recognized in earnings through net periodic benefit cost within Other Income (Expense) on the Consolidated Statements of Income (Loss) with pension and postretirement plans to be remeasured annually in the fourth quarter.

**Healthcare Costs.** For the Canadian plan, a flat 5.0% annual rate of increase in the per capita cost of covered healthcare benefits was assumed for 2023 and thereafter. Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plan.

We estimate that the future benefits payable for our retirement and postretirement plans are as follows at December 31, 2022:

| Years ending December 31,                   | U.S. Defined<br>Benefit Plans | Non-U.S.<br>Defined<br>Benefit Plans | Other Benefit<br>Plans |
|---------------------------------------------|-------------------------------|--------------------------------------|------------------------|
|                                             | (In millions)                 |                                      |                        |
| 2023                                        | \$ 41.8                       | \$ 0.9                               | \$ 1.5                 |
| 2024                                        | \$ 42.0                       | \$ —                                 | \$ 1.5                 |
| 2025                                        | \$ 42.2                       | \$ —                                 | \$ 1.4                 |
| 2026                                        | \$ 41.5                       | \$ —                                 | \$ 1.3                 |
| 2027                                        | \$ 40.9                       | \$ —                                 | \$ 1.3                 |
| Next five fiscal years to December 31, 2032 | \$ 191.7                      | \$ —                                 | \$ 5.5                 |

**Fair Value of Plan Assets.** The fair value of the pension assets at December 31, 2022 and 2021, are as follows:

|                      |     | Fair Value Measurements at Reporting Date Using: |                                                                            |                                                        |                                                 |
|----------------------|-----|--------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------|
|                      |     | Fair Value at<br>December 31,<br>2022            | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs (Level 2) | Significant<br>Unobservable<br>Inputs (Level 3) |
|                      |     |                                                  | (In millions)                                                              |                                                        |                                                 |
| U.S. Equity          | (1) | \$ 33.9                                          | \$ 33.9                                                                    | \$ —                                                   | \$ —                                            |
| International Equity | (2) | 30.8                                             | —                                                                          | 30.8                                                   | —                                               |
| Fixed Income         | (2) | 313.5                                            | —                                                                          | 313.5                                                  | —                                               |
| Private Equity       | (3) | 13.1                                             | —                                                                          | —                                                      | 13.1                                            |
| Hedge Funds          | (4) | —                                                | —                                                                          | —                                                      | —                                               |
| Real Assets          | (5) | 4.8                                              | —                                                                          | —                                                      | 4.8                                             |
| Cash                 | (1) | 2.9                                              | 2.9                                                                        | —                                                      | —                                               |
| Total                |     | \$ 399.0                                         | \$ 36.8                                                                    | \$ 344.3                                               | \$ 17.9                                         |



|                      |     | Fair Value Measurements at Reporting Date Using: |                                                                            |                                                        |                                                 |
|----------------------|-----|--------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------|
|                      |     | Fair Value at<br>December 31,<br>2021            | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs (Level 2) | Significant<br>Unobservable<br>Inputs (Level 3) |
| <i>(In millions)</i> |     |                                                  |                                                                            |                                                        |                                                 |
| U.S. Equity          | (1) | \$ 44.8                                          | \$ 44.8                                                                    | \$ —                                                   | \$ —                                            |
| International Equity | (2) | 36.5                                             | —                                                                          | 36.5                                                   | —                                               |
| Fixed Income         | (2) | 475.8                                            | —                                                                          | 475.8                                                  | —                                               |
| Private Equity       | (3) | 16.1                                             | —                                                                          | —                                                      | 16.1                                            |
| Hedge Funds          | (4) | 0.1                                              | —                                                                          | —                                                      | 0.1                                             |
| Real Assets          | (5) | 4.4                                              | —                                                                          | —                                                      | 4.4                                             |
| Cash                 | (1) | 22.8                                             | 22.8                                                                       | —                                                      | —                                               |
| Total                |     | <u>\$ 600.5</u>                                  | <u>\$ 67.6</u>                                                             | <u>\$ 512.3</u>                                        | <u>\$ 20.6</u>                                  |

- (1) Fair value is based on observable market prices for the assets.
- (2) For the portion of this asset class categorized as Level 2, fair value is determined using dealer and broker quotations, certain pricing models, bid prices, quoted prices for similar assets and liabilities in active markets, or other inputs that are observable or can be corroborated by observable market data.
- (3) Private equity investments are initially valued at cost. Fund managers periodically review the valuations utilizing subsequent company-specific transactions or deterioration in the company's financial performance to determine if fair value adjustments are necessary. Private equity investments are typically viewed as long term, less liquid investments with return of capital coming via cash distributions from the sale of underlying fund assets. The Plan intends to hold these investments through each fund's normal life cycle and wind down period. As of December 31, 2022 and 2021, we had \$12.2 million and \$17.5 million, respectively, of remaining commitments related to these private equity investments.
- (4) Fair value is reported by the fund manager based on observable market prices for actively traded assets within the funds, as well as financial models, comparable financial transactions or other factors relevant to the specific asset for assets with no observable market. These investments are redeemable quarterly with a range of 30 – 90 days notice.
- (5) The fair value of Real Assets are reported by the fund manager based on a combination of the following valuation approaches: current replacement cost less deterioration and obsolescence, a discounted cash flow model of income streams and comparable market sales. As of December 31, 2022 and 2021, we had \$0.2 million and \$0.3 million, respectively, of remaining commitments related to the real asset investments.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table shows a reconciliation of the beginning and ending balances for assets valued using significant unobservable inputs for the years ended December 31, 2022 and 2021:

|                              | Private<br>Equity    | Hedge Funds   | Real Assets   |
|------------------------------|----------------------|---------------|---------------|
|                              | <i>(In millions)</i> |               |               |
| Balance at December 31, 2020 | \$ 9.8               | \$ 15.3       | \$ 16.3       |
| Return on plan assets:       |                      |               |               |
| Unrealized                   | 3.4                  | (2.1)         | (0.6)         |
| Realized                     | 2.2                  | 2.1           | 0.2           |
| Purchases                    | 4.8                  | —             | 0.1           |
| Sales                        | (4.1)                | (15.2)        | (11.6)        |
| Balance at December 31, 2021 | <u>\$ 16.1</u>       | <u>\$ 0.1</u> | <u>\$ 4.4</u> |
| Return on plan assets:       |                      |               |               |
| Unrealized                   | \$ 1.0               | \$ (0.1)      | \$ 0.2        |
| Realized                     | (0.8)                | —             | —             |
| Purchases                    | 2.5                  | —             | 0.2           |
| Sales                        | (5.7)                | —             | —             |
| Balance at December 31, 2022 | <u>\$ 13.1</u>       | <u>\$ —</u>   | <u>\$ 4.8</u> |

The fair value of the postretirement assets at December 31, 2022 and 2021, are as follows:

|                      |     |                                       | Fair Value Measurements at Reporting Date Using:                           |                                                        |                                                 |
|----------------------|-----|---------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------|
| Description          |     | Fair Value at<br>December 31,<br>2022 | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs (Level 2) | Significant<br>Unobservable<br>Inputs (Level 3) |
|                      |     |                                       | (In millions)                                                              |                                                        |                                                 |
| U.S. Equity          | (1) | 0.9                                   | 0.9                                                                        | —                                                      | —                                               |
| International Equity | (2) | 0.8                                   | —                                                                          | 0.8                                                    | —                                               |
| Fixed Income         | (2) | 8.4                                   | —                                                                          | 8.4                                                    | —                                               |
| Private Equity       | (3) | 0.4                                   | —                                                                          | —                                                      | 0.4                                             |
| Hedge Funds          | (4) | —                                     | —                                                                          | —                                                      | —                                               |
| Real Assets          | (5) | 0.1                                   | —                                                                          | —                                                      | 0.1                                             |
| Cash                 | (1) | 0.1                                   | 0.1                                                                        | —                                                      | —                                               |
| Total                |     | \$ 10.7                               | \$ 1.0                                                                     | \$ 9.2                                                 | \$ 0.5                                          |

|                      |     |                                       | Fair Value Measurements at Reporting Date Using:                           |                                                        |                                                 |  |
|----------------------|-----|---------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------|--|
| Description          |     | Fair Value at<br>December 31,<br>2021 | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs (Level 2) | Significant<br>Unobservable<br>Inputs (Level 3) |  |
|                      |     |                                       | (In millions)                                                              |                                                        |                                                 |  |
| U.S. Equity          | (1) | \$ 1.2                                | \$ 1.2                                                                     | \$ —                                                   | \$ —                                            |  |
| International Equity | (2) | 1.0                                   | —                                                                          | 1.0                                                    | —                                               |  |
| Fixed Income         | (2) | 12.1                                  | —                                                                          | 12.1                                                   | —                                               |  |
| Private Equity       | (3) | 0.5                                   | —                                                                          | —                                                      | 0.5                                             |  |
| Hedge Funds          | (4) | —                                     | —                                                                          | —                                                      | —                                               |  |
| Real Assets          | (5) | 0.1                                   | —                                                                          | —                                                      | 0.1                                             |  |
| Cash                 | (1) | 0.1                                   | 0.1                                                                        | —                                                      | —                                               |  |
| Total                |     | \$ 15.0                               | \$ 1.3                                                                     | \$ 13.1                                                | \$ 0.6                                          |  |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (1) Fair value is based on observable market prices for the assets.
- (2) For the portion of this asset class categorized as Level 2, fair value is determined using dealer and broker quotations, certain pricing models, bid prices, quoted prices for similar assets and liabilities in active markets, or other inputs that are observable or can be corroborated by observable market data.
- (3) Private equity investments are initially valued at cost. Fund managers periodically review the valuations utilizing subsequent company-specific transactions or deterioration in the company's financial performance to determine if fair value adjustments are necessary. Private equity investments are typically viewed as long term, less liquid investments with return of capital coming via cash distributions from the sale of underlying fund assets. The Plan intends to hold these investments through each fund's normal life cycle and wind down period.
- (4) Fair value is reported by the fund manager based on observable market prices for actively traded assets within the funds, as well as financial models, comparable financial transactions or other factors relevant to the specific asset for assets with no observable market. These investments are redeemable quarterly with a range of 30 – 90 days notice.
- (5) The fair value of Real Assets are reported by the fund manager based on a combination of the following valuation approaches: current replacement cost less deterioration and obsolescence, a discounted cash flow model of income streams and comparable market sales.

Gross realized and unrealized gains and losses, purchases and sales for Level 3 postretirement assets were not material for the twelve months ended December 31, 2022.

**USRIP, or the Plan, Investment and Asset Allocation Strategies.** The primary goal of the asset allocation strategy of the Plan is to produce a total investment return which will satisfy future annual cash benefit payments to participants and minimize future contributions from the Company. Additionally, this strategy will diversify the plan assets to minimize nonsystemic risk and provide reasonable assurance that no single security or class of security will have a disproportionate negative impact on the Plan. Investment managers are required to abide by the provisions of ERISA. Standards of performance for each manager include an expected return versus an assigned benchmark, a measure of volatility and a time period of evaluation.

The asset allocation strategy and investment manager recommendations are determined by the Investment Committee, with the advice of our external advisor. The asset allocation and ranges are approved by our in-house Investment Committee and Plan Administrators, who are Named Fiduciaries under ERISA.

In an effort to meet asset allocation and funded status objectives of the Plan, assets are categorized as Liability-Hedging Assets and Return-Seeking Assets. During 2020, the Investment Committee made the decision to reduce exposure to Return-Seeking Assets due to the plan's high funded status. As of December 31, 2022, the approved allocation ranges are set forth in the table below, with an 80% targeted allocation to Liability-Hedging Assets and a 20% targeted allocation to Return-Seeking Assets. Liability-Hedging Assets represent investments which are meant to provide a hedge relative to the Plan's liabilities and consist primarily of fixed income securities. Return-Seeking Assets include any asset class not intended to hedge the Plan's liabilities. At December 31, 2022, these assets included domestic and international equities, private equity (including secondary private equity) and real assets. Additionally, the Plan allows certain of their managers, subject to specific risk constraints, to utilize derivative instruments in order to enhance asset return, reduce volatility or both. Derivatives are primarily employed by the Plans in their fixed income portfolios and in the hedge fund-of-funds area. Derivatives can be used for hedging purposes to reduce risk.

No shares of Equifax common stock were directly owned by the Plan at December 31, 2022 or 2021. Not more than 5% of the portfolio (at cost), and 10% of the equity portfolio's market value, shall be invested in the securities of any one issuer, except the U.S. Government and U.S. Government Agencies.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following asset allocation ranges and actual allocations were in effect as of December 31, 2022 and 2021:

| USRIP                | Range      |            | Actual |        |
|----------------------|------------|------------|--------|--------|
|                      | 2022       | 2021       | 2022   | 2021   |
| U.S. Equity          | 0% - 20%   | 0% - 20%   | 8.5 %  | 8.1 %  |
| International Equity | 0% - 10%   | 0% - 10%   | 7.7 %  | 6.6 %  |
| Private Equity       | 0% - 10%   | 0% - 10%   | 3.3 %  | 2.9 %  |
| Hedge Funds          | 0% - 10%   | 0% - 10%   | — %    | 0.1 %  |
| Real Assets          | 0% - 10%   | 0% - 10%   | 1.2 %  | 0.8 %  |
| Fixed Income         | 65% - 100% | 65% - 100% | 78.8 % | 80.6 % |
| Cash                 | 0% - 15%   | 0% - 15%   | 0.5 %  | 0.9 %  |

**Equifax Retirement Savings Plans.** Equifax sponsors a U.S. tax qualified defined contribution plan, the Equifax Inc. 401(k) Plan, or the Plan. Beginning with the 2019 plan year, we provide a discretionary match of participants' contributions, up to five or six percent of employees eligible pay depending on certain eligibility rules under the Plan. Prior to the 2019 plan year, we also provided a discretionary direct contribution to certain eligible employees, the percentage of which was based upon an employee's credited years of service. Company contributions for the Plan during the twelve months ended December 31, 2022, 2021 and 2020 were \$38.1 million, \$34.5 million and \$31.8 million, respectively.

**Foreign Retirement Plans.** We also maintain defined contribution plans for certain employees in Canada and Spain and meet certain compulsory contribution requirements to retirement funds for employees in Australia, the U.K. and Ireland. For the years ended December 31, 2022, 2021 and 2020, our contributions related to these plans were \$15.0 million, \$15.7 million, and \$13.4 million, respectively.

**Deferred Compensation Plans.** We maintain deferred compensation plans that allow for certain management employees and the Board of Directors to defer the receipt of compensation (such as salary, incentive compensation or shares payable under vested restricted stock units and performance shares) until a later date based on the terms of the plans. The Company also makes contributions to the accounts of certain executives who are not eligible to participate in either of the Supplemental Retirement Plans. The benefits under our deferred compensation plans are guaranteed by the assets of a grantor trust which, through our funding, make investments in certain mutual funds. The purpose of this trust is to ensure, subject to the claims of the Company's creditors in the event of the Company's insolvency, the distribution of benefits accrued by participants of the deferred compensation plans, and to ensure full funding, upon a change in control, of the present value of accrued benefits payable to participants or beneficiaries under the plans.

**Annual Incentive Plan.** We have a shareholder-approved Annual Incentive Plan, which is a component of our amended and restated 2008 Omnibus Incentive Plan, for certain key officers that provides for annual or long-term cash awards at the end of various measurement periods, based on the earnings per share, revenue and/or various other criteria over the measurement period. Our total accrued incentive compensation for all incentive plans included in accrued salaries and bonuses on our Consolidated Balance Sheets was \$45.5 million and \$147.3 million at December 31, 2022 and 2021, respectively.

**Employee Benefit Trusts.** We maintain two employee benefit trusts for the purpose of satisfying obligations under the two Supplemental Retirement Plans. One of these trusts held 0.6 million shares of Equifax stock with a value, at cost, of \$5.9 million at December 31, 2022 and 2021, as well as cash, which was not material for both periods presented. These employee benefits trust assets are dedicated to ensure the payment of benefits accrued under our Supplemental Retirement Plans, and to ensure full funding of the accrued benefits in case of a change in control, as defined in the trust agreements. The assets in these plan trusts which are recorded on our Consolidated Balance Sheets are subject to creditor's claims in case of insolvency of Equifax Inc.

**10. ACCUMULATED OTHER COMPREHENSIVE LOSS**

Changes in accumulated other comprehensive loss by component, after tax, for the twelve months ended December 31, 2022, are as follows:

|                                                                | Foreign<br>currency  | Pension and<br>other<br>postretirement<br>benefit plans | Cash flow<br>hedging<br>transactions | Total             |
|----------------------------------------------------------------|----------------------|---------------------------------------------------------|--------------------------------------|-------------------|
|                                                                | <i>(In millions)</i> |                                                         |                                      |                   |
| Balance, December 31, 2021                                     | \$ (292.5)           | \$ (1.9)                                                | \$ (1.0)                             | \$ (295.4)        |
| Other comprehensive loss before reclassifications              | (176.8)              | —                                                       | —                                    | (176.8)           |
| Amounts reclassified from accumulated other comprehensive loss | —                    | (1.5)                                                   | —                                    | (1.5)             |
| Balance, December 31, 2022                                     | <u>\$ (469.3)</u>    | <u>\$ (3.4)</u>                                         | <u>\$ (1.0)</u>                      | <u>\$ (473.7)</u> |

Changes in accumulated other comprehensive loss related to noncontrolling interests were not material as of December 31, 2022.

**11. RESTRUCTURING CHARGES**

In the fourth quarters of 2022, 2021 and 2020, we recorded \$24.0 million (\$18.0 million, net of tax), \$8.6 million (\$6.5 million, net of tax) and \$31.9 million (\$24.3 million, net of tax) of restructuring charges, respectively, all of which were recorded in selling, general and administrative expenses on our Consolidated Statements of Income. These charges were recorded to general corporate expense and resulted from our continuing efforts to realign our internal resources to support the Company's strategic objectives. The 2022, 2021 and 2020 restructuring charges primarily relate to a reduction in headcount. As of December 31, 2022, no payments have been made related to the 2022 restructuring charge. As of December 31, 2022, payments for the 2021 and 2020 restructuring charges were substantially completed.

**12. LEASES**

We determine if an arrangement is a lease at inception. Operating lease right-of-use ("ROU") assets and liabilities are included in other assets, net and other current and long-term liabilities, respectively, in our Consolidated Balance Sheets.

Operating lease ROU assets and lease liabilities are recognized based on the present value of the future fixed lease payments over the lease term at the commencement date. As most of our leases do not provide an implicit rate, we use our quarterly incremental borrowing rate based on the information available that corresponds to each lease commencement date and lease term when determining the present value of future payments.

Our operating leases principally involve office space. These operating leases may contain variable non-lease components consisting of common area maintenance, operating expenses, insurance and similar costs of the office space that we occupy. We have adopted the practical expedient to not separate these non-lease components from the lease components and instead account for them as a single lease component for all of our leases. The operating lease ROU assets include future fixed lease payments made as well as any initial direct costs incurred and exclude lease incentives. Variable lease payments are not included within the operating lease ROU assets or lease liabilities and are expensed in the period in which they are incurred. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

Lease expense for operating leases was \$42.2 million, \$37.8 million and \$39.3 million for the twelve months ended December 31, 2022, 2021 and 2020, respectively. Our leases have remaining lease terms of one year to twelve years, some of which may include options to extend the lease term up to five years and some of which may include options to terminate leases within one year. We have elected to not record operating lease ROU assets and liabilities for short-term leases that have a term of twelve months or less. Our lease expense includes our short-term lease cost which is not material to our Consolidated Financial Statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Other information related to our operating leases was as follows:

| <b>Twelve Months Ended December 31, 2022</b>                               | <b>Amount</b> |
|----------------------------------------------------------------------------|---------------|
| <i>(in millions, except lease term and discount rate)</i>                  |               |
| <b>Supplemental Cash Flows Information</b>                                 |               |
| Cash paid for amounts included in the measurement of lease liabilities:    |               |
| Operating cash flows used by operating leases                              | \$ 29.7       |
| Right-of-use assets obtained in exchange for lease obligations (non-cash): |               |
| Operating leases                                                           | \$ 16.9       |
| Weighted Average Remaining Lease Term                                      | 5             |
| Weighted Average Discount Rate                                             | 3.3 %         |

Estimated future minimum payment obligations for non-cancelable operating leases are as follows as of December 31, 2022:

| <b>Years ending December 31,</b> | <b>Amount</b>        |
|----------------------------------|----------------------|
|                                  | <i>(In millions)</i> |
| 2023                             | \$ 29.7              |
| 2024                             | 21.3                 |
| 2025                             | 18.3                 |
| 2026                             | 13.4                 |
| 2027                             | 10.4                 |
| Thereafter                       | 12.0                 |
|                                  | <u>\$ 105.1</u>      |

We do not have any significant sublease agreements and, as a result, expected sublease income is not reflected as a reduction in the total minimum rental obligations under operating leases in the table above.

### 13. SEGMENT INFORMATION

**Reportable Segments.** We manage our business and report our financial results through the following three reportable segments, which are the same as our operating segments:

- Workforce Solutions
- U.S. Information Solutions
- International

The accounting policies of the reportable segments are the same as those described in our summary of significant accounting policies (see Note 1). We evaluate the performance of these reportable segments based on their operating revenue, operating income and operating margins, excluding any unusual or infrequent items, if any. The measurement criteria for segment profit or loss and segment assets are substantially the same for each reportable segment. Inter-segment sales are not material for all periods presented. All transactions between segments are accounted for at fair market value or cost depending on the nature of the transaction and no timing differences occur between segments.

A summary of segment products and services is as follows:

**Workforce Solutions.** This segment provides services enabling customers to verify income, employment, educational history, criminal justice data, healthcare professional licensure and sanctions) of people in the U.S. (Verification Services), as well as providing our employer customers with services that assist them in complying with and automating certain payroll-related and human resource management processes throughout the entire cycle of the employment relationship, including unemployment cost management, employee screening, employee onboarding, tax credits and incentives, I-9 management and compliance, immigration case management, tax form management services and Affordable Care Act management services.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**U.S. Information Solutions.** This segment includes consumer and commercial information services (such as credit information and credit scoring, credit modeling services and portfolio analytics, locate services, fraud detection and prevention services, identity verification services and other consulting services); mortgage services; financial marketing services; identity management; and credit monitoring products sold to resellers or directly to consumers.

**International.** This segment includes information services products, which includes consumer and commercial services (such as credit and financial information, credit scoring and credit modeling services), credit and other marketing products and services. In Asia Pacific, Europe, Latin America and Canada, we also provide information, technology and services to support debt collections and recovery management. In Europe and Canada we also provide credit monitoring products to resellers or directly to consumers.

Segment information for the twelve months ended December 31, 2022, 2021 and 2020 and as of December 31, 2022 and 2021 is as follows:

| Operating revenue:         | Twelve Months Ended<br>December 31, |                   |                   |
|----------------------------|-------------------------------------|-------------------|-------------------|
|                            | 2022                                | 2021              | 2020              |
|                            | (In millions)                       |                   |                   |
| Workforce Solutions        | \$ 2,325.4                          | \$ 2,035.4        | \$ 1,461.7        |
| U.S. Information Solutions | 1,657.7                             | 1,786.7           | 1,711.2           |
| International              | 1,139.1                             | 1,101.8           | 954.6             |
| Total operating revenue    | <u>\$ 5,122.2</u>                   | <u>\$ 4,923.9</u> | <u>\$ 4,127.5</u> |

| Operating income:          | Twelve Months Ended<br>December 31, |                   |                 |
|----------------------------|-------------------------------------|-------------------|-----------------|
|                            | 2022                                | 2021              | 2020            |
|                            | (In millions)                       |                   |                 |
| Workforce Solutions        | \$ 1,006.0                          | \$ 1,000.7        | \$ 703.9        |
| U.S. Information Solutions | 402.1                               | 551.8             | 515.3           |
| International              | 147.0                               | 141.9             | 75.7            |
| General Corporate Expense  | (499.1)                             | (556.4)           | (618.3)         |
| Total operating income     | <u>\$ 1,056.0</u>                   | <u>\$ 1,138.0</u> | <u>\$ 676.6</u> |

| Total assets:              | December 31,       |                    |
|----------------------------|--------------------|--------------------|
|                            | 2022               | 2021               |
|                            | (In millions)      |                    |
| Workforce Solutions        | \$ 4,156.5         | \$ 3,888.3         |
| U.S. Information Solutions | 3,291.4            | 3,091.4            |
| International              | 3,106.8            | 3,271.5            |
| General Corporate          | 993.2              | 789.7              |
| Total assets               | <u>\$ 11,547.9</u> | <u>\$ 11,040.9</u> |

| Depreciation and amortization expense:      | Twelve Months Ended<br>December 31, |                 |                 |
|---------------------------------------------|-------------------------------------|-----------------|-----------------|
|                                             | 2022                                | 2021            | 2020            |
|                                             | (In millions)                       |                 |                 |
| Workforce Solutions                         | \$ 162.2                            | \$ 106.5        | \$ 71.9         |
| U.S. Information Solutions                  | 191.4                               | 158.5           | 120.2           |
| International                               | 132.0                               | 141.1           | 133.4           |
| General Corporate                           | 74.5                                | 74.3            | 65.5            |
| Total depreciation and amortization expense | <u>\$ 560.1</u>                     | <u>\$ 480.4</u> | <u>\$ 391.0</u> |

| Capital expenditures:       | Twelve Months Ended<br>December 31, |                 |                 |
|-----------------------------|-------------------------------------|-----------------|-----------------|
|                             | 2022                                | 2021            | 2020            |
|                             | (In millions)                       |                 |                 |
| Workforce Solutions         | \$ 113.5                            | \$ 73.5         | \$ 74.6         |
| U.S. Information Solutions  | 125.7                               | 92.9            | 126.0           |
| International               | 144.8                               | 123.8           | 68.3            |
| General Corporate           | 233.4                               | 200.3           | 161.8           |
| Total capital expenditures* | <u>\$ 617.4</u>                     | <u>\$ 490.5</u> | <u>\$ 430.7</u> |

\*Amounts above include accruals for capital expenditures.

Financial information by geographic area is as follows:

| Operating revenue<br>(based on location of<br>customer): | Twelve Months Ended<br>December 31, |       |            |       |            |       |
|----------------------------------------------------------|-------------------------------------|-------|------------|-------|------------|-------|
|                                                          | 2022                                |       | 2021       |       | 2020       |       |
|                                                          | (In millions)                       |       |            |       |            |       |
|                                                          | Amount                              | %     | Amount     | %     | Amount     | %     |
| U.S.                                                     | \$ 3,983.1                          | 78 %  | \$ 3,822.2 | 78 %  | \$ 3,172.9 | 77 %  |
| Australia                                                | 325.2                               | 6 %   | 336.9      | 7 %   | 282.6      | 7 %   |
| U.K.                                                     | 265.5                               | 5 %   | 252.0      | 5 %   | 222.9      | 5 %   |
| Canada                                                   | 256.1                               | 5 %   | 250.0      | 5 %   | 212.6      | 5 %   |
| Other                                                    | 292.3                               | 6 %   | 262.8      | 5 %   | 236.5      | 6 %   |
| Total operating<br>revenue                               | \$ 5,122.2                          | 100 % | \$ 4,923.9 | 100 % | \$ 4,127.5 | 100 % |

|                         | December 31,  |       |            |       |
|-------------------------|---------------|-------|------------|-------|
|                         | 2022          |       | 2021       |       |
|                         | (In millions) |       |            |       |
| Long-lived assets:      | Amount        | %     | Amount     | %     |
| U.S.                    | \$ 7,448.4    | 73 %  | \$ 7,035.9 | 71 %  |
| Australia               | 1,718.6       | 17 %  | 1,901.9    | 19 %  |
| U.K.                    | 263.6         | 3 %   | 280.5      | 3 %   |
| Canada                  | 200.4         | 2 %   | 193.3      | 2 %   |
| Other                   | 546.4         | 5 %   | 508.4      | 5 %   |
| Total long-lived assets | \$ 10,177.4   | 100 % | \$ 9,920.0 | 100 % |



## **ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

### **ITEM 9A. CONTROLS AND PROCEDURES**

#### **Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of Equifax's disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report (i) were appropriately designed to provide reasonable assurance of achieving their objectives and (ii) were effective and provided reasonable assurance that the information required to be disclosed by Equifax in reports filed under the Exchange Act is (a) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (b) accumulated and communicated to Equifax's management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

#### **Management's Annual Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act as a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer and effected by our Board of Directors, management and other personnel, 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 and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

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

Our management assessed the effectiveness of Equifax's internal control over financial reporting as of December 31, 2022 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013 Framework). Based on this assessment using those criteria, our management concluded that, as of December 31, 2022, Equifax's internal control over financial reporting was effective. Management reviewed the results of its assessment with the Audit Committee of its Board of Directors. The effectiveness of Equifax's internal control over financial reporting as of December 31, 2022 has been audited by Ernst & Young LLP, Equifax's independent registered public accounting firm, as stated in their report, which appears in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K on page 52.

#### **Changes in Internal Control Over Financial Reporting**

There have been no changes in internal control over financial reporting identified in connection with the foregoing that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### **ITEM 9B. OTHER INFORMATION**

None.

## PART III

### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Except for the information about our executive officers shown below, the information required by this Item 10 is incorporated herein by reference from the information contained in our Proxy Statement to be filed with the SEC in connection with the solicitation of proxies for our 2023 Annual Meeting of Shareholders (the “2023 Proxy Statement”) under the sections entitled “Proposal 1 Election of Directors,” “Section 16(a) Beneficial Ownership Reporting Compliance” and “Board Leadership and Corporate Governance—Committees of the Board of Directors.”

We have adopted a written Code of Ethics and Business Conduct applicable to all our employees, including our principal executive officer, principal financial officer, and principal accounting officer and controller, and to members of our Board of Directors. Our Code of Ethics and Business Conduct is available on our investor relations website: [www.equifax.com/about-equifax/corporate-governance](http://www.equifax.com/about-equifax/corporate-governance). We will disclose amendments to certain provisions of our Code of Ethics and Business Conduct, or waivers of such provisions granted to executive officers and directors, on this website.

#### *Executive Officers*

Information regarding the executive officers of Equifax Inc. is set forth below.

*Mark W. Begor (64)* has been our Chief Executive Officer and a member of the Board of Directors since April 2018. Prior thereto, he was a Managing Director in the Industrial and Business Services group at Warburg Pincus, a global private equity investment firm, since June 2016. Prior to Warburg Pincus, Mr. Begor spent 35 years at General Electric Company (“GE”), a global industrial and financial services company, in a variety of operating and financial roles. During his career at GE, Mr. Begor served in a variety of roles leading multibillion dollar units of the company, including President and CEO of GE Energy Management from 2014 to 2016, President and CEO of GE Capital Real Estate from 2011 to 2014, and President and CEO of GE Capital Retail Finance (Synchrony Financial) from 2002 to 2011. Mr. Begor served on the Fair Isaac Corporation (FICO) board of directors from 2016 to 2018. He currently serves on the board of directors of NCR Corporation.

*Sunil Bindal (48)* has been our Executive Vice President, Chief Corporate Development Officer since October 2020. Prior to joining Equifax, Mr. Bindal served as Senior Vice President, Global Head of Mergers and Acquisitions and Corporate Development, at Total System Services since July 2018. Prior thereto, he served as Vice President of Corporate Development at Broadridge Financial Solutions since August 2015. Prior thereto, he served as Director, Technology Mergers and Acquisitions, of Credit Suisse since July 2006.

*Carla Chaney (52)* has been our Executive Vice President, Chief Human Resources Officer since April 2019. Prior thereto, she served as Executive Vice President, Human Resources and Communications of Graphic Packaging Holding Company and Graphic Packaging International, since February 2012. Prior thereto, she held a variety of leadership roles with Exide Technologies and Newell Rubbermaid, Inc., since 2004.

*Jamil Farshchi (45)* has been our Executive Vice President, Chief Information Security Officer since February 2018. Prior to joining Equifax, Mr. Farshchi served as Chief Information Security Officer at The Home Depot since April 2015. Prior thereto, he was the first Global Chief Information Security Officer at Time Warner Inc., from August 2014 to March 2015. Prior thereto, he was the Vice President of Global Information Security at Visa Inc. from August 2011 to August 2014. Mr. Farshchi has also held senior roles at Los Alamos National Laboratory, Sitel Corporation, Nextwave Broadband and NASA.

*John W. Gamble, Jr. (60)* has been our Executive Vice President, Chief Financial Officer and Chief Operations Officer since February 2021. Prior thereto, he was Corporate Vice President and Chief Financial Officer since May 2014. Prior to that, Mr. Gamble was Executive Vice President and Chief Financial Officer of Lexmark International, Inc., a global provider of document solutions, enterprise content management software and services, printers and multifunction printers, from September 2005 until May 2014.

*Julia A. Houston (52)* has been our Executive Vice President, Chief Strategy and Marketing Officer since March 2021. Prior thereto, she was our Chief Transformation Officer since October 2017. Prior thereto, she was Senior Vice President, U.S. Legal, since October 2013. Prior to joining Equifax, Ms. Houston was Senior Vice President, General Counsel and Corporate Secretary at Convergys Corporation, from 2011 to 2013. Prior thereto, she served in roles of increasing responsibility at Mirant Corporation from 2004 to 2010, ultimately serving as Senior Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary.

*John J. Kelley III (62)* has been our Executive Vice President, Chief Legal Officer and Corporate Secretary since January 2013. Prior to joining Equifax, Mr. Kelley was a senior partner in the Corporate Practice Group of the law firm of King & Spalding LLP.

*Bryson Koehler (47)* has been our Executive Vice President, Chief Technology, Product and D&A Officer since December 2021. Prior thereto, he was our Chief Technology Officer since June 2018. Prior to joining Equifax, Mr. Koehler served as Chief Technology Officer of IBM Watson and Cloud Platform since November 2016. Prior to that, Mr. Koehler was Chief Technology and Information Officer of The Weather Channel Companies, before it was acquired in 2015 by IBM. Before that, he served as Senior Vice President of Global Revenue & Guest Technology at the Intercontinental Hotels Group.

*Lisa Nelson (59)* has been our Executive Vice President, President, International since June 2021. Prior thereto, she served as Group Managing Director, Equifax Australia and New Zealand, since August 2019. Prior thereto, she served as President and General Manager, Equifax Canada, since January 2015. Prior thereto, she served as Senior Vice President, Enterprise Alliance Leader of Equifax U.S. Information Solutions, since November 2011. Prior to joining Equifax, she served as Vice President, Global Scoring Solutions of FICO, since August 2004.

*Rodolfo O. Ploder (62)* has been our Executive Vice President, President, Workforce Solutions since November 2015. Prior thereto, he served as President, U.S. Information Solutions, since April 2010. Prior thereto, he served as President, International, from January 2007 to April 2010. Prior thereto, he was Group Executive, Latin America from February 2004 to January 2007.

## **ITEM 11. EXECUTIVE COMPENSATION**

The information required by this Item 11 is incorporated herein by reference from the information contained in our 2023 Proxy Statement under the sections entitled “Executive Compensation” and “Director Compensation.”

## **ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The information required by this Item 12 is incorporated herein by reference from the information contained in our 2023 Proxy Statement under the sections entitled “Security Ownership of Management and Certain Beneficial Owners” and “Executive Compensation Equity Compensation Plan Information.”

## **ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE**

The information required by this Item 13 is incorporated herein by reference from the information contained in our 2023 Proxy Statement under the sections entitled “Board Leadership and Corporate Governance Director Independence,” “Related Person Transaction Policy” and “Certain Relationships and Related Person Transactions of Directors, Executive Officers, and 5 Percent Shareholders.”

## **ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The information required by this Item 14 is incorporated herein by reference from the information contained in our 2023 Proxy Statement under the section entitled “Proposal 3 Ratification of Appointment of Ernst & Young LLP as Independent Registered Public Accounting Firm for 2023.”

## PART IV

### ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

#### (a) List of Documents Filed as a Part of This Report:

- (1) *Financial Statements.* The following financial statements are included in Item 8 of Part II:
- Consolidated Balance Sheets — December 31, 2022 and 2021;
  - Consolidated Statements of Income for the Years Ended December 31, 2022, 2021 and 2020;
  - Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2022, 2021 and 2020;
  - Consolidated Statements of Cash Flows for the Years Ended December 31, 2022, 2021 and 2020;
  - Consolidated Statements of Shareholders' Equity and Accumulated Other Comprehensive Loss for the Years Ended December 31, 2022, 2021 and 2020; and
  - Notes to Consolidated Financial Statements.
- (2) *Financial Statement Schedules.*
- Schedule II — Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulation of the SEC are not required under the related instructions or are inapplicable and, therefore, have been omitted.

- (3) *Exhibits.* See exhibits listed under Part (b) below.

#### (b) Exhibits:

| Exhibit Number                                                                   | Description                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Articles of Incorporation and Bylaws</i>                                      |                                                                                                                                                                                                                                                                                                         |
| 3.1                                                                              | Amended and Restated Articles of Incorporation of Equifax Inc. (incorporated by reference to Exhibit 3.1 to Equifax's Form 8-K filed May 14, 2009).                                                                                                                                                     |
| 3.2                                                                              | Amended and Restated Bylaws of Equifax Inc. (incorporated by reference to Exhibit 3.2 to Equifax's Form 8-K filed February 9, 2021).                                                                                                                                                                    |
| <i>Instruments Defining the Rights of Security Holders, Including Indentures</i> |                                                                                                                                                                                                                                                                                                         |
| 4.1                                                                              | Indenture dated as of June 29, 1998, between Equifax Inc. and The First National Bank of Chicago, Trustee (the "1998 Indenture") (under which Equifax's 6.9% Debentures due 2028 were issued) (incorporated by reference to Exhibit 4.4 to Equifax's Form 10-K filed March 31, 1999).                   |
| 4.2                                                                              | Second Supplemental Indenture dated as of June 28, 2007, between Equifax Inc. and The Bank of New York Trust Company, N.A. (under which Equifax's 7.00% Senior Notes due 2037 were issued), to the 1998 Indenture (incorporated by reference to Exhibit 4.3 to Equifax's Form 8-K filed June 29, 2007). |
| 4.3                                                                              | Credit Agreement, dated as of September 27, 2018, by and between Equifax Inc., Equifax Limited, Equifax Canada Co., Equifax Australia Holdings Pty Limited, and SunTrust Bank as administrative agent (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed October 1, 2018).          |
| 4.4                                                                              | Indenture, dated as of May 12, 2016, between Equifax Inc. and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed May 12, 2016).                                                                                                           |
| 4.5                                                                              | Second Supplemental Indenture, dated as of May 12, 2016, between Equifax Inc. and U.S. Bank National Association, as Trustee, including the form of 2026 Note as Exhibit A (incorporated by reference to Exhibit 4.3 to Equifax's Form 8-K filed May 12, 2016).                                         |
| 4.6                                                                              | Fourth Supplemental Indenture, dated as of May 25, 2018, between Equifax Inc. and the Trustee, including the form of 2023 Note as Exhibit A (incorporated by reference to Exhibit 4.2 to Equifax's Form 8-K filed May 25, 2018).                                                                        |
| 4.7                                                                              | Sixth Supplemental Indenture, dated as of November 19, 2019, between Equifax Inc. and the Trustee, including the form of 2024 Note as Exhibit A (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed November 19, 2019).                                                               |
| 4.8                                                                              | Seventh Supplemental Indenture, dated as of April 27, 2020, between Equifax Inc. and the Trustee, including the form of 2025 Note as Exhibit A (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed April 27, 2020).                                                                   |

- 4.9 Eighth Supplemental Indenture, dated as of April 27, 2020, between Equifax Inc. and the Trustee, including the form of 2030 Note as Exhibit A (incorporated by reference to Exhibit 4.2 to Equifax's Form 8-K filed April 27, 2020).
- 4.10 Ninth Supplemental Indenture, dated as of August 13, 2021, between Equifax Inc. and the Trustee, including the form of Note as Exhibit A (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed August 16, 2021).
- 4.11 Credit Agreement, dated as of August 25, 2021, by and among Equifax Inc., Equifax Limited, Equifax Canada Co., Equifax International Treasury Services Unlimited Company and Equifax Australia Holdings Pty Limited, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed August 31, 2021).
- 4.12 Term Loan Credit Agreement, dated as of August 25, 2021, by and between Equifax Inc., JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.2 to Equifax's Form 8-K filed August 31, 2021).
- 4.13 Description of the Company's Securities Registered under Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.14 to Equifax's Form 10-K filed February 20, 2020).
- 4.14 Tenth Supplemental Indenture, dated as of September 12, 2022, between Equifax Inc. and the Trustee, including the form of Note as Exhibit A (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed September 12, 2022).

Except as set forth in the preceding Exhibits 4.1 through 4.14, instruments defining the rights of holders of long-term debt securities of Equifax have been omitted where the total amount of securities authorized does not exceed 10% of the total assets of Equifax and its subsidiaries on a consolidated basis. Equifax agrees to furnish to the SEC, upon request, a copy of such instruments with respect to issuances of long-term debt of Equifax and its subsidiaries.

#### ***Management Contracts and Compensatory Plans or Arrangements***

- 10.1 Form of Director/Executive Officer Indemnification Agreement (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed May 14, 2009).
- 10.2 Supplemental Retirement Plan for Executives of Equifax Inc. (incorporated by reference to Exhibit 10.6(a) to Equifax's Form 10-K filed February 24, 2016).
- 10.3 Amendment No. 1 to Supplemental Retirement Plan for Executives of Equifax Inc., effective January 1, 2020 (incorporated by reference to Exhibit 10.3 to Equifax's Form 10-K filed February 25, 2021).
- 10.4 Amendment No. 2 to Supplemental Retirement Plan for Executives of Equifax Inc., effective November 4, 2020 (incorporated by reference to Exhibit 10.4 to Equifax's Form 10-K filed February 25, 2021).
- 10.5 Trust Agreement for Supplemental Retirement Plan for Executives of Equifax Inc. dated as of September 16, 2011, between Equifax Inc. and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.6(b) to Equifax's Form 10-K filed February 23, 2012).
- 10.6 Equifax Inc. Executive Life and Supplemental Retirement Benefit Plan (incorporated by reference to Exhibit 10.8 to Equifax's Form 10-K filed March 29, 2001).
- 10.7 Equifax Inc. 2008 Omnibus Incentive Plan, as amended and restated effective May 2, 2013 (incorporated by reference to Appendix C to Equifax's definitive proxy statement on Schedule 14A filed March 20, 2013).
- 10.8 Amendment No. 1 to Equifax Inc. 2008 Omnibus Incentive Plan, effective February 6, 2017 (incorporated by reference to Exhibit 10.8 to Equifax's Form 10-K filed February 25, 2021).
- 10.9 Amendment No. 2 to Equifax Inc. 2008 Omnibus Incentive Plan, effective November 4, 2020 (incorporated by reference to Exhibit 10.9 to Equifax's Form 10-K filed February 25, 2021).
- 10.10 Form of Non-Qualified Stock Option Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.9 to Equifax's form 10-K filed February 22, 2013).
- 10.11 Form of Non-Employee Director Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.11 to Equifax's Form 10-K filed February 25, 2021).
- 10.12 Equifax Inc. Director Deferred Compensation Plan, as amended through November 5, 2020. (incorporated by reference to Exhibit 10.12 to Equifax's Form 10-K filed February 25, 2021).
- 10.13 Equifax Grantor Trust dated as of January 23, 2014, between Equifax Inc. and Principal Trust Company, Trustee, relating to supplemental deferred compensation and phantom stock benefits (incorporated by reference to Exhibit 10.13 to Equifax's Form 10-K filed February 25, 2021).
- 10.14 Equifax Inc. Director and Executive Stock Deferral Plan, as amended and restated effective January 1, 2019 (incorporated by reference to Exhibit 10.14 to Equifax's Form 10-K filed February 25, 2021).
- 10.15 Amendment No. 1 to Equifax Inc. Director and Executive Stock Deferral Plan, effective as of November 4, 2020 (incorporated by reference to Exhibit 10.15 to Equifax's Form 10-K filed February 25, 2021).



- 10.16 Amendment No. 2 to Equifax Inc. Director and Executive Stock Deferral Plan, effective as of December 2, 2021 (incorporated by reference to Exhibit 10.16 to Equifax's Form 10-K filed February 24, 2022).
- 10.17 Equifax 2005 Executive Deferred Compensation Plan, as amended and restated effective January 1, 2015 (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed July 28, 2016).
- 10.18 Amendment No. 1 to Equifax 2005 Executive Deferred Compensation Plan, effective January 1, 2016 (incorporated by reference to Exhibit 10.2 to Equifax's Form 10-Q filed July 28, 2016).
- 10.19 Amendment No. 2 to Equifax 2005 Executive Deferred Compensation plan, effective January 1, 2016 (incorporated by reference to Exhibit 10.27 to Equifax's Form 10-K filed March 1, 2018).
- 10.20 Amendment No. 3 to Equifax 2005 Executive Deferred Compensation Plan, effective as of November 4, 2020 (incorporated by reference to Exhibit 10.19 to Equifax's Form 10-K filed February 25, 2021).
- 10.21 Amendment No. 4 to Equifax 2005 Executive Deferred Compensation Plan, effective as of May 5, 2021 (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed July 22, 2021).
- 10.22 Equifax Inc. Employee Deferred Compensation Plan (incorporated by reference to Exhibit 4.1 to Equifax's Form S-8 filed November 24, 2021).
- 10.23 Equifax Inc. Board of Directors Deferred Compensation Plan (incorporated by reference to Exhibit 10.23 to Equifax's Form 10-K filed February 24, 2022).
- 10.24 Form of Non-Qualified Stock Option Award Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2017) (incorporated by reference to Exhibit 10.4 to Equifax's Form 10-Q filed April 27, 2017).
- 10.25 Employment Agreement, dated March 27, 2018, between the Company and Mark W. Begor (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed March 28, 2018).
- 10.26 Letter Agreement, dated February 4, 2021, between the Company and Mark W. Begor (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed February 9, 2021).
- 10.27 Form of Restricted Stock Unit Award Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in March 2018 to January 2021) (incorporated by reference to Exhibit 10.2 to Equifax's Form 10-Q filed April 26, 2018).
- 10.28 Form of Non-Qualified Stock Option Award Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in March 2018 to January 2021) (incorporated by reference to Exhibit 10.3 to Equifax's Form 10-Q filed April 26, 2018).
- 10.29 Form of Restricted Stock Unit Award Agreement (CEO) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2021) (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed April 22, 2021).
- 10.30 Form of Premium-Priced Stock Option Award Agreement (CEO) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2021) (incorporated by reference to Exhibit 10.2 to Equifax's Form 10-Q filed April 22, 2021).
- 10.31 Form of Performance Share Award Agreement (TSR) (CEO) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2021) (incorporated by reference to Exhibit 10.3 to Equifax's Form 10-Q filed April 22, 2021).
- 10.32 Form of Restricted Stock Unit Award Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2021) (incorporated by reference to Exhibit 10.4 to Equifax's Form 10-Q filed April 22, 2021).
- 10.33 Form of Non-Qualified Stock Option Award Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2021) (incorporated by reference to Exhibit 10.5 to Equifax's Form 10-Q filed April 22, 2021).
- 10.34 Form of Performance Share Award Agreement (TSR) (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2021) (incorporated by reference to Exhibit 10.6 to Equifax's Form 10-Q filed April 22, 2021).
- 10.35 Form of Performance Share Award Agreement (TSR) (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in March 2018 to January 2021) (incorporated by reference to Exhibit 10.4 to Equifax's Form 10-Q filed April 26, 2018).
- 10.36 Equifax Inc. Change in Control Severance Plan (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed February 27, 2019).
- 10.37 Equifax Inc. 2020 Employee Stock Purchase Plan (incorporated by reference to Annex B to Equifax's definitive proxy statement filed on March 27, 2020).
- 10.38 Form of Performance Share Award Agreement (Adjusted EBITDA) (CEO) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in or after February 2022) (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed April 21, 2022).

- 10.39 Form of Performance Share Award Agreement (Adjusted EBITDA) (SLT) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2022) (incorporated by reference to Exhibit 10.2 to Equifax's Form 10-Q filed April 21, 2022).
- 10.40 Performance Share Award Agreement (TSR) between Equifax Inc. and Mark Begor under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for award granted on July 29, 2022) (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed October 20, 2022).
- 10.41 Premium-Priced Stock Option Award Agreement between Equifax Inc. and Mark Begor under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for award granted on July 29, 2022) (incorporated by reference to Exhibit 10.2 to Equifax's Form 10-Q filed October 20, 2022).
- 10.42 Restricted Stock Unit Award Agreement between Equifax Inc. and Mark Begor under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for award granted on July 29, 2022) (incorporated by reference to Exhibit 10.3 to Equifax's Form 10-Q filed October 20, 2022).

***Material Contracts***

- 10.43\*\* Settlement Agreement and Release dated July 22, 2019 between the Company and the Settlement Class Representatives (as defined therein) (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed July 22, 2019).
- 10.44\*\* Stipulated Order for Permanent Injunction and Monetary Judgment dated July 19, 2019 between the Company and the Federal Trade Commission (incorporated by reference to Exhibit 10.2 to Equifax's Form 8-K filed July 22, 2019).
- 10.45\*\* Stipulated Order for Permanent Injunction and Monetary Judgment dated July 19, 2019 between the Company and the Bureau of Consumer Financial Protection (incorporated by reference to Exhibit 10.3 to Equifax's Form 8-K filed July 22, 2019).
- 10.46\*\* Final Judgment and Consent Decree dated July 19, 2019 between the Company and the State of Alabama, with a schedule of the additional jurisdictions in which such agreement (consent decrees) have been approved that are substantially identical in all material respects (incorporated by reference to Exhibit 10.4 to Equifax's Form 8-K filed July 22, 2019).

***Other Exhibits and Certifications***

- 21.1\* Subsidiaries of Equifax Inc.
- 23.1\* Consent of Independent Registered Public Accounting Firm.
- 24.1\* Powers of Attorney (included on signature page).
- 31.1\* Rule 13a-14(a) Certification of Chief Executive Officer.
- 31.2\* Rule 13a-14(a) Certification of Chief Financial Officer.
- 32.1\* Section 1350 Certification of Chief Executive Officer.
- 32.2\* Section 1350 Certification of Chief Financial Officer.
- 101.INS Inline XBRL Instance Document.
- 101.SCH Inline XBRL Taxonomy Extension Schema Document.
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase.
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase.
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase.
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase.
- 104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Filed herewith

\*\*Schedules and exhibits to this agreement have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished as a supplement to the Securities and Exchange Commission upon request.

**(c) Financial Statement Schedules.** See Item 15(a)(2).

**ITEM 16. FORM 10-K SUMMARY**

None.



## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 23, 2023.

EQUIFAX INC.

(Registrant)

By: /s/ Mark W. Begor

Mark W. Begor

*Chief Executive Officer*

We, the undersigned directors and executive officers of Equifax Inc., hereby severally constitute and appoint John W. Gamble, Jr. and James M. Griggs, and each of them singly, our true and lawful attorneys with full power to them and each of them to sign for us, and in our names in the capacities indicated below, any and all amendments to this Annual Report on Form 10-K filed with the SEC, hereby ratifying and confirming our signatures as they may be signed by our said attorneys to any and all amendments to said Annual Report on Form 10-K.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 23, 2023.

/s/ Mark W. Begor

Mark W. Begor

*Chief Executive Officer*

*(Principal Executive Officer)*

/s/ John W. Gamble, Jr.

John W. Gamble, Jr.

*Executive Vice President, Chief Financial Officer and Chief Operations Officer*

*(Principal Financial Officer)*

/s/ James M. Griggs

James M. Griggs

*Chief Accounting Officer and Corporate Controller*

*(Principal Accounting Officer)*

/s/ Mark L. Feidler

Mark L. Feidler

*Director and Non-Executive Chairman*

/s/ Karen L. Fichuck

Karen L. Fichuck

*Director*

/s/ G. Thomas Hough

G. Thomas Hough

*Director*

/s/ Robert D. Marcus

Robert D. Marcus

*Director*

/s/ Scott A. McGregor

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Scott A. McGregor

*Director*

/s/ John A. McKinley

---

John A. McKinley

*Director*

/s/ Robert W. Selander

---

Robert W. Selander

*Director*

/s/ Melissa D. Smith

---

Melissa D. Smith

*Director*

/s/ Audrey Boone Tillman

---

Audrey Boone Tillman

*Director*

/s/ Heather H. Wilson

---

Heather H. Wilson

*Director*

# SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

2022

| Column A                                      | Column B                       | Column C                                                                    |                           | Column D   | Column E                 |
|-----------------------------------------------|--------------------------------|-----------------------------------------------------------------------------|---------------------------|------------|--------------------------|
| Description                                   | Balance at Beginning of Period | Additions                                                                   |                           | Deductions | Balance at End of Period |
|                                               |                                | Charged to Costs and Expenses                                               | Charged to Other Accounts |            |                          |
|                                               |                                | (In millions)                                                               |                           |            |                          |
|                                               |                                | Reserves deducted in the balance sheet from the assets to which they apply: |                           |            |                          |
| Trade accounts receivable                     | \$ 13.9                        | \$ 8.5                                                                      | \$ —                      | \$ (3.3)   | \$ 19.1                  |
| Deferred income tax asset valuation allowance | 192.0                          | (15.4)                                                                      | (9.7)                     | 18.2       | 185.1                    |
|                                               | \$ 205.9                       | \$ (6.9)                                                                    | \$ (9.7)                  | \$ 14.9    | \$ 204.2                 |

2021

| Column A                                                                    | Column B                       | Column C                      |                           | Column D   | Column E                 |
|-----------------------------------------------------------------------------|--------------------------------|-------------------------------|---------------------------|------------|--------------------------|
| Description                                                                 | Balance at Beginning of Period | Additions                     |                           | Deductions | Balance at End of Period |
|                                                                             |                                | Charged to Costs and Expenses | Charged to Other Accounts |            |                          |
| (In millions)                                                               |                                |                               |                           |            |                          |
| Reserves deducted in the balance sheet from the assets to which they apply: |                                |                               |                           |            |                          |
| Trade accounts receivable                                                   | \$ 12.9                        | \$ 0.3                        | \$ —                      | \$ 0.7     | \$ 13.9                  |
| Deferred income tax asset valuation allowance                               | 382.7                          | (12.7)                        | (198.0)                   | 20.0       | 192.0                    |
|                                                                             | \$ 395.6                       | \$ (12.4)                     | \$ (198.0)                | \$ 20.7    | \$ 205.9                 |

2020

| Column A                                      | Column B                       | Column C                                                                    |                           | Column D   | Column E                 |
|-----------------------------------------------|--------------------------------|-----------------------------------------------------------------------------|---------------------------|------------|--------------------------|
| Description                                   | Balance at Beginning of Period | Additions                                                                   |                           | Deductions | Balance at End of Period |
|                                               |                                | Charged to Costs and Expenses                                               | Charged to Other Accounts |            |                          |
|                                               |                                | (In millions)                                                               |                           |            |                          |
|                                               |                                | Reserves deducted in the balance sheet from the assets to which they apply: |                           |            |                          |
| Trade accounts receivable                     | \$ 11.2                        | \$ 6.3                                                                      | \$ —                      | \$ (4.6)   | \$ 12.9                  |
| Deferred income tax asset valuation allowance | 379.8                          | (34.4)                                                                      | 10.1                      | 27.2       | 382.7                    |
|                                               | \$ 391.0                       | \$ (28.1)                                                                   | \$ 10.1                   | \$ 22.6    | \$ 395.6                 |

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## Board of Directors



**Mark W. Begor**  
Chief Executive Officer,  
Equifax Inc.



**Melissa D. Smith**  
Chair and Chief Executive Officer,  
WEX Inc.



**Mark L. Feidler**  
Independent Chairman,  
Equifax Inc. and  
Founding Partner,  
MSouth Equity Partners



**Robert D. Marcus**  
Former Chairman and  
Chief Executive Officer,  
Time Warner Cable Inc.



**Audrey Boone Tillman**  
Executive Vice President and  
General Counsel,  
Aflac Incorporated



**Robert W. Selander**  
Former President and  
Chief Executive Officer,  
Mastercard Incorporated and  
Mastercard International



**Heather H. Wilson**  
Chief Executive Officer,  
CLARA Analytics, Inc.



**Scott A. McGregor**  
Former President and  
Chief Executive Officer,  
Broadcom Corporation



**John A. McKinley**  
Founder,  
Great Falls Ventures



**G. Thomas Hough**  
Retired Americas Vice Chair,  
Ernst & Young LLP



**Karen L. Fichuk**  
Former Chief  
Executive Officer,  
Randstad North America



1550 Peachtree Street, N.W.  
Atlanta, Georgia 30309

404.885.8000  
[equifax.com](https://www.equifax.com)





# STAFF REPORT

Department: Economic Development

Submitted By: Charlotte Christian

Meeting Date: May 6, 2025

---

## AGENDA ITEM:

**Notice of Internal Transfer of Taxable Revenue Bond for City Center Office Project 2017C**

## STAFF RECOMMENDATION:

Approve to acknowledge the receipt of the Notice of Internal Transfer of Taxable Revenue Bond for City Center Office Project 2017C.

## ITEM DESCRIPTION:

The Development Authority has received a Notice of Internal Transfer related to taxable revenue bond issued March 3, 2017 as part of the City Center Office Project 2017C. These bonds were transferred to JM Family Enterprises on May 23, 2018 and acknowledged by the Development Authority at their meeting on October 15, 2024.

This transfer and assignment is specifically permitted under the bond/lease documents, and acknowledgment of the receipt of notice allows legal council to clean up the records to the Lessee's internal restructuring.

Development Authority Council, Bond Council, and staff recommends approval of acknowledgment of the internal transfer notice for the taxable revenue bond and lease associated with the City Center Office Project 2017C.

## ATTACHMENTS:

1. Notice to Development Authority--JM Family Enterprises
2. Assignment of Bond Documents and Leasehold Project\_signed by Steve Artusi
3. Bond Certificate R-4 Transfer\_signed by Steve Artusi

NEW YORK  
LONDON  
SINGAPORE  
PHILADELPHIA  
CHICAGO  
WASHINGTON, DC  
SAN FRANCISCO  
SILICON VALLEY  
SAN DIEGO  
SHANGHAI  
BOSTON  
HOUSTON  
LOS ANGELES  
HANOI  
HO CHI MINH CITY

# DuaneMorris®

FIRM and AFFILIATE OFFICES

AMELIA (AMY) H. HUSKINS  
E-MAIL: [ahhuskins@duanemorris.com](mailto:ahhuskins@duanemorris.com)

[www.duanemorris.com](http://www.duanemorris.com)

ATLANTA  
BALTIMORE  
WILMINGTON  
MIAMI  
BOCA RATON  
PITTSBURGH  
NEWARK  
LAS VEGAS  
CHERRY HILL  
LAKE TAHOE  
MYANMAR  
OMAN  
A GCC REPRESENTATIVE OFFICE  
OF DUANE MORRIS  
  
MEXICO CITY  
ALLIANCE WITH  
MIRANDA & ESTAVILLO  
SRI LANKA  
ALLIANCE WITH  
GOWERS INTERNATIONAL

April 17, 2025

Alpharetta Development Authority  
c/o Jack Nugent, Chair  
2 Park Plaza  
Alpharetta, GA 30009  
By Email: [jnugent@alpharetta.ga.us](mailto:jnugent@alpharetta.ga.us)

First Commercial Bank, a Division of Synovus Bank  
c/o Dean D. Matthews  
Managing Director, Corporate Trust  
Synovus Bank  
800 Shades Creek Parkway-Suite 275  
Birmingham, AL 35209  
By Email: [deanmatthews@synovus.com](mailto:deanmatthews@synovus.com)

With a copy to:  
City of Alpharetta Economic Development Authority  
c/o Charlie Jewell, Economic Development Director  
2 Park Plaza  
Alpharetta, GA 30009  
By Email: [cjewell@alpharetta.ga.us](mailto:cjewell@alpharetta.ga.us)

With a copy to:  
Melissa Tracy  
Counsel to Alpharetta Development Authority  
Jarrard & Davis LLP  
222 Webb Street  
Cumming, GA 30040  
By Email: [mtracy@jarrard-davis.com](mailto:mtracy@jarrard-davis.com)

With a copy to:  
Allison Dyer  
Bond Counsel  
Holland & Knight LLP

DUANE MORRIS LLP

1075 PEACHTREE STREET NW, SUITE 1700 ATLANTA, GA 30309-3929  
DM2021161587.2

PHONE: +1 404 253 6930

1180 West Peachtree Street, NW, Suite 1800  
Atlanta, GA 30309  
By Email: [allison.dyer@hklaw.com](mailto:allison.dyer@hklaw.com)

Re: Notice of Internal Transfer (“Internal Transfer”) of Company’s Interest to Affiliated Party Under PILOT Bond Transaction originally dated March 3, 2017 Series 2017C (“Bond Transaction”), as currently evidenced by Taxable Revenue Bond (City Center Office Project) Certificate R-4 in the original principal sum of \$7,034,821.00 dated May 23, 2018 (“Bond Certificate R-4”), reflecting JM FAMILY ENTERPRISES, INC. as Company (“Company”), the Development Authority of Alpharetta, as Issuer (“Issuer”), and First Commercial Bank, a Division of Synovus Bank, as Trustee (“Trustee”), regarding leasehold real property condominium project (Office Condominium Unit) located at 415 South Broad Street, City of Alpharetta, Fulton County, GA 30009-0255 (“Leasehold Real Property”), having Tax Parcel 22498412681827; to be discussed at Authority meeting planned for May 6, 2025

Dear Mr. Nugent, Mr. Matthews, Mr. Jewell, Ms. Tracy, and Ms. Dyer:

This letter is provided at the request of Allison Dyer and Melissa Tracy in connection with the Bond Transaction for placement in the minutes of the meeting of the Development Authority of Alpharetta that is planned for May 6, 2025. This firm is outside Georgia real estate counsel to JM Family Enterprises, Inc., a Delaware corporation (“JM Family New Company”) and also JM Family Automotive LLC, a Delaware limited liability company, successor by conversion from JM Family Automotive, Inc., a Delaware corporation, successor by name change from JM Family Enterprises, Inc., a Delaware corporation (“JM Family Company #1”). This Notice is given to evidence the internal transfer of the Bond Transaction, the Bond Certificate R-4, and the interests in the Leasehold Real Property from JM Family Company #1 over to JM Family New Company, the two companies being affiliated. JM Family New Company is a direct parent entity of JM Family Company #1, and JM Family New Company owns all of the membership interests of JM Family Company #1. The Internal Transfer is made with the parties acknowledging that there is no cash consideration paid in connection with this transaction.

The Internal Transfer is made under the terms of, *inter alia*, Sections 8.3 and 9.1(b) of that certain Lease Agreement between Development Authority of Alpharetta, as landlord, and MMS Alpharetta, LLC, dated March 3, 2017, as original tenant, the interests of the original tenant having been previously transferred, *inter alia*, to JM Family Enterprises, Inc., designated here as JM Family Company #1 (“Bond Lease”). Pursuant to Section 9.1(b) of the Bond Lease, the Internal Transfer referenced herein may be made without the consent of the Issuer and the Trustee; inasmuch as the Bond Lease has been assigned from JM Family Company #1 to JM Family New Company, which is an entity controlling with JM Family Company #1. A true and correct copy of the Bond Lease is attached hereto as Exhibit A and incorporated herein by this reference.

Pursuant to Section 9.1(b) of the Bond Lease, Company, by and through JM Family New Company and JM Family Company #1, hereby provides to Issuer and Trustee a true and complete copy of the Assignment and Assumption Agreement of Leasehold Interest in Bond Transaction and Bond Lease ("Bond Assignment and Assumption"), a copy of which is attached to this Notice as Exhibit B and incorporated herein. This Bond Assignment and Assumption shall be effective May 6, 2025 and a signed copy shall be sent to Allison Dyer and Melissa Tracy prior to the Authority meeting planned for May 6, 2025.

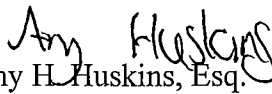
In addition, a true and correct copy of the Bond Certificate R-4 is attached hereto as Exhibit C and incorporated herein by this reference, and a true and correct copy of the Bond Certificate R-4 Transfer is attached hereto as Exhibit D and incorporated herein by this reference. The Bond Certificate R-4 Transfer shall be effective as of the effective date of the Bond Assignment and Assumption. A signed copy of this Transfer document shall also be sent to Allison Dyer and Melissa Tracy prior to the Authority meeting planned for May 6, 2025. Upon receipt of acknowledgment from Issuer as described in paragraph 2 of this Notice, Company shall deliver the original of the Bond Certificate R-4 Transfer to Trustee for holding pursuant to the Bond Lease and other Bond documents.

This Notice is made to Issuer and Trustee to request that Issuer acknowledge the Internal Transfer, to cause such Internal Transfer to be entered in the records of Issuer and Trustee, and to send notice to the Tax Commissioner of Fulton County of such Internal Transfer in connection with the pending PILOT program affecting the Leasehold Real Property. We further request that this Notice be published in the official records of the City of Alpharetta Development Authority.

Please contact the undersigned at 404.253.6930 or email: [AHHuskins@duanemorris.com](mailto:AHHuskins@duanemorris.com) with any questions. You may also contact Matthew Fox at JM Family Enterprises at 954.242.0774, or email: [Matthew.Fox@jmfamily.com](mailto:Matthew.Fox@jmfamily.com). Thank you in advance.

Very truly yours,

DUANE MORRIS LLP

  
Amy H. Huskins, Esq.

Cc:

JM Family Enterprises, Inc.  
c/o Andre Hall, Esq.  
Vice President, General Counsel  
By Email: Andre.Hall@jmfamily.com

JM Family Enterprises, Inc.  
c/o Matthew Fox, Esq.  
Senior Counsel  
By Email: Matthew.Fox@jmfamily.com

Enclosures:

Exhibit A: Bond Lease Agreement (inclusive of Short Form of Lease and Prior Assignment, Assumption and Release Agreement)  
Exhibit B: Current Bond Assignment and Assumption Agreement of Leasehold Interest in Bond Transaction and Bond Lease  
Exhibit C: Bond Certificate R-4  
Exhibit D: Bond Certificate R-4 Transfer

Exhibit A  
Bond Lease Agreement

LEASE AGREEMENT

between

DEVELOPMENT AUTHORITY  
OF ALPHARETTA

and

MMS ALPHARETTA, LLC

Dated March 3, 2017

---

This Lease Agreement and all right, title and interest of the Development Authority of Alpharetta in any rents, revenues and receipts derived under this Lease Agreement have been assigned to First Commercial Bank, a Division of Synovus Bank, as trustee under the Indenture of Trust, dated March 3, 2017, from the Development Authority of Alpharetta which secures an aggregate principal amount not to exceed \$7,034,821 of Development Authority of Alpharetta Taxable Revenue Bonds (City Center Office Project), Series 2017C, and any Additional Bonds issued thereunder.

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## LEASE AGREEMENT

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(The Table of Contents for this Lease Agreement is for convenience of reference only and is not intended to define, limit or describe the scope or intent of any provisions of this Lease Agreement.)

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## LEASE AGREEMENT

THIS LEASE AGREEMENT, dated March 3, 2017, by and between the DEVELOPMENT AUTHORITY OF ALPHARETTA (the "Issuer"), a public body corporate and politic of the State of Georgia, as lessor, and MMS ALPHARETTA, LLC (the "Lessee"), a limited liability company organized and existing under the laws of Georgia and authorized to do business in the State of Georgia, as lessee,

### WITNESSETH:

That in consideration of the respective representations and agreements hereinafter contained, the Issuer and the Lessee agree as follows (provided, that in the performance of the agreements of the Issuer herein contained, any obligation it may thereby incur for the payment of money shall not be a general debt on its part but shall be payable solely out of the rents, revenues and receipts derived from this Lease, the sale of the bonds referred to in Section 4.2 hereof, the insurance and condemnation awards as herein described and any other rents, revenues and receipts arising out of or in connection with its ownership of the Project as hereinafter defined):

## ARTICLE I

### DEFINITIONS

Section 1.1 Definitions. In addition to the words and terms elsewhere defined in this Lease, the following words and terms as used in this Lease shall have the following meanings unless the context or use indicates another or different meaning or intent. Terms which are not defined in this Lease shall have the meaning specified in Article I of the Indenture except as herein otherwise expressly provided or unless the context requires otherwise.

“Act” means the Development Authorities Law of the State of Georgia (O.C.G.A. Section 36-62-1 et seq.), as amended.

“Additional Bonds” means the bonds, other than the Series 2017C Bonds, authorized under the Indenture and authenticated and delivered in accordance with Sections 401 and 402 of the Indenture.

“Appurtenant Easements” means those easements benefitting the Project from time to time including easements entered into by Lessee in accordance with this Lease described in Exhibit “G”.

“Authorized Issuer Representative” means the person or persons at the time designated to act on behalf of the Issuer by certificate furnished to the Lessee and the Trustee containing the specimen signature of each such person and signed by the Chairman or Vice Chairman of the Issuer. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized Issuer Representative. Such certificate shall be effective until revoked in writing.

“Authorized Lessee Representative” means the person or persons at the time designated to act on behalf of the Lessee by written certificate furnished to the Issuer and the Trustee containing the specimen signature of each such persons and signed on behalf of the Lessee by the chairman of the board, president or any vice president of the Lessee. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized Lessee Representative. Such certificate shall be effective until revoked in writing.

“Bond” or “Bonds” means any or all of the Series 2017C Bonds and any Additional Bonds issued by the Issuer pursuant to the Indenture.

“Bond Fund” means the Bond principal and interest payment fund created by Section 602 of the Indenture and within which has been established a General Account and a Special Account. Any reference herein to the “Bond Fund” without further limitation or explanation shall be deemed to be a reference to the General Account in the Bond Fund.

The term “bondholder” or “holder of the Bonds” means the registered owner of any fully registered Bond.

“Bond Purchase Agreement” means the Bond Purchase Agreement, dated March 1, 2017, among the Issuer, the Lessee, in its capacity as Lessee under this Lease and Lessee, in its capacity as purchaser of the Series 2017C Bonds.

“Building” means those certain facilities forming part of the Project located on the Leased Land, and not constituting a part of the Leased Equipment, the acquisition, construction or installation of which or the improvements or replacement thereto, in whole or in part, is to be financed with the proceeds from the sale of the Bonds, as they may at any time exist.

“Closing Date” means the date of the issuance and delivery of the initial series of Series 2017C Bonds issued pursuant to the Indenture.

“Completion Date” means the date of completion of the acquisition, construction and installation of the Project as that date shall be certified as provided in Section 4.5 hereof.

“Construction Period” means the period beginning on the date on which the Bonds are delivered to the first purchaser or purchasers thereof or the date upon which the acquisition, construction and installation of the Project began, whichever is earlier, and ending on the Completion Date.

“Costs of the Project” means any and all costs of the acquisition, construction and development of the Project or any other “cost of project” relating to the Project as such term is defined in O.C.G.A. 36-62-2(2).

“Counsel” means an attorney or firm thereof admitted to practice law before the highest court of any State of the United States of America or the District of Columbia. An attorney for the Issuer or the Lessee may be eligible for appointment as Counsel.

“Default Rate” shall mean the lesser of (i) that rate of interest per annum equal to the lower of two percent (2%) per annum above the Prime Rate in effect from time to time, floating, or (ii) the highest lawful rate of interest.

“Direction” shall mean the Direction from Company to Request Issuer to Serve as Co-Declarant in substantially the form attached hereto as Exhibit “H” and as described in Section 4.5 hereof.

“Event of Default” means any of the events described in Section 10.1 hereof.

“Financing Statements” means any and all financing statements (including continuation statements) filed for record from time to time to perfect the security interests created by the Indenture.

“Government Obligations” means (a) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged, or (b) obligations issued by any agency controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of and interest on which is fully and unconditionally guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry



form on the books of the Department of Treasury of the United States of America), which obligations, in either case, are held in the name of the Trustee and are not subject to redemption prior to maturity by anyone other than the holder thereof.

"Indenture" means the Indenture of Trust between the Issuer and the Trustee, of even date herewith, pursuant to which, inter alia, (a) the Bonds are authorized to be issued and (b) the Issuer's interest in this Lease and the rents, revenues and receipts arising out of or in connection with the Issuer's ownership of the Project are to be pledged and assigned to the Trustee as security for the payment of the principal of and interest on the Bonds, including any indenture supplemental thereto.

"Independent Counsel" means an attorney or firm thereof duly admitted to practice law before the highest court of any state in the United States of America or the District of Columbia and not an employee of or regularly retained by either the Issuer or the Lessee.

"Issuer" means the Development Authority of Alpharetta a public body corporate and politic created and existing under the Constitution and the laws of the State of Georgia, and its lawful successors and assigns.

"Issuer Documents" means this Lease, the Indenture and the Bond Purchase Agreement and any Limited Warranty Deed and Bill of Sale.

"Lease" means this Lease Agreement as it now exists and as it may hereafter be amended pursuant to Article XIV of the Indenture.

"Lease Term" means the duration of the leasehold interest created by this Lease as specified in Section 5.1 hereof.

"Leased Equipment" means those items of machinery, equipment, furniture, fixtures and related property required herein to be acquired and/or installed with proceeds from the sale of the Bonds or the proceeds of any payment by the Lessee pursuant to Section 4.6 hereof and any item of machinery, equipment, furniture, fixtures and related property acquired and installed in substitution therefor and renewals and replacements thereof pursuant to Sections 6.2, 7.1 and 7.2 hereof, less such machinery, equipment, furniture, fixtures and related property as may be released from this Lease pursuant to Section 6.2 hereof or taken by the exercise of power of eminent domain as provided in Section 7.2 hereof, but not including the Lessee's own machinery, equipment, furniture, fixtures and related property installed under the provisions of Section 6.1 hereof. The Leased Equipment insofar as it will be initially installed as a part of the Project is more fully described in Exhibit "B" attached hereto and by this reference made a part of this Lease.

"Leased Land" means the real estate and interests in real estate described in Exhibit "A" attached hereto and by this reference made a part hereof, together with all easements, hereditaments, tenements and other rights and privileges of any kind appurtenant thereto, less such real estate and interests in real estate as may be released from this Lease pursuant to Sections 8.5 and 8.6 hereof or taken by the exercise of the power of eminent domain as provided in Section 7.2 hereof.

“Leasehold Mortgage” means any leasehold deed to secure debt entered into by the Lessee pursuant to Section 8.7 hereof.

“Leasehold Mortgagee” means a holder of a Leasehold Mortgage.

“Lender” means any financial institution which has advanced credit to the Lessee with respect to the Project.

“Lessee” means MMS Alpharetta, LLC a Georgia limited liability company, and its successors and assigns, including any surviving, resulting or transferee entity as provided in Section 8.3 hereof.

“Limited Warranty Deed” means the Limited Warranty Deed to be dated the date of actual execution and delivery pursuant to which MMS Alpharetta, LLC conveys fee simple interest in the Leased Land, subject to Permitted Encumbrances, to the Issuer.

“Limited Warranty Deed and Bill of Sale” means the Limited Warranty Deed and Bill of Sale to be executed, witnessed, notarized and delivered by Lessor to the Trustee and dated the date of actual execution and delivery in accordance with Section 11.4 hereof. The Limited Warranty Deed and Bill of Sale, in substantially the form it is to be executed and delivered, is attached as Exhibit “D” hereto.

“Loan Documents” means the loan documents with respect to any Leasehold Mortgage or Mortgage.

“Memorandum of Agreement” means the Memorandum of Agreement Regarding Lease Structure and Valuation of Leasehold Interest, dated December 1, 2016, by and among the Issuer, the Lessee and the Fulton County Board of Assessors.

“Mortgage” means, as a noun, any Leasehold Mortgage or any other fee or leasehold deed of trust, mortgage, deed to secure debt, security agreement or similar voluntary agreement creating a lien upon or security interest in or conveying title to the Project or any part thereof or any interest therein (including without limitation Lessee’s leasehold interest) as security for a debt or other obligation. As a verb, “Mortgage” means to grant any such a deed of trust, mortgage, deed to secure debt, security agreement or similar voluntary agreement creating a lien upon or security interest in or conveying title to the Project or any part thereof or any interest therein (including without limitation Lessee’s leasehold interest) as security for a debt or other obligation.

“Mortgagee” means the holder of a Mortgage.

“Net Proceeds” when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all expenses (including attorneys’ fees, any fees and/or expenses due to a Mortgagee, and any Extraordinary Expenses of the Trustee as defined in the Indenture) incurred in the collection of such gross proceeds.

The term "Payment in Full of the Bonds" specifically encompasses the situations referred to in Section 1002 of the Indenture.

"Permitted Encumbrances" means, as of any particular time, (i) liens for ad valorem taxes and special assessments not then delinquent or permitted to exist as provided in Section 6.3 hereof, (ii) this Lease, the Indenture, and the security interests created herein and in the Indenture, (iii) any Leasehold Mortgage and other encumbrances of other Loan Documents, (iv) utility, access or other easements and rights-of-way, restrictions, reservations, reversions and exceptions in the nature of easements that the Lessee certifies will not materially interfere with or impair the operations being conducted at the Project, (v) unfiled and inchoate mechanics' and materialmen's liens for construction work in progress, (vi) architects', contractors', subcontractors', mechanics', materialmen's, suppliers', laborers' and vendors' liens or other similar liens not then payable or permitted to exist as provided in Section 6.1(c) hereof, (vii) subleases to operators or residents or other tenants of portions of the Project, (viii) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as the Lessee, by an Authorized Lessee Representative, certifies do not, in the aggregate, materially impair the property affected thereby for the purpose for which it was acquired or is held by the Issuer, (ix) purchase money liens and security interests incurred for the purpose of financing the acquisition of any Leased Equipment and previously existing liens on any such Leased Equipment, (x) any Superior Encumbrances and (xi) exceptions described in any Owner's Policy of Title Insurance that may be procured by the Issuer at the request and with the consent of and at the expense of the Lessee and delivered on the date of execution and delivery of this Lease, including the rights of the tenants of the Project identified in such owner's policy of title insurance.

"Project" means the Leased Land, the Building and the Leased Equipment, as they may at any time exist.

"Project Fund" means the project fund created by Section 701 of the Indenture and referred to in Sections 4.2 and 4.3 hereof.

"Project Loan Documents" means that certain Loan Agreement (Construction), dated as of March 3, 2017, by and between the Lessee, as borrower, and State Bank & Trust Company, together with its successors and assigns, as lender (the "Construction Loan Agreement"), the Project Loan Security Deed and any and all other instruments, promissory notes and agreements evidencing or securing the indebtedness described in the Construction Loan Agreement or executed in connection therewith or in replacement thereof.

"Project Loan Security Deed" means that certain Deed to Secure Debt, Assignment of Rents and Leases and Security Agreement, dated as of March 3, 2017, made by the Lessee in favor of State Bank & Trust Company, as amended, modified, supplemented, restated or assigned.

"Project Summary" means the project summary, dated March 3, 2017, filed with the Secretary-Treasurer of the Issuer, as the same may be amended from time to time in accordance with the provisions of this Lease. The Project Summary is contained as Exhibit "C" attached hereto and by this reference made a part of this Lease.

"Security interest" or "security interests" means the security interests created in the Indenture and shall have the meaning set forth in the Uniform Commercial Code of Georgia, as now or hereafter amended.

"Series 2017C Bonds" means the Development Authority of Alpharetta Taxable Revenue Bonds (City Center Office Project), Series 2017C, authorized under the Indenture and authenticated and delivered in accordance with Section 304 of the Indenture.

"Superior Encumbrances" means all encumbrances and title exceptions on the Project in existence at the time of recording of this Lease (or a short form hereof) and any encumbrances created by any Mortgage.

"Superior Mortgagee" means State Bank & Trust Company.

"Trustee" means First Commercial Bank, a Division of Synovus Bank, or any co-trustee and any successor trustee under the Indenture.

Section 1.2 Rules of Construction. Unless the context clearly indicates to the contrary:

(a) "Herein", "hereby", "hereunder", "hereof", "hereinbefore", "hereinafter" and other equivalent words refer to this Lease and not solely to the particular portion thereof in which any such word is used

(b) Words importing the singular number shall include the plural number and vice versa, and any pronoun used herein shall be deemed to cover all genders.

(c) All references herein to particular Articles or Sections are references to Articles or Sections of this Lease.

(d) Any certificate or statement required to be delivered under the provisions of this Lease or the Indenture shall, in the absence of manifest error, be deemed to be conclusive evidence of the truth, correctness and accuracy of the matters covered in such certificate or statement.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties by the Issuer. The Issuer makes the following representations and warranties:

(a) Organization and Authority. The Issuer is a public body corporate and politic, created and validly existing pursuant to the Constitution and laws of the State of Georgia, including particularly the provisions of the Act. Under the provisions of the Act, the Issuer has the power to execute and deliver the Issuer Documents, to enter into the transactions contemplated thereby and to perform and observe its obligations contained therein in accordance with the terms thereof. By proper corporate action, the Issuer has duly authorized the execution and delivery of the Issuer Documents.

(b) Qualification of Project Under Act. The Project constitutes a "project" within the meaning of Section 36-62-2(6)(N) of the Act and is located within the corporate limits of the City of Alpharetta, Georgia.

(c) Public Purpose. The Issuer has found and hereby declares that the issuance of the Bonds and the use of the proceeds of the Bonds to finance or refinance the acquisition, construction, expansion and development of the Project and the leasing of the Project to the Lessee (and the Lessee's leasing of the Project to operators, residents and other tenants as sub-lessees) and the sale of the Project to the Lessee at the expiration or sooner termination of the Lease Term is in furtherance of the public purposes for which the Issuer was created.

(d) Agreements are Legal and Authorized. The Issuer is not subject to any charter, by-law or contractual limitation or provision of any nature whatsoever which in any way limits, restricts or prevents the Issuer from entering into the Issuer Documents or performing any of its obligations thereunder, except to the extent that such performance may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights.

(e) Limited Obligations. Notwithstanding anything herein contained to the contrary, any obligation the Issuer may hereby incur for the payment of money shall not be a general debt on its part but shall be payable solely from rents, revenues and receipts derived from this Lease, the sale of the Bonds and any other rents, revenues and receipts derived by the Issuer arising out of or in connection with its ownership of the Project (except for Unassigned Rights).

(f) Issuance of Bonds. To accomplish the foregoing, the Issuer proposes to issue an aggregate principal amount not to exceed \$7,034,821 of its Bonds following the execution and delivery of this Lease. The date, denominations, interest rate, maturity date, redemption provisions and other pertinent provisions with respect to the Bonds are set forth in the Indenture (particularly Articles II and III thereof) and by this reference thereto they are incorporated herein.

(g) Security for Bonds. The Bonds are to be issued under and secured by the Indenture, pursuant to which the Issuer's right, title and interest in this Lease (except for certain rights of indemnification and payment of expenses), and the rents, revenues and receipts arising out of or in connection with the Issuer's ownership of the Project will be assigned to the Trustee and pledged as security for the payment of the principal of and interest on the Bonds.

(h) No Prior Pledge. Neither this Lease nor the receipts and revenues generated hereunder have been pledged or hypothecated in any manner or for any purpose (other than as provided in the Indenture).

(i) Governmental Consents. Neither the nature of the Issuer nor any of its activities or properties, nor any relationship between the Issuer and any other Person, nor any circumstance in connection with the offer, issue, sale or delivery of any of the Bonds is such as to require the consent, approval or authorization of, or the filing, registration or qualification with, any governmental authority on the part of the Issuer in connection with the execution, delivery and performance of any of the Issuer Documents or the offer, issue, sale or delivery of the Bonds, other than those already obtained or filed; provided, however, no representation is made herein as to compliance with the securities or "blue sky" laws of any jurisdiction, and the Issuer shall not be required to consent to service of process in any jurisdiction or submit to the general jurisdiction of any State.

(j) No Defaults. No event has occurred and no condition exists with respect to the Issuer which would constitute an event of default, as defined therein, under any of the Issuer Documents or which, with the lapse of time or with the giving of notice or both, would become an event of default under any of the Issuer Documents; except for certain limited obligation bond issues which may be in default, but would not adversely affect the payment of the Bonds.

(k) Enforceability. Each of the Issuer Documents is a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, except to the extent the enforceability hereof may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity, and (ii) bankruptcy, insolvency, reorganization, receivership, moratorium, or other similar laws affecting creditors' rights heretofore or hereinafter enacted to the extent constitutionally applicable.

(l) No Warranty by Issuer of Condition or Suitability of the Project. The Issuer makes no warranty, either express or implied, as to the suitability or utility of the Project or as to the condition of the Project or that it is or will be suitable for the Lessee's purposes or needs.

Section 2.2 Representations and Warranties by the Lessee. The Lessee makes the following representations and warranties:

(a) Organization and Power. The Lessee is a limited liability company duly organized and validly existing under the laws of the State of Georgia and authorized to do business in the State of Georgia, has the power to enter into this Lease and to perform and

observe its obligations contained herein in accordance with the terms hereof, and has, by proper action, been duly authorized to execute, deliver and perform this Lease in accordance with the terms hereof.

(b) Pending Litigation. There are no actions, suits, proceedings, inquiries or investigations pending, or to the knowledge of the Lessee threatened, against or affecting the Lessee in any court or before any governmental authority or arbitration board or tribunal which is reasonably anticipated to materially and adversely affect the transactions contemplated by the Lease or which is reasonably anticipated to adversely affect the validity or enforceability of the Bonds or the Lease or the ability of the Lessee to perform its obligations under any of the foregoing.

(c) Agreements Are Valid and Authorized. The execution and delivery by the Lessee of the Lease and the compliance by the Lessee with all of the provisions hereof and the consummation of the transactions contemplated hereby (A)(i) are within the power of the Lessee, (ii) will not conflict with or result in any breach of any of the terms, conditions or provisions of, or constitute a default under, its articles of organization, its operating agreement or any commitment, agreement or instrument of whatever nature to which the Lessee is a party or by which it may be bound, or to which any of its properties may be subject, or any license, judgment, decree, law, statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Lessee or any of its activities or properties and (iii) except as contemplated herein, will not result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Lessee under the terms of any instrument or agreement, and (B) have been duly authorized by all necessary action on the part of the Lessee.

(d) Governmental Consents. Neither the Lessee nor any of its business or properties, nor any relationship between the Lessee and any other Person, nor any circumstance in connection with the execution, delivery and performance by the Lessee of the Lease, or the offer, issue, sale or delivery by the Issuer of the Bonds to the Lessee under the Bond Purchase Agreement, is such as to require the consent, approval or authorization of, or the filing, registration or qualification with, any governmental authority on the part of the Lessee, other than those already obtained as of the Closing Date; provided, however, no representation is made herein as to compliance with the securities or "blue sky" laws of any jurisdiction.

(e) No Defaults. No event has occurred and no condition exists with respect to the Lessee that would constitute an Event of Default or which, with the lapse of time or with the giving of notice or both, would become an Event of Default.

(f) Governmental Approvals. The Project will be acquired, constructed and installed in such manner as to conform in all material respects with all applicable zoning, planning, building and other regulations of governmental authorities having jurisdiction over the Project and all necessary utilities will be available in all material respects to the Project.



(g) Enforceability. This Lease is a legal, valid and binding obligation of the Lessee enforceable in accordance with its terms, except to the extent the enforceability hereof may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity, and (ii) bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights heretofore or hereinafter enacted to the extent constitutionally applicable.

(h) Operation of Project. The Lessee presently intends to operate the Project, located wholly within the City of Alpharetta within Fulton County, Georgia, in a manner consistent with the Act, from the Completion Date until the expiration or sooner termination of the Lease Term as provided herein.

### ARTICLE III

#### LEASING CLAUSES AND WARRANTY OF TITLE

Section 3.1 Lease of the Project. The Issuer hereby leases to the Lessee, and the Lessee hereby leases from the Issuer, subject to Permitted Encumbrances, the Project at the rental set forth in Section 5.3 hereof and in accordance with the provisions of this Lease.

The Issuer hereby grants to the Lessee an easement in gross over such portions of the Project as necessary for the purpose of acquiring, constructing, installing, repairing, restoring, maintaining and operating the Project.

Moreover, the Issuer hereby authorizes and directs Lessee to exercise all rights under this Lease (and perform all obligations), and the Appurtenant Easements, subject to the Permitted Encumbrances as if Lessee were the fee simple owner of the Project. This authorization and appointment of the Lessee pursuant to the foregoing sentence and all authority hereby conferred or granted is conferred and granted irrevocably, until the expiration or earlier termination of this Lease. The Issuer hereby agrees that third parties shall be entitled to rely on the authorization and appointment set forth in this paragraph.

The Issuer further hereby assigns to the Lessee any and all other rights, claims and entitlements as may exist with respect to fee interest encumbered by this Lease as may be necessary or desirable in connection with the construction and development of the Project and agrees that the Lessee may exercise such rights during the term of this Lease, all as if the Lessee were the fee simple owner of the Project.

Section 3.2 Warranty of Title. The Issuer for itself, its successors and assigns, warrants to the Lessee, its successors and assigns, that the Issuer has good, valid and marketable title in and to the Leased Land, free from all encumbrances except Permitted Encumbrances. The Issuer agrees that, upon the request of the Lessee, it will furnish to the Lessee, and at the Lessee's expense, a title insurance policy issued by a title insurance company designated by the Lessee and in a face amount to be determined by the Lessee.

The Issuer agrees that it shall upon request of the Lessee join where necessary in any proceeding to protect and defend the Issuer's title in and to the Project, provided that the Lessee shall pay the entire cost of any such proceeding, reimburse and indemnify and hold harmless the Issuer from any cost or liability whatsoever in connection with such proceeding.

Section 3.3 Quiet Enjoyment; Agreement to Enter Into Subordination, Non-Disturbance and Attornment Agreements.

(a) The Issuer warrants and covenants that it will defend the Lessee in the quiet enjoyment and peaceable possession of the Leased Land, and all appurtenances thereunto belonging, free from all claims of all persons whomsoever acting by, through or under the Issuer, throughout the Lease Term.

In addition to the foregoing warranty, the Issuer agrees that it will not take or cause another party to take any action to interfere with the Lessee's peaceful and quiet enjoyment of the Project. The Issuer agrees that in the event the peaceful and quiet enjoyment of the Project shall otherwise be denied to the Lessee or contested by anyone, the Issuer shall upon request of the Lessee join where necessary in any proceeding to protect and defend the quiet enjoyment of the Lessee, provided that, unless such denial or contest shall result from the gross negligence or willful misconduct of the Issuer, the Lessee shall pay the entire cost of any such proceeding, reimburse and indemnify and hold harmless the Issuer from any cost or liability whatsoever.

The provisions of this section shall apply so long as the Lessee shall perform the covenants, conditions and agreements to be performed by it hereunder, or so long as the period for remedying any default in such performance shall not be expired.

(b) So long as there shall not have occurred and be continuing an Event of Default under this Lease, the Issuer hereby agrees to enter into and shall enter into from time to time, upon the prior written request of the Lessee, any Subordination, Non-Disturbance and Attornment Agreement in substantially the form approved by the Issuer and the Lessee.

Section 3.4 Limitations of Warranties. The warranties of the Issuer which are contained in Sections 3.2 and 3.3 hereof shall be limited to the extent and in such amount as may be collected from time to time from the Lessee under the Lease; provided, however that nothing contained in this Section shall restrict the Issuer's liability resulting from the Issuer's gross negligence.

Section 3.5 Agreement of the Issuer to Execute Amendment to Lease Agreement. The Issuer and the Lessee understand and agree that portions of the Leased Land and/or items of the Leased Equipment may be removed from this Lease in accordance with the provisions hereof and that certain items of personal property may be acquired by the Lessee and conveyed to the Issuer or may be acquired directly by the Issuer from time to time hereafter. The Issuer agrees to execute from time to time an amendment or amendments to the Lease Agreement in substantially the form contained as Exhibit "E" hereto or such other form as may be reasonably satisfactory to the Issuer and the Lessee, and the additional property added thereby shall become a part of the Project and leased by the Issuer to the Lessee pursuant to this Lease.

Section 3.6 Agreement of the Issuer to Subordinate to any Mortgage. At Lessee's request and with the prior written consent of the owners of a majority in principal amount of Bonds outstanding, the Issuer shall subordinate its fee simple interest and estate in the Project to any Mortgagee. In furtherance of such obligation, the Issuer shall execute and deliver any deed to secure debt, assignment of leases, joinder, subordination agreement, recognition agreement, consent or other documents reasonably requested by Lessee and with the prior written consent of the owners of a majority in principal amount of Bonds outstanding.

## ARTICLE IV

### COMMENCEMENT AND COMPLETION OF THE PROJECT; ISSUANCE OF THE BONDS; ADDITIONAL BONDS

Section 4.1 Agreement to Construct and Install the Project on the Leased Land. Not later than the delivery of this Lease the Issuer will have acquired the title in and to the Leased Land which it warrants in Section 3.2 hereof and, subject to the provisions of Section 4.6 hereof, the Lessee agrees that, as principal and not as agent for the Issuer, it will cause the acquisition, construction, development and installation of the Buildings, and will cause to be acquired and installed the Leased Equipment, to consist of machinery, equipment and related property described in the list attached hereto as Exhibit "B" and such other items of machinery, equipment and related property as in the Lessee's judgment may be necessary or desirable for the operation of the Project and as shall from time to time prior to the Completion Date be specified in written orders from the Lessee to the Issuer, all of which acquisitions, developments and installations shall be made substantially in accordance with directions given by the Lessee. Subject to Section 13.13 hereof, the Buildings and the Leased Equipment shall be the property of the Issuer and subject to the terms of this Lease. The Lessee will proceed as promptly as practicable after the date of execution of this Lease Agreement to complete the acquisition, construction and equipping of the Project. Items of used equipment, as well as new equipment, may be included in the Project. The Lessee may, using its own funds, pay any of the costs of the Project, and acquire any property which is to be a part of the Project in its own name, for the purpose of the later transfer of such property by the Lessee to the Issuer pursuant hereto. The Lessee is not authorized to and will not obligate the Issuer for any of the costs of completing the Project. The Lessee may make changes in the Project, so long as such changes do not cause the Project to be unsuitable for its intended purpose or to fail to constitute a "project" under the Act or to violate any applicable provisions of law.

The Issuer, to the maximum extent permitted by law, hereby makes, constitutes and appoints the Lessee as its true, lawful and exclusive agent for the acquisition, construction, development and installation of the Project, and the Lessee hereby accepts such agency to act and do all things on behalf of the Issuer, to perform all acts of the Issuer herein before provided in this Section 4.1, and to bring any actions or proceedings against any person which the Issuer might bring with respect thereto as the Lessee shall deem proper. The Issuer hereby ratifies and confirms all actions of, and assumes and adopts all contracts entered into by, the Lessee with respect to the Project prior to the date hereof. This appointment of the Lessee to act as agent and all authority hereby conferred or granted is conferred and granted irrevocably, until all activities in connection with the acquisition, construction, development and installation of the Project shall have been completed, and shall not be terminated prior thereto by act of the Issuer or of the Lessee.

The Issuer agrees that it will enter into, or accept the assignment of, such contracts, easements or other document affecting the Project as the Lessee may request in order to effectuate the purposes of this Section, but that it will not (i) execute any contract, easement or any other document affecting the Project, or any amendment, modification or termination of any such document unless and until the Authorized Lessee Representative shall have approved the same in writing or (ii) give any order for the construction of the Building or any modification thereto or

the acquisition, development and installation of the Leased Equipment unless and until the Authorized Lessee Representative shall have approved the same in writing.

The Lessee agrees to complete the acquisition, construction, development and installation of the Project as promptly as practicable after the date of the execution and delivery of this Lease, to continue said construction with all reasonable dispatch and to use commercially reasonable efforts to cause said construction to be completed as soon as practicable, delays incident to strikes, riots, acts of God or the public enemy beyond the reasonable control of the Lessee only excepted, but if said acquisition, construction, development and installation is not completed within the time herein contemplated there shall be no resulting liability on the part of the Lessee and no diminution in or postponement of the rents required in Section 5.3 hereof to be paid by the Lessee.

The Leased Equipment shall be tagged or otherwise adequately identified in the records of the Lessee in such manner so as to permit its identification as part of the Leased Equipment.

**Section 4.2 Agreement to Issue Bonds; Application of Bond Proceeds.** In order to provide funds for payment, directly or indirectly, of the Costs of the Project provided for in Section 4.1 hereof, the Issuer agrees that as soon as possible it will authorize, sell and cause to be delivered to the initial purchaser or purchasers thereof, the Bonds, bearing interest and maturing as set forth in Article III of the Indenture, at a price to be approved by the Lessee. Upon receipt of the proceeds derived from the sale of the Bonds, the Issuer will deposit said proceeds received upon said sale in the Project Fund.

This Series 2017C Bond and the interest hereon shall not be deemed to constitute a debt or a general obligation or a pledge of the faith and credit of the State of Georgia or of Fulton County, Georgia, or the City of Alpharetta, Georgia (the "City") and does not directly, indirectly or contingently obligate said State the County or City to levy or to pledge any form of taxation whatever for the payment of such principal and interest. This Series 2017C Bond is payable solely from the rental payments and other payments received under this Lease Agreement together with all other rents, revenues and receipts arising out of or in connection with the Issuer's ownership of the Project (except for certain Unassigned Rights) and the Issuer is obligated to pay the principal of and the interest on this Series 2017C Bond only from the fund entitled Development Authority of Alpharetta Taxable Revenue Bond Fund – City Center Office Project (the "Bond Fund"), created in the Indenture. The Issuer has no taxing power. No recourse shall be had for the payment of the principal of and the interest on this Series 2017C Bond against any officer, director, agent, employee or member of the Issuer.

**Section 4.3 Disbursements from the Project Fund.** The Issuer will in the Indenture authorize and direct the Trustee to use the moneys in the Project Fund for the following purposes:

- (a) Payment of the initial or acceptance fee of the Trustee and customary and reasonable fees and expenses of the Trustee (including reasonable counsel fees actually incurred and reasonable expenses of counsel); the fees and expenses payable to the Issuer (including reasonable counsel fees actually incurred and reasonable expenses of counsel);

the fees and expenses for recording or filing the Limited Warranty Deed whereby fee simple title in and to the Leased Land has been or is to be conveyed to the Issuer; the fees and expenses for recording or filing this Lease (or a memorandum thereof), the Indenture and any other documents by which this Lease is assigned as security for the Bonds; the fees and expenses for recording or filing any documents that the Lessee may deem desirable to file for record in order to protect the title of the Issuer to the Project, or any part thereof; and the fees and expenses in connection with any actions or proceedings that the Lessee may deem desirable to bring in order to perfect or protect the title of the Issuer to the Project;

(b) Payment to the Lessee and the Issuer, as the case may be, of such amounts, if any, as shall be necessary to reimburse the Lessee and the Issuer in full for all advances and payments made by them or either of them prior to or after the delivery of the Bonds for expenditures in connection with the acquisition by the Issuer or the Lessee of fee simple title to the Leased Land (including the cost of the Leased Land and of any options to purchase the Leased Land and rights-of-way for the purpose of providing access to and from the Leased Land), clearing the Leased Land, site improvement, the preparation of the plans and specifications for the Project (including any preliminary study or planning of the Project or any aspect thereof), the acquisition, construction, development, and installation of the Project, the acquisition, construction, development and installation necessary to provide utility services or other facilities including trackage to connect the Project with public transportation facilities, and the acquisition, construction, development and installation of all real or personal properties deemed necessary in connection with the Project, and any architectural, engineering and supervisory services with respect to any of the foregoing;

(c) Payment of, or reimbursement of the Issuer or the Lessee for, the customary and reasonable legal and accounting fees and expenses, financial consultants' fees, rating agencies' fees, financing charges (including underwriting or placement fees) and printing and engraving costs incurred in connection with the authorization, sale and issuance of the Bonds, the preparation of this Lease or any amendment hereto, the Indenture, the Financing Statements and all other documents in connection therewith and in connection with the acquisition of title to the Project and any financing obtained from the Lessee's lenders;

(d) Payment for labor, services, materials and supplies used or furnished in site improvement and in the acquisition, construction, development and installation of the Project, all as provided in the plans and specifications therefor; payment for the cost of the acquisition, construction, development and installation of utility services or other facilities including trackage to connect the Project with public transportation facilities, and payment for the cost of all real and personal property deemed necessary in connection with the Project; and payment for the miscellaneous expenses incidental to any of the foregoing;

(e) Payment of the fees, if any, for architectural, engineering and supervisory services with respect to the Project;

(f) Payment, as such payments become due, of the fees and expenses of the Trustee and the fees and expenses of its counsel properly incurred under the Indenture that may become due during the Construction Period;

(g) To such extent as they shall not be paid by a contractor for acquisition, construction, development or installation with respect to any part of the Project, payment of the premiums on all insurance required to be taken out and maintained during the Construction Period under this Lease, or reimbursement thereof if paid by the Lessee under Section 6.4 hereof;

(h) Payment of the taxes, assessments and other charges, if any, referred to in Section 6.3 hereof that may become payable during the Construction Period;

(i) Payment of expenses incurred with approval of the Lessee in seeking to enforce any remedy against any contractor or subcontractor in respect of any default under a contract relating to the Project;

(j) All moneys remaining in the Project Fund (including moneys earned on investments made pursuant to the provisions of Section 4.8 hereof) after the Completion Date and payment in full of the costs of the acquisition, construction, development and installation of the Project, and after payment of all other items provided for in the preceding subsections of this Section then due and payable shall, at the written direction of the Authorized Lessee Representative, be (i) used for the purchase of Bonds for the purpose of cancellation, or (ii) paid into the Bond Fund, or (iii) a combination of (i) and (ii) as is provided in such direction, provided that amounts approved by the Lessee and the Authorized Issuer Representative shall be retained by the Trustee in the Project Fund for payment of Project costs not then due and payable. Any balance remaining of such retained funds after full payment of all such Project costs shall be used by the Trustee as directed by the Lessee in the manner specified in clauses (i), (ii) and (iii) of this subsection; and

(k) Any other Costs of the Project.

Anything contained in this Section 4.3 to the contrary notwithstanding, if the Bond Purchaser is also the Lessee, in lieu of making a deposit into the Project Fund, the Bond Purchaser may make an internal book entry notation to denote that funds have been advanced by the Bond Purchaser on behalf of the Issuer to the Lessee as payment or reimbursement of Project costs.

The payments specified in subsections (a) through (k) of this Section shall be made by the Trustee only upon receipt of the following:

(a) A written Requisition for such payment signed by the Lessee by an Authorized Lessee Representative in the form contained as Exhibit "F" hereto;

(b) A certification by the Lessee certifying:

(1) that an obligation in the stated amount has been incurred by or on behalf of the Issuer or the Lessee in connection with the issuance of the Bonds or the acquisition, construction, development and installation of the Project;



(2) that such obligation is a proper charge against the Project Fund and has not been the basis of any previous withdrawal from the Project Fund, and specifying the purpose and circumstances of such obligation in reasonable detail and to whom such obligation is owed;

(3) that the Lessee has no notice of any vendor's, mechanic's, or other liens or right to liens, chattel mortgages or conditional sales contracts, or other contracts or obligations (other than Permitted Encumbrances and those being contested in good faith as permitted in Section 6.1(c) hereof) which should be satisfied or discharged before such payment is made; and

(4) that such requisition contains no item representing payment on account of any retained percentages which the Issuer or the Lessee is, as of the date of such requisition, entitled to retain under retained percentage agreements.

(c) with respect to any such requisition, for payment for labor, services, material, supplies or equipment, a certificate, signed on behalf of the Lessee by an Authorized Lessee Representative, certifying that insofar as such obligation was incurred for labor, services, material, supplies or equipment in connection with the acquisition, construction, development and installation of the Project, such labor and services were to the Lessee's knowledge performed and such material, supplies or equipment were or are to be used in connection with the acquisition, construction, development and installation of the Project or delivered at the site of the Project for that purpose. If any such requisition for materials, supplies or equipment requires reimbursement for such item to the Lessee where title is not in the Issuer, such requisition shall so state and shall include any bill of sale necessary to convey title in and to such item to the Issuer. Such certificate shall be given without prejudice against any rights of the Issuer or the Lessee against third parties which exist on the date thereof.

In making any such payment from the Project Fund the Trustee may rely on any such requisitions and certificates delivered to it pursuant to this Section and the Trustee shall be relieved of all liability with respect to making such payments in accordance with such requisitions and such certificates without inspection of the Project or any other investigation.

Section 4.4 Obligation of the Parties to Cooperate in Furnishing Documents to Trustee. The Issuer and the Lessee agree to cooperate with each other in furnishing to the Trustee the documents referred to in Section 4.3 hereof that are required to effect payments out of the Project Fund, and to cause such requisitions and certificates to be directed by the Authorized Issuer Representative and the Authorized Lessee Representative to the Trustee as may be necessary to effect payment out of the Project Fund in accordance with Section 4.3 hereof. Such obligation of the Issuer and the Lessee is subject to any provisions of this Lease or the Indenture requiring additional documentation with respect to payments and shall not extend beyond the moneys in the Project Fund available for payment under the terms of the Indenture.

Section 4.5 Establishment of Completion Date. The Completion Date shall be evidenced to the Issuer and Trustee by a certificate signed on behalf of the Lessee by an Authorized Lessee Representative stating that, except for amounts retained by the Trustee for Project costs not

then due and payable as provided in Section 4.3(j) hereof, (i) the acquisition, construction, development and installation of the Project has been substantially completed and all labor, services, materials and supplies used in such acquisition, construction, development and installation have been paid for, and (ii) the Project has been acquired, constructed and installed to the Lessee's satisfaction and all costs and expenses incurred in connection therewith have been paid, and (iii) all permissions required of governmental authorities for the occupancy of the Project have been obtained, including a certificate of occupancy. Notwithstanding the foregoing, such certificate of the Lessee shall state that it is given without prejudice to any rights against third parties which exist on the date of such certificate or which may subsequently come into being. The Issuer and the Lessee agree to cooperate one with the other in causing such certificate to be furnished to the Trustee.

Once the Completion Date has been established, the Company shall deliver the Direction to the Issuer. The Issuer agrees to execute the acknowledgement to such Direction, and agrees to serve as a co-declarant with the Company in connection with the filing of the Amended and Restated Declaration (as defined in the Direction).

The Issuer and the Company acknowledge and agree that after the Completion Date has been established and the Amended and Restated Declaration (as defined in the Direction) has been recorded, by such recording the legal description attached hereto as Exhibit "A" will be deemed replaced with the legal description corresponding to the Office Unit under the Amended and Restated Declaration without any further action of the parties hereto, and the Issuer and the Company shall thereafter execute an amendment to this Lease and any memorandum thereof to memorialize such updated legal description. In addition, the Issuer and the Company will also execute, to the extent necessary, replacement Conveyance Documents (as defined in Section 11.4 hereof) to be held in escrow by the Trustee, reflecting such revisions to the legal description.

Section 4.6 Lessee Required to Pay Project Costs in Event Project Fund Insufficient. In the event that moneys in the Project Fund available for payment of the costs of the Project should not be sufficient to pay the costs thereof in full, and if Additional Bonds are not issued to finance the completion of the Project, the Lessee agrees to complete the Project and to pay all that portion of the costs of the Project as may be in excess of the moneys available therefor in the Project Fund. The Issuer does not make any warranty, either express or implied, that the moneys which will be paid into the Project Fund and which, under the provisions of this Lease, will be available for payment of the costs of the Project, will be sufficient to pay all the costs which will be incurred in that connection. The Lessee agrees that if after exhaustion of the moneys in the Project Fund, the Lessee should pay any portion of the costs of the Project pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from the Issuer or from the Trustee or from the holders of any of the Bonds nor shall it be entitled to any diminution in or postponement of the rental payments required in Section 5.3 hereof to be paid by the Lessee.

Section 4.7 Pursuit of Remedies Against Suppliers, Contractors and Subcontractors and Their Sureties. In the event of any default of any supplier, contractor or subcontractor under any contract made by it in connection with the Project or in the event of breach of warranty with respect to any material, workmanship or performance guaranty, the Lessee may proceed, either separately or in conjunction with others, to exhaust the remedies available to it against any defaulting supplier, contractor or subcontractor and against any surety therefor, for the performance of any contract made in connection with the Project. The Lessee may, in its own name

or in the name of the Issuer, prosecute or defend any action or proceeding or take any other action involving any such supplier, contractor, subcontractor or surety which the Lessee deems reasonably necessary, and in such event the Issuer hereby agrees to cooperate fully with the Lessee and to take all action necessary to effect the substitution of the Lessee for the Issuer in any such action or proceeding. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing prior to the Completion Date shall be paid to the Lessee.

Section 4.8 Investment of Project Fund Moneys Permitted. Any moneys held as part of the Project Fund shall be invested or reinvested by the Trustee upon the written request and direction of the Authorized Lessee Representative in:

(i) Bonds or obligations of counties, municipal corporations, school districts, political subdivisions, authorities, or bodies of the State;

(ii) Bonds or other obligations of the United States or of subsidiary corporations of the United States Government which are fully guaranteed by such government;

(iii) Obligations of agencies of the United States Government issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, and the Central Bank for Cooperatives;

(iv) Bonds or other obligations issued by any Public Housing Agency or Municipal Corporation in the United States, which such bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States Government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States Government;

(v) Certificates of deposit of national or state banks located within the State which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan associations located within the State which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depositary, custodian, or trustee for any such bond proceeds. The portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, if any, shall be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State, of one or more the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of this state or of any county or municipal corporation in the State, obligations of the United States or subsidiary corporations included in paragraph (ii) hereof, obligations of the agencies of the United

States Government included in paragraph (iii) hereof, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities included in paragraph (iv) hereof;

(vi) Repurchase agreements with respect to obligations included in (i), (ii), (iii), (iv) or (v) above and any other investments to the extent at the time permitted by then applicable law for the investment of public funds; and

(vii) Securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

(A) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in paragraph (ii) hereof and repurchase agreements fully collateralized by any such obligations;

(B) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;

(C) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and

(D) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State.

Such investments shall mature or shall be subject to sale prior to maturity in such amounts and at such times as may be necessary to provide funds when needed to make payments from the Project Fund. The Trustee may make any and all such investments through its own bond department. Any interest or gain received from such investments of the moneys in the Project Fund shall be credited to and held in the Project Fund and any loss from such investments shall be charged against the Project Fund.

Section 4.9 Issuance of Additional Bonds. So long as there shall not have occurred and be continuing an Event of Default hereunder or an event of default under the Indenture, in its sole discretion, the Issuer shall, from time to time at the request of the Lessee, but only to the extent permitted under applicable law, issue Additional Bonds in aggregate principal amounts as requested by the Lessee under the terms and conditions provided herein and in the Indenture, but in no event shall the Issuer be liable for not issuing Additional Bonds. Additional Bonds may be issued to finance or refinance the cost of (a) completing the acquisition, construction, development and installation of the Project, (b) providing for the enlargement, improvement, expansion or replacement of the Project, (c) refunding all of the Bonds of any one or more series then outstanding or (d) any combination of the foregoing; provided, in any case, that either prior to or contemporaneously with the issuance of Additional Bonds (i) the terms, conditions, manner of issuance, purchase price, delivery and contemplated disposition of the proceeds of the sale of such Additional Bonds shall have been approved in writing by the Lessee, executed by the Lessee, and

(ii) the conditions specified in the Indenture with respect to the issuance of such Additional Bonds shall have been satisfied.

## ARTICLE V

### EFFECTIVE DATE OF THIS LEASE; DURATION OF LEASE TERM; RENTAL PROVISIONS

Section 5.1 Effective Date of this Lease; Duration of Lease Term. This Lease shall become effective upon its delivery (the "Commencement Date") and the leasehold interest created by this Lease shall then begin, and, subject to the other provisions of this Lease (including particularly Articles X, XI, and XII hereof), shall expire at midnight, December 31, 2028 (the "Termination Date"), or if at said time and on said date Payment in Full of the Bonds shall not have been made, then on such date as such payment shall have been made, but in no event later than the date that is four years following the Termination Date.

Section 5.2 Delivery and Acceptance of Possession. The Issuer agrees to deliver to the Lessee sole and exclusive possession of the Project (subject to the right of the Trustee and Issuer to enter thereon for inspection and other purposes as set forth in Section 8.2 hereof) on the Completion Date and the Lessee agrees to accept possession of the Project upon such delivery; provided, however, that the Lessee shall be granted access to the Project prior to the Completion Date for the sole purpose of constructing and developing the Project as agent of the Issuer and the Lessee may install and maintain its own equipment during the Construction Period.

Section 5.3 Rents and Other Amounts Payable. Subject to Section 208 of the Indenture and the Home Office Payment Agreement, by and among the Issuer, the Trustee and the Lessee, on or before January 1, 2018, and on or before each January 1 and July 1 in each year thereafter until Payment in Full of the Bonds, the Lessee shall pay or cause to be paid to the Trustee for the account of the Issuer as rents for the Project a sum equal to the amount payable on such date as principal of and interest on the Bonds, as provided in the Indenture. Each rental payment under this Section shall be sufficient to pay the total amount of principal and interest payable on such semiannual interest payment date, and if at any semiannual interest payment date the balance in the Bond Fund is insufficient to make required payments of principal and interest on such date, the Lessee shall forthwith pay any such deficiency. The right of the Trustee, as assignee of the Issuer, shall be subject to the rights of a Lender under any Loan Documents.

Anything herein to the contrary notwithstanding, any amount at any time held by the Trustee in the Bond Fund shall be credited against the next succeeding rental payment and such credit shall reduce the payment to be then made by the Lessee; and further, if the amount held by the Trustee in the Bond Fund should be sufficient to pay at the times required the principal of and interest on all Bonds then remaining unpaid, the Lessee shall not be obligated to make any further rental payments under the provisions of this Section.

The Lessee agrees to pay to the Trustee until Payment in Full of the Bonds (i) at least once a year an amount equal to the annual fee of the Trustee for the Ordinary Services of the Trustee rendered and its Ordinary Expenses incurred under the Indenture, (ii) the reasonable fees of Trustee's counsel as provided herein and in the Indenture, as and when the same become due, and (iii) the reasonable fees and charges of the Trustee for Extraordinary Services rendered by it and Extraordinary Expenses incurred by it as such terms are defined in the Indenture, as and when the same become due; provided, that the Lessee may, without creating a default hereunder,

withhold such payment to contest in good faith the necessity for any such Extraordinary Services and Extraordinary Expenses and the reasonableness of any such Extraordinary Services and Extraordinary Expenses.

If the Lessee should fail to make any of the payments required in this Section, the item or installment so in default shall continue as an obligation of the Lessee until the same shall have been fully paid, and the Lessee agrees to pay the same with interest thereon, to the extent legally enforceable, at the Default Rate per annum until paid. The provisions of this Section shall be subject to the provisions of Section 9.6 hereof.

Section 5.4 Place of Rental Payments. The rents provided for in the first paragraph of Section 5.3 hereof and the interest on delinquent rents shall be paid directly to the Trustee for the account of the Issuer and will be deposited in the Bond Fund subject to the provisions of Section 208 of the Indenture. The other payments provided for in Section 5.3 hereof shall be paid directly to the Trustee for its own use or for disbursement to any other paying agent on the Bonds, as the case may be.

Section 5.5 Obligations of Lessee Hereunder Absolute and Unconditional. Subject to the provisions of Section 9.6 hereof, the obligations of the Lessee to make the payments required in Section 5.3 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional and with no right of setoff. Until such time as Payment in Full of the Bonds shall have been made, the Lessee (i) will not suspend or discontinue any payments provided for in Section 5.3 hereof except to the extent the same have been prepaid, (ii) will perform and observe all of its other agreements contained in this Lease, and (iii) except as provided in Sections 11.1 hereof, will not terminate the Lease Term for any cause, including, without limiting the generality of the foregoing, failure of the Issuer to complete the Project, failure of the Issuer's title in and to the Project or any part thereof, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of Georgia or any political subdivision of either thereof or any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Lease or the Indenture. Nothing contained in this Section shall be construed to release the Issuer from the performance of any of the agreements on its part herein contained; and if the Issuer should fail to perform any such agreement, the Lessee may institute such action against the Issuer as the Lessee may deem necessary to compel performance or recover its damages for nonperformance so long as such action shall not conflict with the agreements on the part of the Lessee contained in the preceding sentence. The Lessee may, however, at its own cost and expense and in its own name or in the name of the Issuer, prosecute or defend any action or proceeding or take any other action involving third persons which the Lessee deems reasonably necessary or in order to insure the acquisition, construction, development, installation and completion of the Project or to secure or protect its right of possession, occupancy and use of the Project hereunder, and in such event the Issuer hereby agrees to cooperate fully with the Lessee and to take all lawful action which is required to effect the substitution of the Lessee for the Issuer in any such action or proceeding if the Lessee shall so request.



Section 5.6 Lessee's Performance under Indenture. The Lessee agrees, for the benefit of the holders from time to time of the Bonds, to do and perform all acts and things contemplated in the Indenture to be done or performed by it.

## ARTICLE VI

### MAINTENANCE AND MODIFICATIONS, TAXES AND INSURANCE

#### Section 6.1 Maintenance and Modifications of Project by Lessee.

(a) The Lessee will cause the Project to be maintained, preserved and kept in good repair, working order and condition and will from time to time cause to be made all necessary and proper repairs, replacements and renewals; provided, however, that the Lessee will have no obligation to cause to be maintained, preserved, repaired, replaced or renewed any element or unit of the Project, the maintenance, repair, replacement or renewal of which, in the opinion of the Lessee, becomes uneconomic to the Lessee because of damage or destruction or obsolescence, or change in economic or business conditions, or change in government standards and regulations, or the termination by the Lessee of the operation of the facilities to which such element or unit of the Project is an adjunct. For purposes of this Section 6.1, upon the request of Issuer, the "opinion of the Lessee" shall be expressed to the Issuer and the Trustee by delivery of a certificate of an Authorized Lessee Representative to the effect that the circumstances, situations or conditions described in this Section 6.1 exist to the extent that the Lessee is not required to cause to be maintained any element or unit of the Project.

The Lessee covenants that as long as the Lessee or one of its subsidiaries or affiliates operates the Project, it or one of its subsidiaries or affiliates will cause the Project to be maintained and operated as a "project" within the meaning of the Act as in effect on the date hereof.

(b) The Lessee may from time to time, in its sole discretion, at its own expense and not from the proceeds of the Bonds, make any additions, modifications or improvements to the Project, including installation of additional machinery, equipment and related property in the Building or on the Leased Land, which it may deem desirable for its business purposes. All machinery, equipment and related property so installed by the Lessee shall remain the sole property of the Lessee in which neither the Issuer nor the Trustee shall have any interest unless the Lessee has requested that such machinery, equipment and other related property be subject to this Lease and incorporated into the Project. Other than such machines, equipment and other related property incorporated into the Project, all such machinery, equipment and other related property may be modified or removed at any time; provided that any damage to the Project occasioned by such modification or removal shall be repaired by the Lessee at its own expense.

(c) The Lessee shall not permit any mechanics' liens, materialmen's liens or other liens to be established and remain against the Project for labor or materials furnished or services rendered in connection with any additions, modifications, improvements, repairs, renewals or replacements so made by it; provided, that if the Lessee shall first notify the Trustee of its intention so to do, the Lessee may in good faith contest any mechanics' liens, materialmen's liens or other liens filed or established against the Project, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Issuer or the Trustee

shall notify the Lessee that, in the opinion of Independent Counsel, by nonpayment of any such items, the Project or any material part thereof or the revenues from the Project will be subject to loss or forfeiture, in which event the Lessee shall promptly pay and cause to be satisfied and discharged all such unpaid items. The Issuer will cooperate fully with the Lessee in any such contest.

**Section 6.2 Removal of Leased Equipment.** The Issuer shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable, inappropriate or unnecessary Leased Equipment. In any instance where the Lessee in its sole discretion determines that any such items have become inadequate, obsolete, worn out, unsuitable, undesirable, inappropriate or unnecessary for their purposes at such time, the Lessee may remove such items of Leased Equipment and (on behalf of the Issuer) sell, trade in, exchange or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the Issuer or the Trustee therefor, provided that the Lessee shall certify that such removal or substitution shall not impair the operation of the Project.

At the option of the Lessee, at any time prior to the Completion Date, the Lessee may pay the proceeds of any such sale, trade-in or other disposition of such items of Leased Equipment to the Trustee with written instructions to deposit such moneys into the Project Fund whereupon such moneys shall become a part of the Project Fund and used in the manner set forth in Article IV hereof.

The removal from the Project of any portion of the Leased Equipment pursuant to the provisions of this Section shall not entitle the Lessee to any abatement or diminution in amount of the rents payable under Section 5.3 hereof.

Upon the request of the Lessee, the Issuer shall deliver and cause or direct the Trustee to deliver to the Lessee an Amendment to Lease Agreement in substantially the form of Exhibit "E" hereto or other appropriate documents conveying to the Lessee title to any property removed from the Project pursuant to this Section 6.2 and releasing the same from the provisions of this Lease.

The preceding provisions of this Section 6.2 shall apply only so long as any part of the principal of or the interest on any of the Bonds remains unpaid. After full payment of the principal of and the interest on the Bonds, neither the Issuer nor the Lessee shall be under any obligation to renew, repair or replace any of the Leased Equipment that may become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary in the operation of the Project, and after such full payment the Lessee may, if in its sole discretion any item of the Leased Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary in the operation of the Project, remove such item of Leased Equipment from the Project and (on behalf of the Issuer) sell, trade in, exchange or otherwise dispose of it, without any responsibility or accountability to the Issuer therefor and without being required to substitute and install in the Project other equipment in substitution therefor, and may retain any money or other consideration received by it upon any disposition of any such item of Leased Equipment.

**Section 6.3 Taxes, Other Governmental Charges and Utility Charges.**

(a) The Issuer and the Lessee further acknowledge that under present law no part of the Project owned by the Issuer and financed with the proceeds of the Bonds from time to time will be subject to ad valorem taxation by the State of Georgia or by any political or taxing subdivision thereof, and that under present law the income and profits (if any) of the Issuer from such portions of the Project are not subject to either Federal or Georgia taxation and these factors have induced the Lessee to enter into this Lease. However, subject to the Memorandum of Agreement, the Lessee shall pay, as the same become lawfully due and payable, (i) all taxes and governmental charges of any kind whatsoever upon or with respect to the interest held by the Lessee under this Lease, (ii) all taxes and governmental charges of any kind whatsoever upon or with respect to the Project or any machinery, equipment or related property installed or brought by the Lessee therein or thereon (including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the income or profits of the Issuer from the Project which, if not paid, will become a charge on the rents, revenues and receipts from the Project prior to or on a parity with the pledge or assignment thereof created and made in the Indenture), (iii) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project and (iv) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Project; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as are required to be paid during the Lease Term.

(b) The Lessee may, at its own expense and in its own name and behalf or in the name and behalf of the Issuer, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments and other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Issuer or the Trustee shall notify the Lessee that, in the opinion of Independent Counsel, by nonpayment of any such items the rents, revenues or receipts derived from the Project will be materially endangered or the Project or any material part thereof will be subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid promptly. The Issuer shall cooperate fully with the Lessee in any such contest. If the Lessee shall fail to pay any of the foregoing items required by this Section to be paid by the Lessee, the Issuer or the Trustee may (but shall be under no obligation to) pay the same and any amounts so advanced therefor by the Issuer or the Trustee shall become an additional obligation of the Lessee to the one making the advancement, which amounts, together with interest thereon at the Default Rate the date thereof, the Lessee agrees to pay.

**Section 6.4 Insurance Required.** Throughout the Lease Term, the Lessee shall insure the Project against such property and personal injury risks as is consistent with its insurance practices in effect from time to time, in any event. In lieu of separate insurance policies, such insurance may be in the form of a blanket insurance policy or policies of the Lessee. Insurance policies may be written with deductible amounts and exceptions and exclusions as the Lessee deems necessary in the normal course of its business. The Issuer and the Trustee shall be named as additional insured under any such insurance policy or policies, as their respective interest may appear. The Issuer shall receive thirty (30) days written notice of cancellation of any such insurance policy.

Section 6.5 Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.4 hereof shall be paid to the Lessee, subject to the rights of any Mortgagee of Lessee. Nothing contained in this Section 6.5 shall relieve the Lessee of its obligations contained in Section 7.1 hereof.

Section 6.6 Additional Provisions Respecting Insurance. All claims made under any insurance policies carried pursuant to the requirements of Section 6.4 hereof, regardless of amount, may be adjusted by the Lessee with the insurers or by the holder of the Project Loan Security Deed.

The Lessee shall furnish to the Issuer at closing and annually thereafter evidence satisfactory to the Issuer that it is in compliance with the requirements of Section 6.4 hereof and that such insurance provides coverage of at least \$10,000,000 for third party liability.

Section 6.7 Other Issuer Expenses. Anything to the contrary herein notwithstanding, the Lessee shall pay any expenses not specifically mentioned herein which are reasonably incurred by the Issuer in connection with the Project, this Lease, the Indenture or the Bonds, and which are not paid from the Project Fund pursuant to Section 4.3 hereof.

Section 6.8 Advances by Issuer or Trustee. If the Lessee fails to maintain the full insurance coverage required by this Lease or fails to keep the Project in as reasonably safe condition as its operating conditions will permit, or fails to keep the Project in good repair and good operating condition to extent required by Section 6.1 hereof, the Issuer or the Trustee may (but unless satisfactorily indemnified shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or make the required repairs, renewals and replacements if the Lessee shall fail to do so within fifteen (15) days after written notice of failure to do so has been delivered to Lessee by the Trustee or the Issuer; and all amounts so advanced therefor by the Issuer or the Trustee will become an additional obligation of the Lessee to the one making the advancement, which amounts, together with interest thereon at the Default Rate from the date thereof, the Lessee agrees to pay.

Section 6.9 Indemnification of Issuer and the Trustee. The Lessee shall, to the extent permitted by applicable law, indemnify and save the Issuer and the Trustee and the officers, directors, members, agents, employees and attorneys of each harmless against and from all claims by or on behalf of any person, firm or corporation or governmental entity arising from the conduct or management of, or from any work or thing done on, the Project during the Lease Term, and against and from all claims arising during the Lease Term from (a) any condition of the Project, (b) any breach or default on the part of the Lessee in the performance of any of its obligations under this Lease, (c) any contract entered into in compliance with the provisions of Section 4.1 hereof in connection with the acquisition, construction, development and installation of the Project, (d) any act of negligence of the Lessee or of any of its agents, contractors, servants, members, employees or licensees, (e) any act of negligence of any assignee or sublessee of the Lessee, or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of the Lessee, (f) in the case of the Issuer and the Trustee and the respective officers, directors, members, agents of each, against and from any loss, liability, expense or claim arising under or in connection with the acceptance or administration of the Trust Estate, (g) any future resale of the Bonds, and (h) including without limiting the generality of the foregoing, any loss, liability or expense arising

under the Comprehensive Environmental Response Compensation and Liability Act of 1980 as amended, and any other environmental statute, rule or regulation relating solely to the acts or omissions occurring following the execution of this Lease. The Lessee shall indemnify and save the Issuer and the Trustee and the officers, directors, members, agents, employees and attorneys of each harmless from and against all costs and expenses incurred in or in connection with any action or proceeding brought on such claims, and upon notice from the Issuer or the Trustee, the Lessee shall defend them or either of them in any such action or proceeding. Nothing contained herein shall require the Lessee to indemnify the Issuer and the Trustee and the officers, directors, members, agents, employees and attorneys of each for any claim or liability resulting from the Issuer's or the Trustee's own willful misconduct or gross negligence or for any claim or liability which the Lessee was not given the opportunity to contest. The Issuer or the Trustee shall reimburse the Lessee for payments made by the Lessee pursuant to this Section 6.9 to the extent of any proceeds, net of all expenses of collection, actually received by either such party from any insurance covering such claims with respect to the losses sustained. The Issuer or the Trustee, as applicable shall promptly claim any such insurance proceeds and shall assign its rights to such proceeds, to the extent of such required reimbursement, to the Lessee. In case any action shall be brought against the Issuer or the Trustee in respect of which indemnity may be sought against the Lessee, the Issuer or the Trustee, as applicable shall promptly notify the Lessee in writing and the Lessee shall have the right to assume the investigation and defense thereof including the employment of counsel and the payment of all expenses. Failure to give any such notice shall not affect the right of the Issuer or Trustee, as applicable, to receive the indemnification provided herein; unless such failure resulted from the gross negligence or willful misconduct of the Issuer or the Trustee, such failure could not be remedied and the result of such failure is that the interests of the Lessee were materially and adversely affected as a direct result of such failure. The Issuer or the Trustee, as applicable shall have the right to employ separate counsel in any such action and participate in the investigation and defense thereof, but the fees and expenses of such counsel shall be paid by the Issuer or the Trustee unless (i) the employment of such counsel has been authorized by the Lessee or, (ii) the Lessee shall have failed promptly after receiving notice of such action from the Issuer or the Trustee, as applicable, to assume the defense of such action and employ counsel reasonably satisfactory to the Issuer or the Trustee, as applicable, or (iii) the named parties to any such action (including any impleaded parties) include both the Issuer or the Trustee, as applicable, and the Lessee or an affiliate of the Lessee, and the Issuer or the Trustee, as applicable, shall have been advised by counsel that there may be one or more legal defenses available to such party which are different from or in addition to those available to the Lessee or affiliate of the Lessee or (iv) the Issuer or the Trustee, as applicable, shall have been advised by counsel that there is a conflict on any legal issue between the Issuer or the Trustee, as applicable, and the Lessee (in which case, if the Issuer or the Trustee, as applicable, notifies the Lessee in writing that it elects to employ separate counsel at the expense of the Lessee, the Lessee shall not have the right to assume the defense of such action or proceeding on behalf of the Issuer or the Trustee, as applicable). The Lessee shall not be liable for any settlement of any such action without its consent but, if any such action is settled with the consent of the Lessee or if there be a final unappealable judgment for the plaintiff in any such action, the Lessee agrees to indemnify and hold harmless the Issuer and the Trustee and the officers, directors, members, agents, employees and attorneys of each from and against any loss by reason of such settlement or judgment. Nothing herein shall be construed as requiring the Issuer or the Trustee to acquire or maintain insurance of any form or nature with respect to the Project or any portion thereof or with respect to any phrase, term, provision,

condition or obligation of this Lease or any other matter in connection herewith. The obligations of the Lessee under this Section 6.9 shall survive the termination of this Lease, the resignation or removal of the Trustee, and the satisfaction and discharge of the Indenture and shall continue in full force and effect, binding the Lessee to the provisions of this Section 6.9 without regard to the manner of termination of this Lease.

The Lessee shall indemnify the Trustee and its agents for, and hold them harmless against, any and all loss, damage, claim, liability or expense, including taxes (other than taxes based upon, measured by or determined by the income of the Trustee), arising out of or in connection with the acceptance or administration of the trust or trusts hereunder and under the Indenture including the costs and expenses of defending itself against any claim (whether asserted by the Lessee, the Issuer, any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties under the Indenture, or in connection with enforcing the provisions of this Section, except to the extent that such loss, damage, claim, liability or expense is due to its own negligence or willful misconduct. Such indemnity and hold harmless obligations are subject to the same terms, conditions and procedures as set forth above.



## ARTICLE VII

### DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.1 Damage and Destruction. Unless the Lessee shall have exercised its options to prepay the Bonds in whole, terminate the Lease Term and purchase the Project, if prior to Payment in Full of the Bonds the Project is damaged or destroyed by fire or other casualty, the Lessee shall be obligated to continue to make the rental payments specified in Section 5.3 hereof and shall, at the written direction of 100% of the holders of the Bonds outstanding, promptly replace, repair, rebuild or restore the property damaged to substantially the same condition as existed prior to the event causing such damage, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Lessee and as will not impair operating unity of the Project or change its character to such an extent that its ownership by the Issuer would not be permitted under the laws pursuant to which the Issuer was created. The Issuer hereby acknowledges and agrees that the Issuer shall have no right to settle any claim with regard to any damage or destruction of the Project without Lessee's written approval, which approval may be granted or withheld in Lessee's sole and absolute discretion. All casualty insurance proceeds shall be made available to Lessee, subject to the rights of any Mortgagee of Lessee.

Section 7.2 Condemnation. Unless the Lessee shall have exercised its options to prepay the Bonds in whole, terminate the Lease Term and purchase the Project, if the title in and to, or the temporary use of, the Project or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Lessee shall be obligated to continue to make the rental payments specified in Section 5.3 hereof, and shall, at the written direction of 100% of the holders of the Bonds outstanding, cause the restoration of the Project to substantially the same condition as it existed prior to the exercise of the said power of eminent domain, or shall acquire and install other machinery, equipment or related property suitable for the Lessee's operations at the Project, title to which machinery, equipment or related property will be conveyed to the Issuer by bill of sale and which will be deemed a part of the Project and available for use and occupancy by the Lessee without the payment of any rent other than the payments specified in Section 5.3 hereof. Issuer hereby acknowledges and agrees that Issuer shall have no right to convey any portion of the Project in lieu of condemnation or settle any claim with regard to condemnation without Lessee's written approval, which approval may be granted or withheld in the Lessee's sole and absolute discretion. All condemnation proceeds and proceeds received in lieu of condemnation shall be made available to Lessee, subject to the rights of any Mortgagee of Lessee.

Section 7.3 Proceeds of Insurance and Condemnation Awards. All Net Proceeds of casualty insurance resulting from claims for such losses and all Net Proceeds of any condemnation award shall be paid to the Lessee, subject to the provisions of any Mortgage or Leasehold Mortgage. Issuer hereby acknowledges and agrees that Issuer shall have no right to convey any portion of the Project in lieu of condemnation or settle any claim with regard to condemnation without Lessee's written approval, which approval may be granted or withheld in Lessee's sole and absolute discretion.



## ARTICLE VIII

### SPECIAL COVENANTS

Section 8.1 No Warranty of Condition or Suitability by the Issuer. THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE PROJECT OR THAT IT WILL BE SUITABLE FOR THE LESSEE'S PURPOSES OR NEEDS. The Lessee releases the Issuer from, agrees that the Issuer shall not be liable for and agrees, to the extent permitted by applicable law, to hold the Issuer harmless against, any loss that may be occasioned by the condition of the Project or its suitability for the Lessee's purposes or needs.

Section 8.2 Inspection of Project; Right of Access to the Project by the Issuer. The Lessee agrees that upon at least 48 hours written notice to the Lessee and any subtenant, the Authorized Issuer Representative, the Trustee or the Issuer or either of their duly authorized agents who are acceptable to the Lessee shall have the right at all reasonable times during business hours, to enter upon, examine and inspect the Project, provided that this does not result in any interference or prejudice to the Lessee's operations and subject to any reasonable restriction imposed by the Lessee or such subtenant for the protection of its patents, trademarks, trade secrets and other confidential proprietary information. Notwithstanding the foregoing, if the Lessee is not in default hereunder, such inspection shall only be made with five days prior written notice to Lessee and in the presence of an official of the Lessee.

Section 8.3 Lessee to Maintain Its Corporate Existence; Exceptions Permitted. The Lessee agrees that as long as the Bonds, or any portion thereof shall remain outstanding, it shall maintain its existence and shall not merge or consolidate with any other entity and shall not transfer or convey all or substantially all of its property (other than the assignment of this Lease and the Project as permitted under the terms of this Lease), assets and licenses; provided however, the Lessee may without violating any provisions of this Lease consolidate with or merge into another domestic entity or permit one or more domestic legal entities to consolidate with or merge into or transfer or convey all or substantially all of its assets to another domestic legal entity, but only on the condition that the assignee legal entity or the legal entity resulting from or surviving such merger or consolidation (if other than the Lessee) or legal entity to which such transfer is made is then solvent and shall expressly assume in writing and agree to pay and to perform all of the Lessee's obligations under this Lease. If the Lessee is the surviving entity in such a merger the express assumption shall not be required.

Section 8.4 Qualification in Georgia. The Lessee warrants (except as may be otherwise permitted pursuant to the provisions of Section 8.3 above) that it is and throughout the Lease Term it will continue to be a limited liability company either organized under the laws of the State of Georgia or duly qualified to do business in the State of Georgia, as the case may be.

#### Section 8.5 Granting and Release of Easements.

(a) If no Event of Default shall have happened and be continuing, the Lessee may at any time or times cause to be granted, modified, amended, released or terminated easements, licenses, rights-of-way (temporary or perpetual and including the dedication of

public highways), other rights or privileges in the nature of easements with respect to any property included in the Project and other contracts or agreements helpful in effecting the development, construction, maintenance, operation or restoration of the Project and such grant will be free from the lien or security interests created by the Indenture or this Lease, and the Issuer agrees that it shall execute and deliver and will cause the Trustee to execute and deliver any instrument necessary or appropriate to confirm, grant, amend, modify, terminate or release any such easement, license, right-of-way, other right or privilege or other document within ten (10) business days upon receipt of: (i) a copy of the instrument of grant or release, and (ii) a written application of the Lessee signed by an Authorized Lessee Representative requesting such instrument and stating (1) that such grant or release is not detrimental to the proper conduct of the business of the Lessee, and (2) that such grant or release will not impair the effective use or materially interfere with the operation of the Project and will not materially weaken, diminish or impair the security intended to be given by or under the Indenture.

(b) The Lessee may at any time or times cause to be granted, modified, amended, released or terminated easements, licenses, rights-of-way (temporary or perpetual and including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property included in the Project, or the Lessee may cause to be released existing easements, licenses, rights-of-way and other rights or privileges in the nature of easements, held with respect to any property included in the Project with or without consideration and the Issuer agrees that at the request of the Lessee it shall execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easements, license, right-of-way or other right or privilege.

#### Section 8.6 Priority of Title; Granting of Mortgages.

(a) The Issuer and Lessee acknowledge and agree that Issuer holds fee simple title to the Project subject to the Project Loan Documents and, in addition, that the Lease (including all rights and obligations under Articles XI and XII hereof) is and shall remain at all times subject to and subordinate in all respects to the Project Loan Documents and the rights of the Mortgagee thereunder. The Issuer and Lessee also covenant and agree that in the event of a foreclosure sale pursuant to any Mortgage, then Mortgagee shall have the right, at its option, to (i) assume the duties and obligations of the Lessee under this Lease for the duration of the Lease term, (ii) conduct the foreclosure sale of the Project subject to the Lease and affirm the Lease, in which event the Issuer, the Lessee and the purchaser at the foreclosure sale, as successor Lessee, shall execute, upon request of such purchaser, such reasonable documentation as is necessary to effectuate the affirmation of the Lease pursuant to Section 9.1, or (iii) conduct the foreclosure sale and transfer title to the Project free and clear from any lien or interest of the Issuer or the Lessee.

(b) Issuer acknowledges and agrees that Lessee (including, without limitation, successors or assigns of MMS Alpharetta, LLC, as Lessee) shall have the right to refinance the Project from time to time and such refinancing may require that the Lessee execute or cause to be executed one or more Mortgages and Leasehold Mortgages. In that regard and upon receipt of the written request of the Lessee and with the written consent of the holders of not less than a majority in aggregate principal amount of the Bonds then outstanding,

the Issuer agrees to execute and deliver to any prospective Mortgagee any Mortgage encumbering the Issuer's fee simple interest in the Project as security for any debt of Lessee or any affiliate of the Lessee. In addition, upon the written request of the Lessee and with the consent of the holders of not less than a majority in aggregate principal amount of the Bonds then outstanding, the Issuer shall execute and deliver such subordination agreements, recognition agreements, consents or other documents or instruments in recordable form having the effect of subordinating all or any part of its interest in the Project and this Lease to the interests of the Mortgagee. Any recourse against the Issuer pursuant to a Mortgage shall be limited to the Project.

#### Section 8.7 Leasehold Security Deeds/Cooperation of Issuer.

Lessee is hereby given the right by the Issuer to enter into one or more Leasehold Mortgages with respect to the Project, the rents and Net Proceeds therefrom, and any amendments, modifications, consolidations or extensions thereto, and may assign this Lease to a lender as collateral security under any such permitted Leasehold Mortgage.

The Issuer shall, at Lessee's written request, join in any such new Leasehold Mortgage or execute a separate security deed in order to subject its fee interest in the Project, and any interest it may have in the rents and Net Proceeds therefrom, to the lien of such Leasehold Mortgage or separate security deed provided that such Leasehold Mortgage or separate security deed shall be fully non-recourse to the Issuer and the Issuer shall deliver such other documents or instruments as the holder of the Leasehold Mortgage or separate security deed shall reasonably require in connection therewith.

If Lessee shall give a permitted Leasehold Mortgage with respect to the Project, Lessee shall provide the Issuer and the Trustee with notice of the Leasehold Mortgage and the name and address of the Leasehold Mortgagee, and the Trustee shall subordinate its interest in the Trust Estate to the lien of such Leasehold Mortgage. Subject to compliance with law, the Issuer agrees that (i) with respect to the Project Loan Security Deed and (ii) following receipt of such notice by the Issuer with respect to any Leasehold Mortgage, and so long as the Project Loan Security Deed or the Leasehold Mortgage, as applicable, shall not be discharged or reconveyed, or until written notice of discharge and reconveyance is given by the Superior Mortgagee or the Leasehold Mortgagee, as applicable, to the Issuer and to the Trustee, the following provisions shall apply with respect to this Lease:

(a) No termination, cancellation, surrender or modification of this Lease by Lessee, including, without limitation, any amendment, supplement or modification to the Project Summary or "Exhibit A" to the Lease, nor the waiver by Lessee of any of the provisions of this Lease nor the giving by Lessee of any consent, shall be effective as to the Leasehold Mortgage unless consented to in writing by the Leasehold Mortgagee.

(b) The Issuer or the Trustee, upon providing Lessee any notice of (i) default under this Lease or (ii) a matter on which the Issuer or the Trustee may predicate or claim a default, shall at the same time provide a copy of such notice to the Leasehold Mortgagee of which the Issuer and Trustee have been provided notice as provided above. The Issuer and the Trustee shall have no liability for the failure to give any such notice, except that no

such notice by the Issuer or by the Trustee to Lessee shall be deemed to have been duly given to Lessee or the Leasehold Mortgagee unless and until a copy thereof has been so provided to the Leasehold Mortgagee of which the Issuer and the Trustee have been provided notice as provided above.

(c) So long as the Leasehold Mortgage is in effect and has not been canceled, unless the Leasehold Mortgagee shall otherwise expressly consent in writing, the fee simple title in and to the Project held by the Issuer and the leasehold estates of Lessee created by this Lease shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said fee simple title and said leasehold estate by the Issuer or by Lessee or by a third party, by purchase or otherwise.

(d) Notices from the Issuer or from the Trustee to the Leasehold Mortgagee shall be mailed to the address furnished to the Issuer and Trustee, as aforesaid, and those from the Leasehold Mortgagee to the Issuer or to the Trustee shall be mailed to the address designated pursuant to the provisions of this Lease. Such notices, demands and requests shall be given in the manner described in this Lease.

(e) In the event of any proceeding by either the Issuer or Lessee under the United States Bankruptcy Code (Title 11 U.S.C.) as now or hereafter in effect:

(i) If this Lease is rejected as to the Project in connection with a bankruptcy proceeding by Lessee or a trustee in bankruptcy for Lessee, (1) such rejection shall be deemed an assignment by Lessee to the Leasehold Mortgagee of the leasehold estate in the Project and all of Lessee's interest under this Lease, (2) this Lease shall not terminate, and (3) the Leasehold Mortgagee shall have all rights of the Leasehold Mortgagee under this Section 8.7 as if such bankruptcy proceeding had not occurred, unless the Leasehold Mortgagee shall reject such deemed assignment by notice in writing to the Issuer and to the Trustee within thirty (30) days following rejection of this Lease by Lessee or Lessee's trustee in bankruptcy. If any court of competent jurisdiction shall determine that this Lease shall have been terminated notwithstanding the terms of the preceding sentence as a result of rejection by Lessee or the trustee in bankruptcy in connection with any such proceeding, the Issuer shall promptly, within a reasonable time, provide the Leasehold Mortgagee with written notice that this Lease has been terminated (for the purposes of this clause "(i)" a "New Lease Notice"). The Issuer agrees to enter into a new lease of the Project (for purposes of this clause "(i)", a "New Lease") with the Leasehold Mortgagee of the Project or its designee for the remainder of the Lease Term of this Lease, effective as of the date of termination, upon the terms, covenants and conditions of this Lease provided.

The Leasehold Mortgagee shall make written request upon the Issuer for such New Lease within thirty (30) days after the date the Leasehold Mortgagee receives the New Lease Notice given pursuant to this subsection.

Any New Lease made pursuant to this subsection shall have the same priority with respect to any lien, charge or encumbrance on the Project

as this Lease, and the tenant under such New Lease shall have the same right, title and interest in and to the project as Lessee has under this Lease as of the date of such New Lease.

(ii) If this Lease is rejected by the Issuer or by the Issuer's trustee in bankruptcy:

Lessee shall not have the right to treat this Lease as terminated except with the prior written consent of the Leasehold Mortgagee; and the right to treat this Lease as terminated in such event shall be deemed assigned to the Leasehold Mortgagee, whether or not specifically set forth in the Leasehold Mortgage, so that the concurrence in writing of Lessee and such Leasehold Mortgagee shall be required as a condition to treating this Lease as terminated in connection with such proceeding.

Unless this Lease is treated as terminated in accordance with Subsection (ii)(A) above, then this Lease shall continue in effect upon all the terms and conditions set forth herein (including indemnification of the Issuer), but excluding requirements that are not then applicable or pertinent to the remainder of the Lease Term.

(f) The Issuer shall have no rights in and to the rentals payable to Lessee under any sublease(s) of all or any part of the Project, which rentals Issuer acknowledges may be assigned by Lessee to the Leasehold Mortgagee of the Project.

(g) The Issuer acknowledges that, in the event of damage to or taking of the improvements that are part of the Project due to casualty or condemnation, the Net Proceeds of casualty insurance or condemnation, as the case may be, may be required by the Leasehold Mortgagee to be applied to reduce the then balance of the indebtedness secured by the Leasehold Mortgage or may be required by Leasehold Mortgagee to be used for the restoration or replacement of such improvements. In the event of any conflict between the provisions of this Lease and the provisions of a Leasehold Mortgage with respect to application of the Net Proceeds of casualty insurance and condemnation, the provisions of the Leasehold Mortgage shall control.

(h) Notwithstanding any provisions of this Lease to the contrary, no default or event of default under the Leasehold Mortgage or any other document or instrument evidencing or securing the indebtedness secured by the Leasehold Mortgage will, in and of itself, constitute a default or Event of Default under this Lease unless the Leasehold Mortgagee directs that the same be treated as an Event of Default under this Lease.

(i) (i) Issuer acknowledges that, if the Leasehold Mortgagee or any other party succeeds to the interest of Lessee in the Project under this Lease as a result of foreclosure proceedings or sale under a power of sale or the granting of a deed in lieu of foreclosure, the Leasehold Mortgagee or any such other party, and any transferee of Leasehold Mortgagee or such other party (each, a "Successor Tenant"), shall become a substituted Lessee under this Lease without necessity of any consent of, approval by or notification to Issuer or Trustee provided that such Successor Tenant agrees to Subsection (ii) hereunder. Without the consent of Issuer or the Trustee, the Successor



Tenant shall have the right to sell and assign its leasehold estate in the Project or sublease the Project as provided in Section 9.8 hereof without necessity of any consent of, approval by or notification to Issuer. As used in this Lease, the terms "leasehold estate" or "leasehold" shall mean the estate in the Project created by this Lease.

(ii) The Successor Tenant shall be required to assume such Lessee's obligations under this Lease including indemnification of the Issuer, and shall be deemed to have agreed to perform all of such Lessee's obligations hereunder only from and after the date of such acquisition and only for so long as such Successor Tenant is the owner of the leasehold estate. The Successor Tenant shall, upon any subsequent assignment of the leasehold estate and the assumption by such assignee of this Lease in writing, be relieved of all obligations under this Lease.

(ii) So long as any Successor Tenant is the owner of the leasehold estate, the Issuer and the Trustee shall look solely to the interest of such Successor Tenant in the Project in the event of the breach or default by such Successor Tenant under the terms of this Lease and any judgment or decree to enforce the obligations of such Successor Tenant shall be enforceable only to the extent of the interest of such Successor Tenant in the Project.

(iii) Upon the request of any such Successor Tenant, Issuer agrees to enter into a new, separate direct lease for the Project with any such Successor Tenant for the remainder of the term remaining hereunder at the same rent and having the same other provisions as this Lease, as theretofore amended.

(j) As long as a Leasehold Mortgagee (including any successor or assign) holds a Leasehold Mortgage:

(i) That Leasehold Mortgagee may, but shall not be obligated to, cure any default by the Lessee under this Lease within sixty (60) days after Leasehold Mortgagee's receipt of Issuer's or Trustee's default notice; provided, however, that if any non-monetary default reasonably cannot be cured within such sixty (60) day-period, the same shall be deemed to have been timely cured if that Leasehold Mortgagee commences reasonably appropriate curative action within such sixty (60) day-period and diligently prosecutes same to completion thereafter. If any such non-monetary default reasonably cannot be cured by Leasehold Mortgagee without Leasehold Mortgagee obtaining possession of the Project, such sixty (60) day cure period shall not commence until Leasehold Mortgagee obtains possession of the Project, as long as all rent payments are made and all other defaults which reasonably can be cured by Leasehold Mortgagee without Leasehold Mortgagee obtaining possession of the Project are so cured, and provided that Leasehold Mortgagee commences to exercise any rights under its Leasehold Mortgage to obtain possession or to effect foreclosure on the Project, and diligently pursues the exercise of such rights thereafter.

(ii) Notwithstanding anything in this Lease to the contrary, if any, default by the Lessee under this Lease is of such a nature that it reasonably cannot

be cured by such Leasehold Mortgagee, or reasonably cannot be cured by such Leasehold Mortgagee without such Leasehold Mortgagee obtaining possession of the Project, neither the Issuer nor the Trustee shall terminate this Lease as long as all rent payments are made with respect to the Project and all other defaults which reasonably can be cured by such Leasehold Mortgagee without obtaining possession of the Project are so cured.

(iii) Such Leasehold Mortgagee may exercise any renewal option or any purchase option relating to the Project to which the Lessee under the Lease is now or hereafter entitled under this Lease.

(iv) Neither the Issuer nor the Trustee shall terminate this Lease as to the Project without first giving the Leasehold Mortgagee (i) written notice of its intent to terminate this Lease and (ii) a reasonable period after such notice in which to obtain possession of the Project or to effect foreclosure or otherwise acquire the leasehold estate from the Lessee and, within a reasonable time thereafter, to cure any default which is capable of being cured by such Leasehold Mortgagee without such Leasehold Mortgagee obtaining possession of the Project. If such Leasehold Mortgagee cures those defaults which reasonably can be cured by such Leasehold Mortgagee without obtaining possession of the Project, then Issuer will not terminate this Lease. Further, neither the Issuer nor the Trustee shall exercise any remedies for a default under this Lease as it relates to any property pledged under any Leasehold Mortgage without the prior written consent of the Leasehold Mortgagee which is the holder thereof.

(v) In addition to the rights of any Leasehold Mortgagee set forth in this Lease, if the Lease is terminated due to an Event of Default under this Lease, and if, after giving effect to the provisions of Section 10.2 of this Lease, as amended, or any other agreements or state of facts, the lien of the Leasehold Mortgagee's Leasehold Mortgage on the Project would be terminated, Issuer will enter into a new lease (for purposes of this clause "(v)", the "New Lease" with such Leasehold Mortgagee for the remainder of the term which was theretofore terminated at the same rent and having the same other provisions as this Lease, as theretofore amended). Such right may be exercised (whether under the provisions of this paragraph or under the provisions of this Lease) by written notice from the Leasehold Mortgagee to Issuer on or before the expiration of thirty (30) days after the receipt by the Leasehold Mortgagee of a written notice from Issuer (for the purposes of this clause "(v)", a "New Lease Notice") of such termination, which notice shall advise such Leasehold Mortgagee of such termination and expressly refer to the New Lease rights of such Leasehold Mortgagee under the provisions of this Lease. After any termination of this Lease after which such Leasehold Mortgagee has the right to obtain a New Lease as provided in this Section 8.7, for so long as such Leasehold Mortgagee has such right, Issuer shall not terminate any tenant subleases or the rights of any subtenant.

(vi) Within ten (10) days after request by such Leasehold Mortgagee from time to time made, Issuer will execute and deliver to such Leasehold

Mortgagee or to such other person or entity as may be specified by such Leasehold Mortgagee an estoppel certificate containing such information concerning this Lease as such Leasehold Mortgagee may reasonably request.

Section 8.8 Filing of Certain Continuation Statements. Pursuant to Section 1214 of the Indenture, from time to time, the Trustee, at the sole expense of the Lessee, shall duly file or cause to be filed continuation statements for the purpose of continuing without lapse the effectiveness of (i) those Financing Statements which shall have been filed at or prior to the issuance of the Bonds in connection with the security for the Bonds pursuant to the authority of the Uniform Commercial Code of Georgia, and (ii) any previously filed continuation statements which shall have been filed as herein required. The Lessee shall sign (if necessary) and deliver to the Issuer or its designee and the Issuer shall sign and deliver to the Trustee such continuation statements as may be requested of it from time to time by the Trustee. Upon the filing of any such continuation statement the Trustee shall immediately notify the Lessee and the Issuer that the same has been accomplished if so requested.

Section 8.9 Special Environmental Indemnification.

(a) the Lessee agrees to and shall indemnify, hold harmless, and defend the Issuer and Trustee, its officers, directors, members, agents, and employees from and against any and all claims, losses, damages, expenses, causes of action, lawsuits, government regulatory enforcement actions, and liability (individually, a "Claim," collectively, "Claims") asserted against the Issuer or Trustee arising out of alleged or actual "environmental contamination" (hereinafter defined) arising from the Lessee's leasing and operation of the Project existing prior to the termination or expiration of this Lease and not arising from the Issuer's or the Trustee's gross negligence or willful misconduct.

(b) "Environmental contamination" as used herein shall mean damages to persons or property or violations of state or federal environmental laws or regulations arising out of the Lessee's past operations at the Project or the operations of the Lessee at any time at the Project with respect to but not limited to air emissions, water effluent discharges, and waste generation, transportation, storage, disposal, or the handling of hazardous materials.

(c) The Issuer or the Trustee, as the case may be, shall notify the Lessee in writing within thirty (30) days after any Claim is made, brought, or asserted, in any event, in writing, against the Issuer or the Trustee, as the case may be, and as to which the Issuer or the Trustee, as the case may be, has actual knowledge by receipt of such written notification. The Lessee shall similarly notify the Issuer or the Trustee, as the case may be, in writing within thirty (30) days after any Claim is made, brought, or asserted against the Lessee.

(d) The Issuer or the Trustee, as the case may be, shall fully cooperate with the Lessee, including but not limited to, assisting the Lessee in the preparation of a defense to Claims when and as the Lessee fulfills its obligations under this Section of the Lease. In the event the Issuer or the Trustee, as the case may be, provides notice to the Lessee under subsection (c) above, the Lessee shall handle and control the defense of all Claims and the

Lessee's decision on litigation and settlement and all other such aspects shall be final; provided, however, no settlement or decision shall impose upon the Issuer by apportionment or otherwise, any loss, damage or liability as a result thereof.

(e) The Issuer or the Trustee, as the case may be, shall use its best efforts to deliver the notice specified in subsection (c) above within a period of thirty (30) days after the Issuer or the Trustee, as the case may be, has direct knowledge (by receipt of written notice or otherwise) of a Claim.

(f) The provisions of this Section 8.9 shall survive the termination of this Lease and shall continue in full force and effect, binding the Lessee to the provisions of this Section 8.9 without regard to the manner of termination of this Lease the satisfaction and discharge of the Indenture, or the resignation or removal of the Trustee.

Section 8.10 Compliance with Laws. The Lessee agrees that it will comply with any applicable law, ordinance, rule or regulation of any governmental authority with respect to its use of the Project; provided, however, that the Lessee may, at its expense and in its name and behalf, in good faith contest the validity, constitutionality or imposition or application of any such laws, ordinance, rule or regulation through appropriate proceedings without being in default under this Lease Agreement.

Section 8.11 Limitation of Liability of Directors, Officers, Members, Agents and Employees of the Issuer. Nothing herein shall be deemed to be an obligation of any officer, director, member or employee of Issuer in his or her individual capacity, and neither the directors of the Issuer or any officer thereof executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No director, officer, member, agent or employee of the Issuer shall incur any personal liability with respect to any other action taken by him or her pursuant to this Lease or the Indenture.

Section 8.12 Information for Tax Valuation Purposes. In order to permit the Fulton County Board of Assessors to fulfill its property valuation responsibility generally and pursuant to the Memorandum of Agreement, the Lessee agrees to promptly provide the Fulton County Board of Assessors with all such relevant information as the Fulton County Board of Assessors may request, either directly or through or with the assistance of the Issuer, relating to the Project and the Lessee's interest therein, including, without limitation, financial information regarding capital expenditures for the acquisition, construction, development, installation and equipping of the Project, as well as specific information relating to any leases or subleases entered into by the Lessee relating to the Project or any portion thereof other than any information that, in the sole determination of the Lessee, constitutes confidential, privileged and/or trade-secret information.

Section 8.13 Economic Development Goals. The Lessee projects that following commencement of the Project and by November 1, 2017 (the "Compliance Determination Date"), it would make or cause to be made aggregate capital expenditures of approximately \$7,034,821 towards the acquisition, construction, installation and development of the Project. The Lessee also projects that by the Compliance Determination Date the Project will generate, directly or indirectly, approximately 155 new employment opportunities and approximately 70

construction jobs for individuals able to present the paperwork necessary to obtain legal employment. The Lessee acknowledges and represents that the aforementioned projected capital expenditures and employment opportunities (collectively, the "Economic Development Goals") constitute good faith, reasonable expectations for the proposed Project, on which the Issuer may rely for the purposes of this Lease Agreement. The Lessee covenants to exercise its commercially reasonable efforts to achieve, or make reasonable progress to achieve under the applicable circumstances, the Economic Development Goals before the Compliance Determination Date. The Lessee further covenants that it shall deliver to the Issuer on or before the Compliance Determination Date, and as reasonably requested by the Issuer, such additional documentation and information as may be necessary in order for the Issuer to ascertain and monitor the Lessee's progress towards fulfillment of the Economic Development Goals as of the Compliance Determination Date.

## ARTICLE IX

### ASSIGNMENT, PLEDGING AND SELLING; REDEMPTION; RENT PREPAYMENT AND ABATEMENT

#### Section 9.1 Assignment and Subleasing

(a) Subleasing. Lessee may sublease the Project, as a whole or in part. No sublease shall relieve Lessee from primary liability for any of its obligations hereunder, and in the event of any such sublease, Lessee shall continue to remain primarily liable for payment of the rents specified in Section 5.3 hereof and for the payment, performance and observance of the other obligations and agreements on its part herein provided to be performed and observed by it. Lessee shall furnish or cause to be furnished to the Issuer, upon request, assurances reasonably satisfactory to the Issuer that the Project will continue to be operated in compliance with the provisions hereof and for purposes permitted by the Act. The Issuer shall have the right, at any time and from time to time, to notify any sublessee of the rights of the Issuer as provided by this Section.

(b) Assignment. Except as set forth in Sections 9.2, 9.3 and 9.8 below, this Lease may not be assigned, in whole or in part, by Lessee without the consent of (i) the Issuer and (ii) the Trustee or the owners of a majority in principal amount of the Bonds outstanding; provided, however, that this Lease may be assigned in whole or in part without such consents, to any entity controlled, controlling or under common control with Lessee or to any successor to substantially all of the business of the Lessee.

No assignment (other than pursuant to Section 8.3 or 9.8 hereof) or sublease shall relieve the Lessee from primary liability for any of its obligations hereunder, and if any such assignment occurs the Lessee shall continue to remain primarily liable for payment of the rents specified in Section 5.3 hereof and for performance and observance of the other agreements on its part herein provided to be performed and observed by it unless the Lessee shall have obtained the written consent of the Issuer and the Trustee or the Bondholders; provided, however, in connection with an assignment of this Lease in full, Lessee shall be automatically released from all liabilities and obligations accruing hereunder after the effective date of such assignment if the Issuer approves any such assignment. Upon request therefor from the Issuer or the Trustee, the Lessee shall promptly furnish or cause to be furnished to the Issuer and to the Trustee a true and complete copy of each such assignment or sublease, as the case may be, together with any instrument of assumption.

Section 9.2 Assignment of Lease to Trustee. The Issuer shall assign its interest in and pledge all rents, revenues and receipts derived under this Lease or otherwise arising out of or in connection with its ownership of the Project pursuant to the Indenture, to the Trustee as security for the payment of the principal of and interest on the Bonds, but such assignment shall be subject and subordinate to this Lease.

Section 9.3 Restrictions on Sale of Project by Issuer. The Issuer agrees that, except as otherwise permitted under the terms of this Lease (including, but not limited to Section 3.6 hereof) or the Indenture, it will not mortgage, sell, assign, transfer, convey or otherwise

encumber the Project or any portion thereof during the Lease Term and that it will not take any other action which may reasonably be construed as tending to cause or induce the levy or assessment of ad valorem taxes on the Project or the Lessee's leasehold interest in the Project. If the laws of the State of Georgia at the time require or permit such action to be taken, nothing contained in this Section shall prevent the consolidation of the Issuer with, or the merger of the Issuer into, or the transfer of the Project as an entirety to, any public corporation whose property and income are not subject to taxation and which has corporate authority to carry on the business of owning and leasing the Project; provided, (a) that no such action shall be taken without the prior written consent of the Lessee and (b) that upon any such consolidation, merger or transfer, the due and punctual payment of the principal of and interest on the Bonds according to their tenor, and the due and punctual performance and observance of all the agreements and conditions of this Lease to be kept and performed by the Issuer, shall be expressly assumed in writing by the entity resulting from such consolidation or surviving such merger or to which the Project shall be transferred as an entirety.

Section 9.4 Prepayment of Bonds. The Issuer, at the request at any time of the Lessee and if the same are then redeemable, shall forthwith take all steps that may be necessary under the applicable prepayment provisions of the Indenture to effect prepayment of all or any portion of the Bonds, as may be specified by the Lessee, on the earliest prepayment date on which such prepayment may be made under such applicable provisions. So long as the Lessee is not in default hereunder and the Issuer is not obligated to prepay the Bonds pursuant to the terms of the Indenture, the Issuer shall not redeem any Bonds prior to their maturity unless requested in writing by the Lessee. The Lessee agrees to give notice to the Issuer and the Trustee of any prepayment at least forty-five (45) days prior to the prepayment date or such shorter period of time as may be acceptable to the Issuer and the Trustee.

Section 9.5 Prepayment of Rents. There is expressly reserved to the Lessee the right, and the Lessee is authorized and permitted, at any time it may choose, so long as it is not in default hereunder, to prepay all or any part of the rents payable under Section 5.3 hereof, and the Issuer agrees that the Trustee may accept such prepayment when the same is tendered by the Lessee. All prepaid rents shall be credited on the rents specified in Section 5.3, in the chronological order of their due dates. If Lessee (or its affiliate) is the holder of all outstanding Bonds, Lessee (or its affiliate) may effectuate any such prepayment (and a concurrent prepayment of the Bonds) by surrendering the Bonds or causing the Bonds to be surrendered for cancellation by the Issuer.

Section 9.6 Rent Abatements if Bonds Paid Prior to Maturity. If at any time the aggregate moneys in the Bond Fund are sufficient to retire, in accordance with the terms of the Indenture, all of the outstanding Bonds and to pay all expenses and fees of the Issuer (including reasonable counsel fees actually incurred and reasonable expenses of counsel) and all Ordinary Expenses of the Trustee due or to become due through the date on which the last of the Bonds is to be retired, under circumstances not resulting in termination of the Lease Term, and if the Lessee is not at the time otherwise in default hereunder, the Lessee shall be entitled to use and occupy the Project from the date on which such aggregate moneys are in the Bond Fund to and including midnight on the Termination Date, without the payment of rent during that interval (but otherwise on the terms and conditions hereof).

Section 9.7 Reference to Bonds Ineffective After Bonds Paid. Upon Payment in Full of the Bonds and all fees, charges and expenses of the Trustee, all references in this Lease to the Bonds and the Trustee shall be ineffective and neither the Trustee nor the holders of any of the Bonds shall thereafter have any rights hereunder, saving and excepting those that shall have theretofore vested. Reference is hereby made to Section 1002 of the Indenture which sets forth the conditions upon the existence or occurrence of which Payment in Full of the Bonds shall be deemed to have been made.

Section 9.8 Exempt Assignment. Notwithstanding anything to the contrary set forth in this Lease, Lessee may assign its interest in this Lease pursuant to an Exempt Assignment without the approval of the Issuer, the Trustee or the owners of a majority in principal amount of the Bonds outstanding; provided that, any assignee of the Lessee shall (i) agree to fully and unconditionally assume all obligations of the Lessee under the Lease, including, without limitation, all indemnity provisions contained in the Lease, and unless the Lease has expired or is otherwise terminated (ii) use its commercially reasonable efforts to meet the economic development goals of the Issuer for the Project, as originally agreed upon by the Issuer and the Lessee at the time of execution of the Lease, and (iii) furnish the Issuer, not more than seven days following such assignment, written notification of the name, address and appropriate contact person for such assignee, together with a description of such assignment transaction including consideration received by the Lessee in connection therewith.

(a) An "Exempt Assignment" means any of the following assignments:

(1) Any bona fide Mortgage or Leasehold Mortgage;

(2) The acquisition by any Mortgagee or Leasehold Mortgagee or its designee of the leasehold interest through the exercise of any right or remedy of such Mortgagee or Leasehold Mortgagee under a bona fide Mortgage or Leasehold Mortgage, including any assignment of the leasehold interest to a Mortgagee or the Leasehold Mortgagee or its designee made in lieu of foreclosure;

(3) Any foreclosure sale by any Mortgagee or Leasehold Mortgagee pursuant to any power of sale contained in a bona fide Mortgage or Leasehold Mortgage;

(4) Any sale or assignment of the leasehold interest by any Mortgagee or Leasehold Mortgagee (or its designee) which has acquired the leasehold interest by means of any transaction described above;

(5) Any sale or assignment of the leasehold interest to any Qualified Real Estate Investor; and

(6) Any sale or assignment of the leasehold interest to any person if (a) Lessee or the proposed assignee provides Adequate Financial Assurance of the payment of rent and other financial obligations under the Lease for the period the proposed assignee is the Lessee under the Lease, and (b) the proposed assignee has sufficient commercial real estate experience with respect to office facilities to properly manage, or oversee the management of, the Project.



(b) "Institutional Investor" means any of the following persons:

(1) Any savings bank, savings and loan association, commercial bank, or trust company having shareholder equity (as determined in accordance with GAAP accounting) of at least \$50,000,000;

(2) Any college, university, credit union, trust or insurance company having assets of at least \$50,000,000;

(3) Any employment benefit plan subject to ERISA having assets held in trust of \$50,000,000 or more;

(4) Any pension plan established for the benefit of the employees of any state or local government, or any governmental authority, having assets of at least \$50,000,000;

(5) Any limited partnership, limited liability company or other investment entity having committed capital of \$50,000,000 or more;

(6) Any corporation, limited liability company or other Person having shareholder equity (or its equivalent for non-corporate entities) of at least \$50,000,000;

(7) Any lender of substance which performs real estate lending functions similar to any of the foregoing, and which has assets of at least \$50,000,000; and

(8) Any partnership having as a general partner any person or entity described in this Section 9.8(b) above, or any corporation, limited liability company or other person or entity controlling, controlled by or controlled with any person or entity described in Section 9.8(b) above.

(c) "Qualified Real Estate Investor" means any of the following:

(1) Any Institutional Investor or an entity controlled by or under common control of an Institutional Investor; or

(2) Any person or entity domiciled within the United States of America and having a minimum net worth of \$10,000,000 (either itself or in its direct or indirect constituent members or partners), as certified by a reputable firm of certified public accountants, provided such person or entity has sufficient commercial real estate experience with respect to office facilities to properly manage, or oversee the management of, the Project

(d) "Adequate Financial Assurance" means a guaranty of payment of the rent and other financial obligations of Lessee under the Lease made by a Qualified Real Estate Investor for the period of time that the proposed assignee is the Lessee under the Lease.

Notwithstanding anything to the contrary contained in this Section 9.8 or otherwise in this Lease, Issuer acknowledges and agrees that the direct and indirect constituent entities of Lessee may, without the consent of the Issuer, make any transfer, assignment or other conveyance of limited partnership interests, membership interests or other equity interests in the Lessee permitted under the governing documents of such entities, as such governing documents may be amended from time to time.

## ARTICLE X

### EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined. The following shall be Events of Default under this Lease:

(a) failure by the Lessee to make any rental payments required under Section 5.3 hereof on or before the date that the payment is due and continuance of such failure for a period of 30 business days after written notice thereof has been given to the Lessee by the Trustee or the owners of a majority in principal amount of the Bonds outstanding;

(b) failure by the Lessee to observe and perform any other material covenant, condition or agreement on its part under this Lease (other than as referred to in subsection (a) of this Section), for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, shall be given to the Lessee by the Issuer or the Trustee, unless the Issuer and the Trustee shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Issuer and the Trustee will not unreasonably withhold their consent to an extension of such time if it is possible to correct such failure and corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected;

(c) the entry of a decree or order by a court having jurisdiction in the premises for relief in respect of the Lessee or adjudging the Lessee a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Lessee under Title 11 of the United States Code, as now constituted or as amended or any other applicable Federal or state bankruptcy or other similar law, and such decree or order shall have continued undischarged or unstayed for a period of ninety (90) days; or the entry of a decree or order of a court having jurisdiction of the premises for the appointment of a receiver or liquidator or trustee or custodian or assignee in bankruptcy or insolvency of the Lessee or of all or a major part of its property, or for the winding up or liquidation of its affairs and such decree or order shall have remained in force undischarged or unstayed for a period of ninety (90) days;

(d) the Lessee shall institute proceedings to be adjudicated a bankrupt or insolvent, or shall consent to the filing of a bankruptcy or insolvency proceeding against it, or shall file a petition or answer or consent seeking relief under Title 11 of the United States Code, as now constituted or as amended, or any other applicable Federal or state bankruptcy or other similar law, or shall consent to the institution of proceedings thereunder or to the filing of any such petition, or shall consent to the appointment or taking possession of a receiver or liquidator or trustee or custodian or assignee in bankruptcy or insolvency of it or of all or a major part of its property, or shall make an assignment for the benefit of its creditors, or shall admit in writing in a bankruptcy or insolvency proceeding its inability to pay its debts generally as they become due, or the failure of the Lessee

generally to pay its debts as such debts become due, or the taking of corporate action by the Lessee in furtherance of any such action; or

(e) The sale, transfer, assignment or other disposal of the Project or the Lessee's interest in the Project other than a sale, transfer, assignment or disposal which is permitted under the provisions of Article IX hereof.

The foregoing provisions of this Section are subject to the following limitations:

(i) If by reason of force majeure the Lessee is unable in whole or in part to carry out the agreements on its part herein contained, other than the obligations on the part of the Lessee contained in Sections 5.3, 6.3, 6.4 and 8.3 hereof, the Lessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; terrorism; orders of any kind of the government of the United States of America or of the State of Georgia or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Lessee. The Lessee agrees, however, to use reasonable efforts to remedy with all reasonable dispatch the cause or causes preventing the Lessee from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Lessee, and the Lessee shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the Lessee, unfavorable to the Lessee.

(ii) The Issuer will grant any consents or waivers of any Event of Default by Lessee upon the written direction of the owners of a majority in principal amount of the Bonds outstanding, subject to such actions being consistent with any law applicable to the Issuer..

Notwithstanding the foregoing, if all of the Bonds are registered to a single party, no Event of Default shall be deemed to have occurred under this Lease unless the registered holder of the Bonds shall have concurred in writing as to such determination.

**Section 10.2 Remedies on Default.** Whenever any Event of Default shall have happened and be subsisting, the Issuer, or the Trustee as provided in the Indenture, may take any one or more of the following remedial steps:

(a) with the prior written consent of the owners of a majority in principal amount of the Bonds outstanding, declare all installments of rent payable under Section 5.3 hereof for the remainder of the Lease Term to be immediately due and payable, whereupon the same shall become immediately due and payable. If the Issuer or the Trustee elects to exercise the remedy afforded in this Section 10.2(a) and accelerates all rents payable under

Section 5.3 hereof for the remainder of the Lease Term, the amount then due and payable as accelerated rents shall be the sum of (1) the aggregate principal amount of the outstanding Bonds, and (2) all interest on the Bonds accruing to the date of maturity by declaration;

(b) with the prior written consent of the owners of a majority in principal amount of the Bonds outstanding, re-enter and take possession of the Project without terminating this Lease and without any liability to the Lessee for such entry and repossession, and sublease the Project for the account of the Lessee, holding the Lessee liable for the difference in the rents and other amounts payable by such sublessee in such subleasing and the rents and other amounts payable by the Lessee hereunder;

(c) with the prior written consent of the owners of a majority in principal amount of the Bonds outstanding, terminate the Lease; (provided, however, that upon such termination, the options of the Lessee to purchase the Project pursuant to the provisions of Article XI hereof and the obligations of the Lessee to make the rental payments pursuant to Section 5.3 hereof and purchase the Project pursuant to Section 12.1 hereof contained therein shall survive such termination), exclude the Lessee from possession of the Project and use its best efforts to lease the Project to another for the account of the Lessee, holding the Lessee liable for all rent and other payments due up to the effective date of such leasing;

(d) with the prior written consent of the owners of a majority in principal amount of the Bonds outstanding, require accounting books and records of the Lessee pertaining exclusively to the Project only for an Event of Default under Section 10.1(a);

(e) with the prior written consent of the owners of a majority in principal amount of the Bonds outstanding, take whatever action at law or in equity may appear necessary or desirable to collect the rents then due, or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Lease; and

(f) with the prior written consent of the owners of a majority in principal amount of the Bonds outstanding, exercise any remedies provided for in the Indenture, or in the Uniform Commercial Code of the State of Georgia.

Any amounts collected with respect to rent pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture and after Payment in Full of the Bonds and the payment of any costs occasioned by an Event of Default hereunder, any excess moneys in the Bond Fund shall be returned to the Lessee as an overpayment of rent. Any enforcement of recovery under this Section shall be limited from and against the Lessee only and no claim or recovery may be made against any member, partner, officer, director or other beneficial owner of the Lessee.

Section 10.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon the occurrence of any Event of

Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice or notices as may be herein expressly required. Such remedies as are given to the Issuer hereunder shall also extend to the Trustee, and the Trustee and the holders of the Bonds shall be deemed third-party beneficiaries of all covenants and agreements herein contained.

Section 10.4 Agreement to Pay Attorneys' Fees and Expenses. Should an Event of Default occur and the Issuer and/or the Trustee should employ attorneys or incur other expenses for collection of rents or the enforcement of performance or observance of any obligation or agreement on the part of the Lessee herein contained, the Lessee agrees that it shall on demand therefor pay to the Issuer and/or the Trustee the reasonable fees actually incurred of such attorneys and such other reasonable expenses so incurred by the Issuer and/or the Trustee.

Section 10.5 No Additional Waiver Implied by One Waiver. If any agreement contained in this Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 10.6 Waiver of Appraisalment, Valuation, Etc. If the Lessee should default under any of the provisions of this Lease, the Lessee agrees to waive, to the extent it may lawfully do so, the benefit of all appraisalment, valuation, stay, extension or redemption laws now or hereafter in force, and all right of appraisalment and redemption to which it may be entitled.

Section 10.7 Reinstatement of Lease. Notwithstanding any termination of this Lease in accordance with the provisions of Section 10.2, unless and until the Issuer shall have entered into a valid and binding agreement providing for the reletting of the Project, the Lessee may at any time after such termination pay all accrued unpaid rent, except rent accelerated pursuant to Section 10.2(a) of this Lease, plus any costs to the Issuer and the Trustee occasioned by the default, including all interest required to be paid in accordance with the Indenture on overdue principal and, to the extent lawful, on any overdue interest, or on the principal of Bonds not redeemed in accordance with the Indenture by reason of any default by the Lessee in the payment of rent, and fully cure all other defaults then capable of being cured. Upon such payment and cure and the rescission and annulment of acceleration as provided in Section 1111 of the Indenture, this Lease shall be fully reinstated, as if it had never been terminated, and the Lessee shall be restored to the use, occupancy and possession of the Project and any acceleration pursuant to Section 10.2(a) of this Lease shall thereupon be rescinded and annulled.

## ARTICLE XI

### OPTIONS IN FAVOR OF LESSEE

Section 11.1 Options to Terminate the Lease Term. The Lessee shall have the following options to terminate the Lease Term, regardless of whether an Event of Default has occurred and is continuing:

(a) At any time prior to Payment in Full of the Bonds, the Lessee may terminate the Lease Term by giving the Issuer and the Trustee notice in writing of such termination and by paying to the Trustee an amount which, when added to the funds in the Bond Fund, will be sufficient to pay, retire and prepay without premium or penalty all of the outstanding Bonds in accordance with the provisions of the Indenture (including, without limiting the generality of the foregoing, principal, interest to maturity or earliest applicable prepayment date, as the case may be, expenses of prepayment and the Trustee's fees and expenses), and, in case of prepayment, making arrangements satisfactory to the Trustee for the giving of the required notice of prepayment; or

(b) At any time after Payment in Full of the Bonds, the Lessee may terminate the Lease Term by giving the Issuer notice in writing of such termination and such termination shall forthwith become effective.

In connection with any termination of the Lease pursuant to this Section 11.1, the Project shall be conveyed to the Lessee pursuant to, and in accordance with, the provisions of Section 11.4 and/or Section 12.1 hereof, as applicable. The provisions of this Section 11.1 shall survive the expiration or sooner termination of this Lease.

### Section 11.2 Reserved.

Section 11.3 Option to Purchase Unimproved Land. In addition to the provisions of Section 8.6 hereof, the Lessee shall have, and is hereby granted an option to purchase any unimproved portion of the Leased Land (on which neither the Building or any Leased Equipment is located but on which parking, transportation or utility facilities may be located) at any time and from time to time, prior to Payment in Full of the Bonds, at a purchase price equal to twenty-five dollars (\$25) per acre for the portion of the Leased Land to be purchased, provided that it furnishes the Issuer with the following:

(a) A notice in writing containing (i) an adequate legal description of that portion of the Leased Land with respect to which such option is to be exercised, (ii) a statement that the Lessee intends to exercise its option to purchase such portion of the Leased Land on a date stated, which shall not be less than thirty nor more than ninety (90) days from the date of such notice, and (iii) a statement that the use to which it is intended that such portion of, or interest in, the Leased Land is to be devoted will promote the continued purpose of the Project

(b) a certificate of an Authorized Lessee Representative, dated not more than ninety (90) days prior to the date of the purchase and stating that, in the opinion of the

person signing such certificate, (i) the portion of, or interest in, the Leased Land with respect to which the option is exercised is not needed for the operation of the Project for the purpose hereinabove stated or that sufficient right and title is reserved to the Issuer to fulfill said needs, and (ii) the purchase will not impair the usefulness of the Building for the intended purpose of the Project and will not destroy the means of ingress thereto and egress therefrom; and

(c) An amount of money equal to the purchase price computed as provided in this Section.

The Issuer agrees that upon receipt of the notice, certificate and money required in this Section to be furnished to it by the Lessee, the Issuer will promptly deliver the same to the Trustee for deposit in the Bond Fund, and secure from the Trustee a release from this Lease of such portion of the Leased Land with respect to which the Lessee shall have exercised the option granted to it in this Section, subject to any right and title reserved to the Issuer. In the event the Lessee shall exercise the option granted to it under this Section the Lessee shall not be entitled to any abatement or diminution of the rents payable under Section 5.3 hereof.

Subsequent to Payment in Full of the Bonds, the Lessee shall have, and is hereby granted an option to purchase any unimproved portion of the Leased Land at a purchase price equal to one dollar (\$1.00) per acre with respect to the portion of the Leased Land to be purchased. The Issuer agrees that upon receipt of the money required herein to be furnished it by the Lessee, the Issuer will promptly release such portion of the Leased Land with respect to which the Lessee shall have exercised the option granted to it herein.

Section 11.4 Conveyance on Purchase or Lease Termination. At the closing of any purchase pursuant to Article XII hereof or the earlier termination of the Lease pursuant to Section 11.1 hereof, the Issuer will deliver to the Lessee (and without further board action on behalf of the Issuer) upon receipt of the purchase price by the Issuer or by the Trustee on its behalf deliver to the Lessee or its designee, the Limited Warranty Deed and Bill of Sale or similar documents satisfactory to the Lessee conveying to the Lessee or its designee good and marketable title in and to the property with respect to which such obligation or option was exercised, by limited warranty deed, subject to the following, (i) those liens and encumbrances (if any) to which such title in and to said property was subject when conveyed to the Issuer, (ii) those liens and encumbrances created by the Lessee or to the creation or suffering of which the Lessee consented in writing, (iii) those liens, security interests and encumbrances resulting from the failure of the Lessee to perform or observe any of the agreements on its part contained in this Lease and (iv) Permitted Encumbrances other than the Indenture and this Lease (the "Conveyance Documents"). The Issuer, the Trustee and the Lessee acknowledge that, in connection with the execution and delivery of this Lease, the Issuer has delivered to the Trustee fully executed but undated Conveyance Documents to hold in escrow. In connection with the delivery of the purchase price by the Lessee to the Issuer or the Trustee on the Issuer's behalf, Lessee shall by written notice delivered to the Trustee and the Issuer (the "Election Notice") either (i) direct the Trustee to date the Conveyance Documents as of the date the purchase price is delivered, release the Conveyance Documents from escrow and deliver them to the Lessee for recording in the real property records of Fulton County, Georgia (and, upon receipt of such a direction, the Trustee is hereby authorized to release the Conveyance Documents from escrow and deliver them to the



Lessee) or (ii) direct the Issuer to execute and deliver new Conveyance Documents dated as of the date the purchase price is delivered to the Lessee for recording in the real property records of Fulton County, Georgia. The Trustee and the Issuer shall promptly comply with the Lessee's direction set forth in the Election Notice. The provisions of this Section 11.4 shall survive the expiration or sooner termination of this Lease.

Section 11.5 Relative Position of Options and Indenture. The options respectively granted to the Lessee in this Article shall be and remain prior and superior to the Indenture and may be exercised whether or not the Lessee is in default hereunder, provided that such default will not result in nonfulfillment of any condition to the exercise of any such option.

Section 11.6 Collateral Assignment of Options. The Issuer acknowledges and agrees that the Lessee may collaterally assign the options granted to the Lessee in this Article pursuant to any third party lender financing and hereby consents to any such collateral assignment of such options. In furtherance of such acknowledgment and agreement, the Issuer shall execute such documents as may be reasonably required to evidence such consent.

## ARTICLE XII

### OBLIGATIONS OF LESSEE

Section 12.1 Obligation to Purchase Project. The Lessee hereby agrees to purchase, and the Issuer hereby agrees to sell (without further board action on behalf of the Issuer), to the Lessee or its designee, the Project for \$10.00 at the expiration or sooner termination of the Lease Term evidenced by either (1) the return to the Trustee of all the Bonds outstanding marked "Paid in Full" by the owners thereof (or by duly appointed attorney-in-fact of such owners), or (2) following Payment in Full of the Bonds (including, without limitation, any prepayment of the Bonds pursuant to the Indenture). At any time subsequent to the expiration or sooner termination of this Lease as aforesaid upon notice to the Issuer by the Lessee, the Issuer shall upon receipt of the purchase price deliver to the Lessee or cause the Trustee, as the assignee of the Issuer to deliver to the Lessee those documents set forth in Section 11.4 hereof. The obligation specified in this Section shall be and remain prior and superior to the Indenture and may be exercised whether or not the Lessee is in default hereunder provided that such default will not result in nonfulfillment of any condition to this right. The provisions of this Section 12.1 shall survive the expiration or sooner termination of this Lease.

## ARTICLE XIII

### MISCELLANEOUS

Section 13.1 Notices. Unless otherwise specified herein, it shall be sufficient service or giving of any notice, request certificate, demand or other communication if the same shall be sent by, and all notices required to be given by mail shall be given by, first class registered or certified mail, return receipt requested, or by private courier service which provides evidence of delivery, postage or other charges prepaid, or sent by telecopy or other electronic means which produces evidence of transmission, confirmed by first class mail, and in each case shall be deemed to have been given on the date evidenced by the postal or courier receipt or other written evidence of delivery or electronic transmission. Unless a difference address is given by any party as provided in this Section, all such communications shall be addressed (except as otherwise specifically provided herein) as follows:

- (a) If to the Issuer: Development Authority of Alpharetta  
2 S Main St  
Alpharetta, Georgia 30009  
Attention: Economic Development Department  
Telephone: (678) 297-6000  
Facsimile: (678) 297-6001
- with a copy to: Bovis, Kyle, Burch & Medlin, LLC  
200 Ashford Center North  
Atlanta, GA 30338  
Attention: C. Sam Thomas, Esq.
- (b) If to the Lessee: MMS Alpharetta, LLC  
c/o South City Partners, LLC.  
3715 Northside Parkway  
Suite 1-310  
Atlanta, Georgia 30327  
Attention: John Long  
Telephone: 404-287-0063  
Email: [jlong@southcitypartners.com](mailto:jlong@southcitypartners.com)
- with a copy to: Eversheds Sutherland (US) LLP  
999 Peachtree Street, NE, Suite 2300  
Atlanta, GA 30309-3996  
Attention: Matt Nichols
- (c) If to the Trustee: First Commercial Bank, a Division of Synovus Bank  
800 Shades Creek Parkway  
Birmingham, Alabama 35209  
Attention: Corporate Trust Department

A duplicate copy of each notice, certificate or other communication given hereunder by either the Issuer, the Lessee or the Trustee shall be given to each of the others. The Issuer, the Lessee and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 13.2 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Issuer, the Lessee and their respective successors and assigns.

Section 13.3 Severability. If any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.4 Amounts Remaining in Bond Fund. It is agreed by the parties hereto that, subject to and in accordance with the terms and conditions of Section 609 of the Indenture certain surplus moneys remaining in the Bond Fund shall belong to and be paid to the Lessee by the Trustee as an overpayment of rents.

Section 13.5 Amendments, Changes and Modifications. Except as otherwise provided in this Lease or in the Indenture, subsequent to the initial issuance of the Bonds and prior to Payment in Full of the Bonds, this Lease may only be amended, changed, modified, altered or terminated by the written agreement of the Issuer and the Lessee and may not be effectively amended, changed, modified, altered or terminated without the concurring written consent of the Trustee in accordance with the Indenture.

Section 13.6 Execution Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.7 Captions. The captions and headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Lease.

Section 13.8 Recording of Lease. This Lease, or a short form hereof, and every assignment and modification hereof shall be recorded in the office of the Clerk of the Superior Court of Fulton County, Georgia, or in such other office as may be at the time provided by law as the proper place for such recordation.

Section 13.9 Law Governing Construction of Lease. This Lease shall be governed by, and construed in accordance with, the laws of the State of Georgia.

Section 13.10 Net Lease. This Lease shall be deemed a "net lease", and the Lessee shall pay absolutely net during the Lease Term the rents, revenues and receipts pledged hereunder, without abatement, deduction or set-off other than those herein expressly provided.

Section 13.11 Security and Immigration Act Provisions. The acquisition, construction and equipping of the Project will not constitute the "physical performance of services" within the meaning of Section 13-10-90(2.1) of the Official Code of Georgia Annotated because the Project will not constitute a "public structure" or "public improvements" within the

meaning of such code section; therefore, Section 13-10-91(b) of the Official Code of Georgia Annotated will not apply to any contract executed in connection with the acquisition, construction and equipping of the Project or the issuance of the Bonds.

None of the Borrower, the Guarantor and their respective counsel constitute an "applicant for public benefits" within the meaning of Section 50-36-1 of the Official Code of Georgia Annotated in connection with the issuance of the Bonds; therefore, such parties are not subject to Systematic Alien Verification of Entitlement pursuant to such code section in connection with the issuance of the Bonds.

Section 13.12 Negation of Partnership. Nothing in this Lease shall be construed to render or constitute Issuer in any way or for any purpose a partner, joint venturer or associate in any relationship with Lessee, or vice versa, other than that as lessor and lessee or landlord and tenant, nor shall this Lease be construed to authorize Issuer as agent for Lessee.

Section 13.13 Not an Operating Lease. The Issuer and the Lessee acknowledge and agree that this Lease shall not be treated as an operating lease for Federal and State income tax purposes, but instead shall be treated as a capital lease or financing arrangement, with the Lessee being treated as the owner of the Project for such purposes and as holding all the incidents and attributes of ownership for such purposes.

Section 13.14 Estoppel Certificates. Upon ten (10) business days written request of the Lessee, the Issuer will provide (or direct the Trustee to provide) a statement to the Mortgagee concerning, to the best of its knowledge, (i) the outstanding amount of the Bonds that have been issued to the Lessee; (ii) whether a default exists under this Lease or the other Bond Documents, and if so specifying the nature of such default; (iii) whether this Lease or the Bond Documents have been amended, and if so, specifying the amendments; and (iv) any other matter concerning this Lease or the Bond Documents reasonably requested by such holders.

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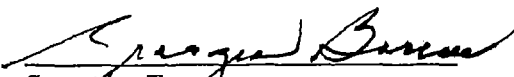
IN WITNESS WHEREOF, the Issuer and the Lessee have caused this Lease to be executed in their respective names and their respective seals to be hereunto affixed and attested by their duly authorized representatives, all as of the date first above written.

**DEVELOPMENT AUTHORITY  
OF ALPHARETTA**

By:   
Vice Chairman

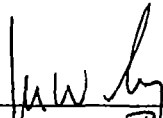
(SEAL)

Attest:

  
Secretary-Treasurer

(Signature Page to Lease Agreement)

**MMS ALPHARETTA, LLC**, a Georgia limited  
liability company

By:   
Name: Don N. Lang  
Authorized Person

[Signature page to Lease Agreement]

EXHIBIT "A"  
to  
LEASE AGREEMENT

Between  
Development Authority  
of Alpharetta  
and  
MMS Alpharetta, LLC  
dated March 3, 2017

DESCRIPTION OF LEASED LAND

ALL THAT TRACT OR PARCEL OF LAND lying and being in Land Lot 1268 of the 2<sup>nd</sup> District, 2<sup>nd</sup> Section, City of Alpharetta, Fulton County, Georgia and being more particularly described as follows:

The condominium unit known as the Office Unit of Parcel 4 Condominium, as more particularly described and delineated in the Declaration of Condominium for Parcel 4 Condominium, recorded on March \_\_\_\_, 2017 in Deed Book \_\_\_\_\_ Page \_\_\_\_, *et seq.*, Fulton County, Georgia records, as may be amended (the "Declaration"), together with the undivided percentage interest in the Common Elements assigned to the Office Unit as set forth in Exhibit "C" to the Declaration.

This conveyance is made subject to the Declaration and all matters referenced therein, all matters shown on the Plat for Parcel 4 Condominium prepared by Travis Pruitt and Associates, P.C., dated \_\_\_\_\_, 2017, filed in the aforesaid records, as may be amended, and all matters shown on the Plans for Parcel 4 Condominium prepared by Travis Pruitt and Associates, P.C., dated \_\_\_\_\_, 2017, filed in the aforesaid records, as may be amended.

**THE OFFICE UNIT IS ALSO DESCRIBED AS:**

All that tract or parcel of land lying and being in Land Lot 1268 of the 2<sup>nd</sup> District, 2<sup>nd</sup> Section, City of Alpharetta, Fulton County, Georgia and being more particularly described as follows:

**COMMENCING** at the intersection of the easterly R/W line of Main Street (R/W varies) with the southerly R/W line of South Broad Street, **THENCE** running along said R/W line of South Broad Street South 87 degrees 35 minutes 46 seconds East a distance of 102.14 feet to a point; **THENCE** leaving said R/W line South 45 degrees 59 minutes 38 seconds East a distance of 13.39 feet to a point; **THENCE** South 02 degrees 24 minutes 14 seconds West a distance of 103.25 feet to a point; **THENCE** South 87 degrees 35 minutes 46 seconds East a distance of 37.50 feet to a point; said point being the **TRUE POINT OF BEGINNING**.

**THENCE** North 02 degrees 24 minutes 14 seconds East a distance of 12.09 feet to a point; **THENCE** South 87 degrees 35 minutes 46 seconds East a distance of 13.82 feet to a point; **THENCE** North 02 degrees 24 minutes 14 seconds East a distance of 17.46 feet to a point; **THENCE** North 87 degrees 35 minutes 46 seconds West a distance of 7.61 feet to a point;



THENCE North 02 degrees 24 minutes 14 seconds East a distance of 20.46 feet to a point; THENCE North 87 degrees 40 minutes 09 seconds West a distance of 6.22 feet to a point; THENCE North 02 degrees 24 minutes 14 seconds East a distance of 8.71 feet to a point; THENCE South 87 degrees 35 minutes 46 seconds East a distance of 17.80 feet to a point; THENCE South 02 degrees 24 minutes 14 seconds West a distance of 8.76 feet to a point; THENCE South 87 degrees 35 minutes 46 seconds East a distance of 38.92 feet to a point; THENCE South 02 degrees 24 minutes 14 seconds West a distance of 20.40 feet to a point; THENCE South 87 degrees 35 minutes 46 seconds East a distance of 5.58 feet to a point; THENCE South 02 degrees 24 minutes 14 seconds West a distance of 29.55 feet to a point; THENCE North 87 degrees 35 minutes 46 seconds West a distance of 62.30 feet to a point; said point being the **TRUE POINT OF BEGINNING**.

Said tract contains 2,785 square feet or 0.064 acre.

**TOGETHER WITH:**

**Easement Parcel One:**

Easements and other interests in Real Property contained in that Declaration of Covenants, Conditions, Restrictions and Easements for Alpharetta City Center, by and between the City of Alpharetta and \_\_\_\_\_, dated \_\_\_\_\_, filed \_\_\_\_\_, and recorded in Deed Book \_\_\_\_\_, Page \_\_\_\_\_, aforesaid records.

**Easement Parcel Two:**

Easements and other interests in Real Property contained in that certain Grant of Permanent Sanitary Sewer Easement and Temporary Construction Easements from Publix Super Markets, Inc., a Florida corporation, to The City of Alpharetta, Georgia, dated October 9, 2013, filed for record October 21, 2013, and recorded in Deed Book 53268, Page 512, aforesaid records.

**Easement Parcel Three:**

Easements and other interests in Real Property contained in that certain Grant of Water Line Easement from Publix Super Markets, Inc., a Florida corporation, to The City of Alpharetta, Georgia, dated September 6, 2013, filed for record October 3, 2013, and recorded in Deed Book 53209, Page 577, aforesaid records.

**Easement Parcel Four:**

Easements and other interests in Real Property contained in that certain Grant of Permanent Public Access Easement from Publix Super Markets, Inc., a Florida corporation, to The City of Alpharetta, Georgia, dated September 6, 2013, filed for record October 3, 2013, and recorded in Deed Book 53209, Page 582, aforesaid records.

EXHIBIT "B"  
to  
LEASE AGREEMENT

Between  
Development Authority  
of Alpharetta  
and  
MMS Alpharetta, LLC  
dated March 3, 2017

DESCRIPTION OF LEASED EQUIPMENT

NONE

EXHIBIT "C"  
to  
LEASE AGREEMENT

Between  
Development Authority  
of Alpharetta  
and  
MMS Alpharetta, LLC  
dated March 3, 2017

PROJECT SUMMARY

The Project consists of the acquisition, construction, development and installation of certain land, buildings, structures, machinery, fixtures and equipment consisting of 36,000 square feet of Class A office space, along with the adjacent surface parking, which together will occupy 0.71 acres and will front South Broad Street in downtown Alpharetta, Fulton County, Georgia.

EXHIBIT "D"  
to  
LEASE AGREEMENT

Between  
Development Authority  
of Alpharetta  
and  
MMS Alpharetta, LLC  
dated March 3, 2017

LIMITED WARRANTY DEED AND BILL OF SALE  
by and between  
DEVELOPMENT AUTHORITY OF ALPHARETTA  
and  
MMS ALPHARETTA, LLC

-----SPACE ABOVE THIS LINE FOR RECORDER'S USE-----

After recording, please return to:

Woodrow W. Vaughn III, Esq.  
Holland & Knight LLP  
1180 West Peachtree Street, Suite 1800  
Atlanta, Georgia 30309

**STATE OF GEORGIA.**

**COUNTY OF FULTON**

**LIMITED WARRANTY DEED AND BILL OF SALE**

THIS INDENTURE, made as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, between **DEVELOPMENT AUTHORITY OF ALPHARETTA** a public body corporate and politic of the State of Georgia ("Grantor") and **MMS ALPHARETTA, LLC**, a Georgia limited liability company ("Grantee") (the terms "Grantor" and "Grantee" to include their respective heirs, successors and assigns where the context hereof requires or permits).

**WITNESSETH THAT:**

Grantor, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, in hand paid at and before the sealing and delivery of these presents, the receipt, adequacy and sufficiency of which are being hereby acknowledged by Grantor, has granted, bargained, assigned, transferred, sold and conveyed and by these presents does hereby grant, bargain, assign, transfer, sell and convey unto Grantee all that tract or parcel of land lying and being in Land Lot \_\_\_\_\_, of the \_\_\_\_\_ District, Fulton County, Georgia being more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference, together with all buildings and improvements located thereon (the "**Property**") and all of its right, title, and interest in and to the personal property more particularly described on Exhibit "B" attached hereto and incorporated herein by this reference (the "**Personal Property**").

**TO HAVE AND TO HOLD** the Property, together with all and singular the other rights, members and appurtenances thereof, to the same being, belonging or in anywise appertaining to the only proper use, benefit and behoof of Grantee, forever in FEE SIMPLE, subject only to those matters more particularly described on Exhibit "C" attached hereto and incorporated herein by this reference (the "**Permitted Encumbrances**").

**AND THE SAID GRANTOR** will warrant and forever defend the right and title to the Property unto Grantee, against the claims of all persons whomsoever, claiming by, through or under Grantor and not otherwise, except for claims arising under or by virtue of the Permitted Encumbrances.

**[EXECUTION ON FOLLOWING PAGE]**

**IN WITNESS WHEREOF**, Grantor has hereunder set its hand and seal on the day, month and year first written above.

GRANTOR:

Signed, sealed and delivered in the presence of:

**DEVELOPMENT AUTHORITY OF  
ALPHARETTA**

\_\_\_\_\_  
Unofficial Witness

By: \_\_\_\_\_  
Chairman

\_\_\_\_\_  
Notary Public

Commission Expiration Date: \_\_\_\_\_

[NOTARIAL SEAL]

EXHIBIT "A"

DESCRIPTION OF LEASED LAND

[TO BE PROVIDED]



EXHIBIT "B"

DESCRIPTION OF PERSONAL PROPERTY

[TO BE PROVIDED]

EXHIBIT "C"

DESCRIPTION OF PERMITTED ENCUMBRANCES

[TO BE PROVIDED]

### **LIMITED WARRANTY BILL OF SALE**

For Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, DEVELOPMENT AUTHORITY OF ALPHARETTA, a public body corporate and politic of the State of Georgia (collectively, "Seller"), hereby conveys to MMS Alpharetta, LLC, a Georgia limited liability company ("Purchaser") all of its right, title and interest in and to the personal property more particularly described on Exhibit A, attached hereto and incorporated herein by this reference (collectively, the "Personal Property");

TO HAVE AND TO HOLD its respective right, title and interest in the Personal Property, together with any rights and appurtenances thereto, unto Purchaser, its successors and assigns, to and Seller agrees to WARRANT AND FOREVER DEFEND, all and singular, its respective right, title and interest in the Personal Property unto Purchaser, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, by, through or under Seller, but not otherwise.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, Seller has executed this Bill of Sale effective as of  
\_\_\_\_\_, 20\_\_.

DEVELOPMENT AUTHORITY OF  
ALPHARETTA

By: \_\_\_\_\_  
Chairman

(SEAL)

Attest:

\_\_\_\_\_  
Secretary- Treasurer

As to the Issuer, signed  
and sealed in the presence  
of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Notary Public

My commission expires:

(Notarial Seal)

EXHIBIT A  
PERSONAL PROPERTY

EXHIBIT "E"  
to  
LEASE AGREEMENT

Between  
Development Authority  
of Alpharetta  
and  
MMS Alpharetta, LLC  
dated March 3, 2017

FORM OF AMENDMENT TO LEASE AGREEMENT

Number \_\_\_\_

This AMENDMENT TO LEASE AGREEMENT, dated as of \_\_\_\_\_, between the DEVELOPMENT AUTHORITY OF ALPHARETTA (the "Authority"), a public body corporate and politic created and existing under the laws of the State of Georgia, as Lessor, MMS ALPHARETTA, LLC (the "Lessee"), a limited partnership organized and existing under the laws of the State of Delaware.

W I T N E S S E T H:

WHEREAS, the Authority and the Lessee have heretofore entered into a Lease Agreement, dated March 3, 2017 (said Lease Agreement, as from time to time modified or amended, is herein called the "Lease"), relating to certain Leased Land in Fulton County, Georgia (as more fully described hereinafter as the "Leased Land"); and

WHEREAS, the Authority and the Lessee have now determined that it is necessary to amend the Lease in certain respects to reflect the [removal from] [addition to] the description of the [Leased Land the real property (including the improvements thereon constituting a part of the Project)] [Leased Equipment, the items] described in Exhibit "1" hereto; and

NOW, THEREFORE, in consideration of the premises and of the mutual covenants hereinafter contained, the Authority and the Lessee agree to and do hereby amend the Lease to modify the description of the [Leased Land] [Leased Equipment] contained as Exhibit ["A"] ["B"] attached thereto in order to [remove therefrom] [add thereto], effective as of the date hereof, the [real property (including all structures, buildings and other improvements thereon)] [Leased Equipment, the items] described in Exhibit "1" to this Amendment to Lease Agreement.

Section 1. Amendment of Lease. The Lease shall be deemed to be modified and amended in accordance with the provisions of this Amendment to Lease Agreement and the respective rights, duties and obligations of the Authority and the Lessee under the Lease shall hereafter be determined, exercised and enforced under the Lease subject in all respects to this Amendment to Lease Agreement, and all the terms and conditions of this Amendment to the Lease Agreement shall be part of the terms and conditions of the Lease for any and all purposes.

All references in the Lease to the [Leased Land] [Leased Equipment] described in Exhibit ["A"] ["B"] thereof shall refer to said Exhibit as hereby amended and modified.

Section 2. Execution Counterparts. This Amendment to Lease Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 3. Recordation. This Amendment to Lease Agreement may be recorded in the office of the Superior Court of Fulton County, or in such other office as may be at the time provided by law as the proper place for such recordation.

Section 4. Lease to Continue in Full Force and Effect. All other terms of the Lease shall continue in full force and effect subject to this Amendment to Lease Agreement as set forth herein.

IN WITNESS WHEREOF, the Authority and the Lessee have caused this Amendment to the Lease Agreement to be executed in their respective names and their respective seals to be hereunto affixed and attested by their duly authorized officers as of \_\_\_\_\_, \_\_\_\_\_.

DEVELOPMENT AUTHORITY OF  
ALPHARETTA

(SEAL)

Attest:

By: \_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary-Treasurer



MMS ALPHARETTA, LLC  
a Georgia limited liability corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT "1"  
to  
AMENDMENT TO LEASE AGREEMENT (Number \_\_)  
among  
DEVELOPMENT AUTHORITY OF ALPHARETTA  
and  
MMS Alpharetta, LLC  
dated \_\_\_\_\_

DESCRIPTION OF [ADDITIONAL] [REMOVED] [LEASED LAND] [LEASED  
EQUIPMENT]

EXHIBIT "F"  
to  
LEASE AGREEMENT

Between  
Development Authority  
of Alpharetta  
and  
MMS Alpharetta, LLC  
dated March 3, 2017

REQUISITION AND CERTIFICATE

Requisition and Certificate No. \_\_\_\_  
Date: \_\_\_\_\_, 20\_\_\_\_  
Amount of Requisition: \$ \_\_\_\_\_

First Commercial Bank, a Division of Synovus Bank, as Trustee under the Indenture of Trust, dated March 3, 2017, relating to an aggregate principal amount not to exceed \$7,034,821 of Development Authority of Alpharetta Taxable Revenue Bonds (City Center Office Project), Series 2017C.

Gentlemen:

All capitalized terms used but not defined herein shall have the meanings assigned to them in that certain Lease Agreement, dated March 3, 2017, by and between the Development Authority of Alpharetta and MMS Alpharetta, LLC.

This is a requisition for payment from the Development Authority of Alpharetta Revenue Bonds - Project Fund, MMS Alpharetta, LLC Project, of an obligation in the stated amount incurred by or on behalf of the Issuer in connection with the issuance of the Bonds in caption or the acquisition, construction and installation of the Project.

1. This obligation is a proper charge against the Project Fund, the payment thereof is being made in connection with the Project and has not been the basis of any previous withdrawal from the Project Fund.
2. No other certificate in respect of the foregoing obligation is being or has been previously delivered to the Trustee.
3. The Lessee has no notice of any vendor's, mechanic's, or other liens or right to liens, chattel mortgages or conditional sales contracts, or other contracts or obligations (other than those being contested in good faith as permitted in Section 6.1(c) of the Lease Agreement) which should be satisfied or discharged before such payment is made; and

4. Such requisition contains no item representing payment on account of any retained percentages which the Issuer or the Lessee is, as of the date of such requisition, entitled to retain under retained percentage agreements.

5. Purpose and circumstances of such obligation:

Reimbursement of costs of the Project.

Owing to:

MMS Alpharetta, LLC

6. A bill or statement of account for such obligation is available upon request made to the Lessee.

7. The Lease [Amendment] relating to the portion of the Project for which such obligation has been incurred is attached hereto, and has been executed by the Lessee. The Lease [Amendment] and this Requisition and Certificate relate to those portions of the Project conveyed to the Issuer by [Limited Warranty Deed and Bill of Sale][Bill of Sale] attached hereto and numbered as described above.

All of the foregoing is hereby certified.

By: \_\_\_\_\_  
Authorized Lessee Representative

Insofar as the disbursement requested hereby is to pay obligations incurred for labor, services, material, supplies or equipment in connection with the acquisition, construction and installation of the Project, such labor and services were to the Lessee's knowledge performed and such material, supplies or equipment were or are to be used in connection with the acquisition, construction and installation of the Project or delivered at the site of the Project for such purpose. This requisition includes by attachment hereto the [limited warranty deed and bill of sale][bill of sale] necessary to convey title in and to the items of [Lease Land][Leased Equipment] for which reimbursement is sought to the Issuer.

This requisition is given without prejudice against any rights of the Issuer or the Lessee against third parties which exist on the date hereof. Section 13.15 of the Lease is incorporated herein by this reference and deemed made to apply with equal force and effect hereto.

\_\_\_\_\_  
Authorized Lessee Representative

EXHIBIT "G"  
to  
LEASE AGREEMENT

Between  
Development Authority  
of Alpharetta  
and  
MMS Alpharetta, LLC  
dated March 3, 2017

APPURTENANT EASEMENTS

**Easement Parcel One:**

Easements and other interests in Real Property contained in that Declaration of Covenants, Conditions, Restrictions and Easements for Alpharetta City Center, by and between the City of Alpharetta and \_\_\_\_\_, dated \_\_\_\_\_, filed \_\_\_\_\_, and recorded in Deed Book \_\_\_\_\_, Page \_\_\_\_\_, aforesaid records.

**Easement Parcel Two:**

Easements and other interests in Real Property contained in that certain Grant of Permanent Sanitary Sewer Easement and Temporary Construction Easements from Publix Super Markets, Inc., a Florida corporation, to The City of Alpharetta, Georgia, dated October 9, 2013, filed for record October 21, 2013, and recorded in Deed Book 53268, Page 512, aforesaid records.

**Easement Parcel Three:**

Easements and other interests in Real Property contained in that certain Grant of Water Line Easement from Publix Super Markets, Inc., a Florida corporation, to The City of Alpharetta, Georgia, dated September 6, 2013, filed for record October 3, 2013, and recorded in Deed Book 53209, Page 577, aforesaid records.

**Easement Parcel Four:**

Easements and other interests in Real Property contained in that certain Grant of Permanent Public Access Easement from Publix Super Markets, Inc., a Florida corporation, to The City of Alpharetta, Georgia, dated September 6, 2013, filed for record October 3, 2013, and recorded in Deed Book 53209, Page 582, aforesaid records.

EXHIBIT "H"  
to  
LEASE AGREEMENT

Between  
Development Authority  
of Alpharetta  
and  
MMS Alpharetta, LLC  
dated March 3, 2017

DIRECTION FROM COMPANY TO REQUEST ISSUER TO SERVE AS CO-DECLARANT

Development Authority of Alpharetta  
Alpharetta, Georgia

Re: Not to exceed \$7,034,821 of Development Authority of Alpharetta Taxable  
Revenue Bonds (City Center Office Project), Series 2017C (the "Bonds")

To the Addressee:

In connection with the issuance of the Bonds, the Development Authority of Alpharetta (the "Issuer") and MMS Alpharetta, LLC (the "Company") entered into that certain Lease Agreement, dated March 3, 2017 (the "Lease Agreement"). All capitalized terms used but not defined in this Direction shall have the meanings given to them in the Lease Agreement. Immediately prior to the issuance of the Bonds, the Company filed the Declaration of Condominium for Parcel \_\_\_\_\_ Condominium (the "Land Condominium Declaration"), recorded on \_\_\_\_\_, 2017, in Deed Book \_\_\_\_\_, Page \_\_\_\_\_, Fulton County, Georgia records. Pursuant to Section 4.5 of the Lease Agreement, the Issuer has agreed to join the Company as a co-declarant in connection with the filing of the Amended and Restated Declaration of Condominium for Parcel \_\_\_\_\_ Condominium (the "Amended and Restated Declaration"), which shall amend and restate the Land Condominium Declaration, following establishment of the Completion Date of the Project.

We hereby inform you that the Completion Date of the Project has been established and, in accordance with Section 4.5 of the Lease Agreement, request that you join us as a co-declarant in connection with the filing of the Amended and Restated Declaration, since you are the fee simple owner of the Project. Pursuant to the Georgia Condominium Act, the term "Declarant" means "all owners and lessees of the property who execute the declaration or on whose behalf the declaration is executed . . ." (O.C.G.A. § 44-3-71(13)), and the Issuer would be permitting the Amended and Restated Declaration to be filed on its behalf.

The Company hereby agrees that the Amended and Restated Declaration shall contain language that would specifically waive the right of the Issuer to control the Condominium Association. In other words, there will be no declarant control period.

Furthermore, the Company hereby agrees that the Amended and Restated Declaration will include the following provision to protect the Issuer:

Declarant. The Development Authority of Alpharetta (the "Issuer") is joining in the filing of this Amended and Restated Declaration solely as the fee owner of the Property. All duties and responsibilities of the Issuer hereunder or as may now or in the future be required of the Issuer under the Georgia Condominium Act ("Act") shall be performed solely by co-declarant, MMS Alpharetta, LLC, or its successors and assigns. All Owners agree that they will look solely to MMS Alpharetta, LLC, or its successors and assigns, if applicable, with respect to any claim that the Declarant did not perform a duty or obligation arising out of either the Amended and Restated Declaration or the Act. All owners further covenant and agree to indemnify and hold the Issuer harmless from and against any and all claims, causes of action and damages arising out of or relating to the Issuer acting in the capacity of co-declarant hereunder and further covenant to not sue the Issuer regarding the same.

The Company hereby agrees to take responsibility for the filing of the Amended and Restated Declaration and for the payments of all costs and fees associated with such filing.

Witness my hand this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

MMS Alpharetta, LLC  
a Georgia limited liability corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Authorized Person

ACKNOWLEDGEMENT:

DEVELOPMENT AUTHORITY  
OF ALPHARETTA

By: \_\_\_\_\_  
Chairman

Deed Book 57262 Pg 632  
Filed and Recorded Mar-08-2017 03:00pm  
2017-0048607  
Real Estate Transfer Tax \$0.00  
**Cathelene Robinson**  
Clerk of Superior Court  
Fulton County, Georgia

(16)

When Recorded Return To:  
Heather Townsend  
National Commercial Services  
First American Title Insurance Company  
Six Concourse Parkway, Ste. 2000  
Atlanta, GA 30328  
File No: NCS 72,170

*AFTER RECORDING, PLEASE RETURN TO:*

*Earline Crooke  
Holland & Knight LLP  
1180 West Peachtree Street, Suite 1800  
Atlanta, Georgia 30309*

STATE OF GEORGIA

COUNTY OF FULTON

**SHORT FORM OF LEASE**  
(Office Project)

THIS SHORT FORM OF LEASE is entered into the 3<sup>rd</sup> day of March, 2017, by and between **DEVELOPMENT AUTHORITY OF ALPHARETTA** a public body corporate and politic of the State of Georgia (hereinafter referred to as the "**Issuer**") and **MIDCITY ALPHARETTA OFFICE OWNER, LLC**, a Georgia limited liability company authorized to do business in the State of Georgia (hereinafter referred to as the "**Lessee**").

**WITNESSETH:**

All members of the general public are hereby placed on notice of inquiry as to the specific provisions of the Lease (hereafter defined), all of which are incorporated herein by reference with the same force and effect as if herein set forth in full.

1. The Issuer hereby leases to the Lessee, and the Lessee hereby leases from the Issuer certain real property owned by the Issuer (the "**Leased Land**"), as more particularly described on **Exhibit A** attached hereto and by this reference incorporated herein and made a part hereof, certain machinery, equipment and related property (the "**Leased Equipment**"), as more



fully described in the Lease on Exhibit B attached thereto, and the Building (as defined in the Lease), all subject to Permitted Encumbrances, upon and in accordance with the terms set forth in that certain Lease Agreement, dated the date hereof, initially entered into between the Issuer and MMS Alpharetta, LLC (the "Prior Lessee") and assigned by the Prior Lessee to the Lessee pursuant to that certain Assignment, Assumption and Release Agreement, dated the date hereof, by and among the Prior Lessee, the Lessee, the Issuer and First Commercial Bank, a Division of Synovus Bank (herein called the "Lease"). The Lease is expressly incorporated herein by reference and made a part hereof as though fully set forth herein.

2. This Short Form of Lease is recorded in the Fulton County, Georgia Records, in lieu of recording the Lease. The capitalized terms contained in this Short Form of Lease, if not otherwise defined herein, shall have the same meaning assigned to them in the Lease. The Lease contains, without limitation, the following provisions:

**Initial Lease Term.** The Lease was executed on the date hereof (such date defined in the Lease as the "Commencement Date") and, unless sooner terminated pursuant to the provisions of the Lease or otherwise extended as set forth therein, will terminate at midnight, December 31, 2028. The Issuer is leasing the Project to the Lessee at the rental set forth in Section 5.3 of the Lease and in accordance with the provisions set forth in the Lease.

**Options to Terminate the Lease Term.** The Lessee has the following options to terminate the Lease Term:

(a) At any time prior to Payment in Full of the Bonds, the Lessee may terminate the Lease Term by giving the Issuer and the Trustee notice in writing of such termination and by paying to the Trustee an amount which, when added to the funds in the Bond Fund, will be sufficient to pay, retire and prepay without premium or penalty all of the outstanding Bonds in accordance with the provisions of the Indenture (including, without limiting the generality of the foregoing, principal, interest to maturity or earliest applicable prepayment date, as the case may be, expenses of prepayment and the Trustee's fees and expenses), and, in case of prepayment, making arrangements satisfactory to the Trustee for the giving of the required notice of prepayment; or

(b) At any time after Payment in Full of the Bonds, the Lessee may terminate the Lease Term by giving the Issuer notice in writing of such termination and such termination shall forthwith become effective.

In connection with any termination of the Lease pursuant to Section 11.1 of the Lease, the Project shall be conveyed to the Lessee pursuant to, and in accordance with, the provisions of Section 11.4 and/or Section 12.1 of the Lease, as applicable. The provisions of Section 11.1 of the Lease shall survive the expiration or sooner termination of the Lease.

**Option to Purchase Land.** In addition to the provisions of Section 8.6 of the Lease, the Lessee has an option to purchase any portion of the Leased Land at any time and from time to time, prior to Payment in Full of the Bonds, at a purchase price equal to twenty-five dollars (\$25)

per acre for the portion of the Leased Land to be purchased, provided that it furnishes the Issuer with the following:

(a) A notice in writing containing (i) an adequate legal description of that portion of the Leased Land with respect to which such option is to be exercised, (ii) a statement that the Lessee intends to exercise its option to purchase such portion of the Leased Land on a date stated, which shall not be less than thirty (30) nor more than ninety (90) days from the date of such notice, and (iii) a statement that the use to which it is intended that such portion of, or interest in, the Leased Land is to be devoted will promote the continued purpose of the Project; and

(b) an amount of money equal to the purchase price computed as provided in Section 11.3 of the Lease.

The Issuer agrees that upon receipt of the notice, certificate and money required in Section 11.3 of the Lease to be furnished to it by the Lessee, the Issuer will promptly deliver the same to the Trustee for deposit in the Bond Fund, and secure from the Trustee a release from the Lease of such portion of the Leased Land with respect to which the Lessee shall have exercised the option granted to it in this Section, subject to any right and title reserved to the Issuer. In the event the Lessee shall exercise the option granted to it under Section 11.3 of the Lease, the Lessee shall exercise the option granted to it under this Section, and the Lessee shall not be entitled to any abatement or diminution of the rents payable under Section 5.3 of the Lease.

Subsequent to Payment in Full of the Bonds, the Lessee shall have, and is hereby granted an option to purchase any unimproved portion of the Leased Land at a purchase price equal to one dollar (\$1.00) per acre with respect to the portion of the Leased Land to be purchased. The Issuer agrees that upon receipt of the money required herein to be furnished it by the Lessee, the Issuer will promptly release such portion of the Leased Land with respect to which the Lessee shall have exercised the option granted to it herein.

3. The Issuer, pursuant to the terms and provision of the Lease, authorizes and directs the Lessee to exercise all rights (and perform all obligations) under the Appurtenant Easements and the Permitted Encumbrances, as those terms are defined in the Lease, as if Lessee remained the fee simple owner of the Project. This authorization and appointment of the Lessee pursuant to the foregoing sentence and all authority thereby conferred or granted is conferred and granted irrevocably, until the expiration or earlier termination of the Lease. The Lease provides that third parties shall be entitled to rely on the authorization and appointment set forth in the Lease.

4. Captioned headings are inserted herein only as a matter of convenience and reference and in no way serve to define, limit, or describe the scope or intent of, or in any way affect, the Lease or this Short Form of Lease.

5. The Issuer and the Lessee hereby ratify, approve and confirm all of the terms, conditions and provisions of the Lease and all of the rights, duties, obligations and agreements created thereby or set forth therein, and the Issuer and the Lessee hereby covenant and agree that

nothing set forth in this Short Form of Lease is intended to or does amend, modify or in any way affect any of said terms, conditions or provisions of the Lease, or any of said rights, duties, obligations or agreements or set forth therein, and that all of the same shall remain and continue in full force and effect in accordance created thereby with the terms thereof. In the event of any inconsistency or conflict between the provisions of this Short Form of Lease and the provisions of Lease, the provisions of the Lease shall control.

6. Notwithstanding anything appearing to the contrary in this Short Form of Lease, no direct or indirect partner, member or shareholder of the Lessee (or any officer, director, agent, member, manager, personal representative, trustee or employee of any such direct or indirect partner, member or shareholder) shall be personally liable for the performance of the obligations of, or in respect of any claims against, the Lessee arising under this Short Form of Lease. No personal judgment shall be sought or obtained against any of the foregoing in connection with this Short Form of Lease.

**[SIGNATURES COMMENCE ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, Issuer has executed this Short Form of Lease under seal and Lessee has caused its proper officers to execute this Short Form of Lease under seal on its behalf.

**ISSUER:**

**DEVELOPMENT AUTHORITY OF  
ALPHARETTA**  
a public body corporate  
and politic of the State of Georgia

By: *[Signature]*  
Vice Chairman

(CORPORATE SEAL)

Attest:

*[Signature]*  
Secretary-Treasurer

Signed, sealed and  
delivered in the  
presence of:

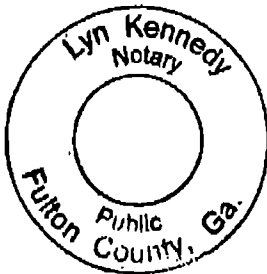
*[Signature]*  
Unofficial Witness

*[Signature]*  
Notary Public

My Commission Expires:

12-15-19

[NOTARIAL SEAL]



[Signature page to Short Form of Lease]

**LESSEE:**

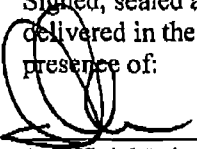
**MIDCITY ALPHARETTA OFFICE OWNER,  
LLC, a Georgia limited liability company**

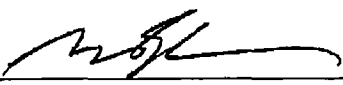
By: MidCity Alpharetta Office Manager, LLC, a  
Georgia limited liability company, its  
Administrative Member

By: MidCity Alpharetta Office Holdings, LLC, a  
Georgia limited liability company, its Manager

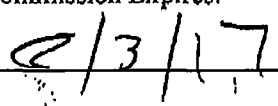
By:   
Kirk S. Demetrops  
Manager Member

Signed, sealed and  
delivered in the  
presence of:

  
Unofficial Witness

  
Notary Public

My Commission Expires:

  
[NOTARY PUBLIC]



[Signature page to Short Form of Lease]

**EXHIBIT A****LEGAL DESCRIPTION**

ALL THAT TRACT OR PARCEL OF LAND lying and being in Land Lot 1268 of the 2<sup>nd</sup> District, 2<sup>nd</sup> Section, City of Alpharetta, Fulton County, Georgia and being more particularly described as follows:

The condominium unit known as the Office Unit of Parcel 4 Condominium, as more particularly described and delineated in the Declaration of Condominium for Parcel 4 Condominium, recorded on March 3, 2017 in Deed Book 57262 Page 426 et seq., Fulton County, Georgia records, as may be amended (the "Declaration"), together with the undivided percentage interest in the Common Elements assigned to the Office Unit as set forth in Exhibit "C" to the Declaration.

This conveyance is made subject to the Declaration and all matters referenced therein, all matters shown on the Plat for Parcel 4 Condominium prepared by Travis Pruitt and Associates, P.C., dated March 3, 2017, filed in the aforesaid records, as may be amended, and all matters shown on the Plans for Parcel 4 Condominium prepared by Travis Pruitt and Associates, P.C., dated March 3, 2017, filed in the aforesaid records, as may be amended.

**THE OFFICE UNIT IS ALSO DESCRIBED AS:**

All that tract or parcel of land lying and being in Land Lot 1268 of the 2nd District, 2nd Section, City of Alpharetta, Fulton County, Georgia and being more particularly described as follows:

**COMMENCING** at the intersection of the easterly R/W line of Main Street (R/W varies) with the southerly R/W line of South Broad Street, **THENCE** running along said R/W line of South Broad Street South 87 degrees 35 minutes 46 seconds East a distance of 102.14 feet to a point; **THENCE** leaving said R/W line South 45 degrees 59 minutes 38 seconds East a distance of 13.39 feet to a point; **THENCE** South 02 degrees 24 minutes 14 seconds West a distance of 103.25 feet to a point; **THENCE** South 87 degrees 35 minutes 46 seconds East a distance of 37.50 feet to a point; said point being the **TRUE POINT OF BEGINNING**.

**THENCE** North 02 degrees 24 minutes 14 seconds East a distance of 12.09 feet to a point;  
**THENCE** South 87 degrees 35 minutes 46 seconds East a distance of 13.82 feet to a point;  
**THENCE** North 02 degrees 24 minutes 14 seconds East a distance of 17.46 feet to a point;  
**THENCE** North 87 degrees 35 minutes 46 seconds West a distance of 7.61 feet to a point;  
**THENCE** North 02 degrees 24 minutes 14 seconds East a distance of 20.46 feet to a point;  
**THENCE** North 87 degrees 40 minutes 09 seconds West a distance of 6.22 feet to a point;  
**THENCE** North 02 degrees 24 minutes 14 seconds East a distance of 8.71 feet to a point;  
**THENCE** South 87 degrees 35 minutes 46 seconds East a distance of 17.80 feet to a point;  
**THENCE** South 02 degrees 24 minutes 14 seconds West a distance of 8.76 feet to a point;  
**THENCE** South 87 degrees 35 minutes 46 seconds East a distance of 38.92 feet to a point;  
**THENCE** South 02 degrees 24 minutes 14 seconds West a distance of 20.40 feet to a point;

THENCE South 87 degrees 35 minutes 46 seconds East a distance of 5.58 feet to a point;  
 THENCE South 02 degrees 24 minutes 14 seconds West a distance of 29.55 feet to a point;  
 THENCE North 87 degrees 35 minutes 46 seconds West a distance of 62.30 feet to a point; said  
 point being the **TRUE POINT OF BEGINNING**.

Said tract contains 2,785 square feet or 0.064 acre.

**TOGETHER WITH:**

**Easement Parcel One:**

Easements and other interests in Real Property contained in that Declaration of Covenants, Conditions, Restrictions and Easements for Alpharetta City Center, by and between the City of Alpharetta and MMS Alpharetta LLC, dated 3/3/17, filed 3/8/17, and recorded in Deed Book ~~57262~~ Page ~~321~~, aforesaid records.

**Easement Parcel Two:**

Easements and other interests in Real Property contained in that certain Grant of Permanent Sanitary Sewer Easement and Temporary Construction Easements from Publix Super Markets, Inc., a Florida corporation, to The City of Alpharetta, Georgia, dated October 9, 2013, filed for record October 21, 2013, and recorded in Deed Book 53268, Page 512, aforesaid records.

**Easement Parcel Three:**

Easements and other interests in Real Property contained in that certain Grant of Water Line Easement from Publix Super Markets, Inc., a Florida corporation, to The City of Alpharetta, Georgia, dated September 6, 2013, filed for record October 3, 2013, and recorded in Deed Book 53209, Page 577, aforesaid records.

**Easement Parcel Four:**

Easements and other interests in Real Property contained in that certain Grant of Permanent Public Access Easement from Publix Super Markets, Inc., a Florida corporation, to The City of Alpharetta, Georgia, dated September 6, 2013, filed for record October 3, 2013, and recorded in Deed Book 53209, Page 582, aforesaid records.

Deed Book 57262 Pg 640  
Cathelene Robinson  
Clerk of Superior Court  
Fulton County, Georgia

***EXHIBIT B***

***LEASED EQUIPMENT***

None



Deed Book 58839 Pg 382  
Filed and Recorded May-30-2018 09:43am  
2018-0156523A  
**CATHELENE ROBINSON**  
Clerk of Superior Court  
Fulton County, Georgia

When Recorded Return To:  
Heather Townsend  
National Commercial Services  
First American Title Insurance Company  
Six Concourse Parkway, Ste. 2000  
Atlanta, GA 30328  
File No: NCS 895616

Prepared by and after recording mail to: CROSS REFERENCE TO

Earline Crooke  
Holland & Knight LLP  
1180 W. Peachtree Street  
Suite 1800  
Atlanta, GA 30309

Short Form of Lease  
recorded in Deed Book 57262,  
Page 632, on March 8, 2017,  
Fulton County, Georgia records

#### ASSIGNMENT, ASSUMPTION AND RELEASE AGREEMENT

This **ASSIGNMENT, ASSUMPTION AND RELEASE AGREEMENT** (this "Agreement") is made as of May 23, 2018, by and among **MIDCITY ALPHARETTA OFFICE OWNER, LLC**, a Georgia limited liability company (the "Current Company"), **JM FAMILY ENTERPRISES, INC.**, a Delaware corporation (the "New Company"), the **DEVELOPMENT AUTHORITY OF ALPHARETTA** (the "Issuer"), and **SYNOVUS BANK**, as successor to First Commercial Bank, a Division of Synovus Bank, as trustee (the "Trustee").

#### WITNESSETH:

**WHEREAS**, pursuant to that certain Indenture of Trust, dated as of March 3, 2017 (as amended, the "Indenture"), between the Issuer and the Trustee, the Issuer authorized the issuance in one or more series of its Taxable Revenue Bonds (City Center Office Project), Series 2017C, in an aggregate principal amount not to exceed \$7,034,821 (the "Bonds") for the benefit of MMS Alpharetta, LLC (the "Prior Company"); and

**WHEREAS**, the Bonds were issued to provide financing for the acquisition, construction, development and installation of certain land, buildings, structures, machinery, fixtures and equipment consisting of 36,000 square feet of Class A office space, along with the adjacent surface parking, which together will occupy 0.71 acres of real property, more

38845073.3

particularly described on Exhibit 1 attached hereto and incorporated herein, fronting South Broad Street in downtown Alpharetta, Fulton County, Georgia (the "Project"); and

**WHEREAS**, the Prior Company agreed to purchase the Bonds from the Issuer pursuant to a Bond Purchase Agreement, dated March 3, 2017 (the "Bond Purchase Agreement");

**WHEREAS**, in consideration of the issuance of the Bonds by the Issuer, the Prior Company and the Issuer entered into a Lease Agreement, dated as of March 3, 2017 (the "Lease Agreement"), pursuant to the terms of which the Issuer agreed to use the proceeds of the sale of the Bonds to finance the costs of the Project and to lease the Project to the Prior Company; and

**WHEREAS**, in connection with and in anticipation of the issuance of the Bonds and the execution and delivery of the Lease Agreement, the Prior Company and the Issuer entered into that certain Memorandum of Agreement Regarding Lease Structure and Valuation of Leasehold Interest with the Fulton County Board of Assessors (the "Assessor"), dated as of December 1, 2016 (the "MOA"), which established a schedule of "applicable percentages" for purposes of valuing the Prior Company's leasehold interest in the Project for purposes of ad valorem taxes assessed by the Assessor for the 10 year period following the Tax Commencement Date (as defined in the MOA); and

**WHEREAS**, the Prior Company has (i) transferred its leasehold interest in the Project to the Current Company, in connection with which transfer the Current Company assumed the obligations of the Prior Company under the documents appearing on Exhibit 2 attached hereto and made a part hereof (all such documents being hereinafter collectively referred to as the "Company Documents") and (ii) transferred the Bonds to the Current Company; and

**WHEREAS**, the Current Company desires to transfer its leasehold interest in the Project to the New Company and in connection therewith the New Company desires to assume the obligations of the Current Company accruing from and after the Effective Date (as described below) under the Company Documents; and

**WHEREAS**, the Current Company desires to transfer the Bonds to the New Company, such transfer to occur on the Effective Date; and

**WHEREAS**, in connection with the transfer of the Bonds to the New Company, the MOA will be amended pursuant to that certain Second Amendment to Memorandum of Agreement Regarding Lease Structure and Valuation of Leasehold Interest, by and among the Issuer, the Assessor, the Current Company and the New Company.

**NOW, THEREFORE**, in consideration of the foregoing and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, as applicable, hereby agree as follows:

1. The Current Company hereby transfers and assigns the Bonds to the New Company. The New Company hereby fully and unconditionally assumes all of the Current Company's rights, duties and obligations under the Company Documents accruing on or after the "Effective Date," and the Current Company hereby fully and unconditionally assigns all such rights, duties and obligations to the New Company as of the Effective Date. Notwithstanding

anything contained herein to the contrary, the New Company's assumption of obligations set forth herein expressly constitutes an assumption of all liabilities and obligations of the "Current Company" under the Company Documents (including all losses, claims, lawsuits or damages of any kind arising in connection with the Project) accruing on or after the Effective Date.

2. The parties hereby agree that from and after the Effective Date all references to: (i) "Purchaser" in the Bond Purchase Agreement and the Home Office Payment Agreement, dated as of March 3, 2017, between the Trustee, the Issuer and the Current Company (the "HOPA"), (ii) the "Company" in the Indenture and the Bond Purchase Agreement, (iii) "Lessee" in the Lease and the HOPA, and (iii) "Guarantor" in the Guaranty Agreement, dated as of March 3, 2017, between the Trustee and the Current Company shall mean and refer to the New Company or an affiliate to the New Company. The parties hereby release the Current Company from all of its obligations under the Company Documents, provided, however, that the Current Company is not released from any liability pursuant to (i) this Agreement or (ii) liability retained by the Current Company as set forth in Section 1 of this Agreement.

3. The transfer of the leasehold interest in the Project to the New Company is hereby acknowledged and approved by the Issuer and the Trustee and the transfer of the Bonds by the Current Company to the New Company is hereby acknowledged and approved by the Issuer and the Trustee.

4. This Agreement shall be binding upon and inure to the benefit of the parties, and their successors and assigns, and the provisions hereof may not be modified without the written approval and consent of all parties hereto.

5. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

6. From and after the Effective Date, all notices required or permitted to be sent to the "Lessee," "Company," "Purchaser" or "Guarantor" under the Company Documents shall be sent to New Company at the following address, in the manner required under the Company Documents:

JM Family Enterprises, Inc.  
100 Jim Moran Blvd.  
Deerfield Beach, FL 33442

7. All terms and conditions of the Company Documents not expressly modified by this Agreement are expressly reaffirmed as if set forth in their entirety herein and shall remain unaffected, unchanged and unimpaired by reason of this Agreement.

8. The Current Company agrees to pay the Issuer's and the Trustee's costs to effectuate the transfer of the Current Company's leasehold interest in the Project to the New Company, including but not limited to recording fees, transfer taxes, escrow fees, expenses and disbursements incurred by the Issuer and the Trustee relating to this Agreement or incurred in connection with the assumption by the New Company of the obligations under the Company Documents.

9. The Current Company certifies to the Issuer and the Trustee, to the best of the Current Company's knowledge, that as of the Effective Date no default on the part of the Current Company has occurred or would occur with the passage of time or the giving of notice under the Company Documents, and that all fees, charges, rents and other amounts due as of the Effective Date have been paid pursuant to the provisions of the Company Documents.

10. This Agreement shall be governed in all respects by the laws of the State of Georgia.

11. This Agreement shall be effective and any representations, warranties and certifications contained herein shall be true and correct as of May 23, 2018 (the "**Effective Date**").

[Signatures Commence on Following Page]

IN WITNESS WHEREOF, the parties have caused this Assignment, Assumption and Release Agreement to be executed by their duly authorized representatives as of the Effective Date.

CURRENT COMPANY:

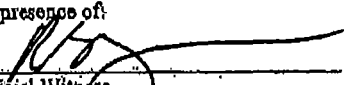
MIDCITY ALPHARETTA OFFICE OWNER,  
LLC, a Georgia limited liability company

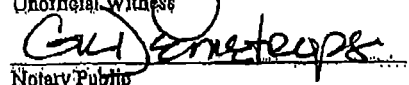
By: MidCity Alpharetta Office Manager,  
LLC, its manager

By: MidCity Alpharetta Office Holdings,  
LLC, its manager

By:  (SEAL)  
Kirk S. Demetrops, its Managing Member

Signed, sealed and delivered  
in the presence of:

  
Unofficial Witness

  
Notary Public

My Commission Expires:

Aug. 12, 2021

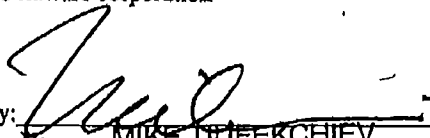


[Signatures Continue on Following Page]

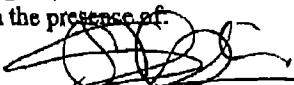
NEW COMPANY:

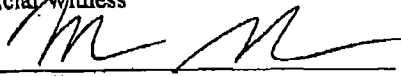
JM FAMILY ENTERPRISES, INC.,  
a Delaware corporation

(S E A L)

By:   
Name: MIKE HUFKCHIEV  
Title: VP, CORPORATE SERVICES

Signed, sealed and delivered  
in the presence of:

  
Unofficial Witness

  
Notary Public

My Commission Expires:



[Signatures Continue on Following Page]

[Signature Page to Assignment, Assumption and Release Agreement—New Company]



DEVELOPMENT AUTHORITY  
OF ALPHARETTA

By: Robert P. Hunter, Jr.  
Name: ROBERT P. HUNTER, JR.  
Title: CHAIRMAN

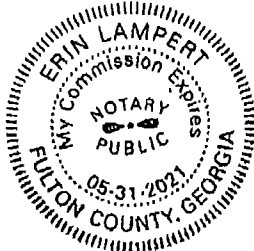
Signed, sealed and delivered  
in the presence of:

[Signature]  
Unofficial Witness

[Signature]  
Notary Public

My Commission Expires:

5/31/21



[Signatures Continue on Following Page]

[Signature Page to Assignment, Assumption and Release Agreement—Issuer]

SYNOVUS BANK, as Trustee

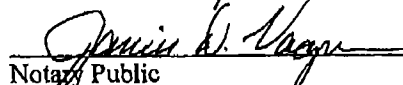
By:

  
Dean Matthews  
Senior Vice President

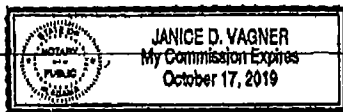
(SEAL)

Signed, sealed and delivered  
in the presence of:

  
Unofficial Witness

  
Notary Public

My Commission Expires:



[Signature Page to Assignment, Assumption and Release Agreement—Trustee]



**EXHIBIT 1****LEGAL DESCRIPTION**

ALL THAT TRACT OR PARCEL OF LAND lying and being in Land Lot 1268 of the 2<sup>nd</sup> District, 2<sup>nd</sup> Section, City of Alpharetta, Fulton County, Georgia and being more particularly described as follows:

The condominium unit known as the Office Unit of Parcel 4 Condominium, as more particularly described and delineated in the Declaration of Condominium for Parcel 4 Condominium, recorded on March \_\_\_\_, 2017 in Deed Book \_\_\_\_\_ Page \_\_\_\_, *et seq.*, Fulton County, Georgia records, as may be amended (the "Declaration"), together with the undivided percentage interest in the Common Elements assigned to the Office Unit as set forth in Exhibit "C" to the Declaration.

This conveyance is made subject to the Declaration and all matters referenced therein, all matters shown on the Plat for Parcel 4 Condominium prepared by Travis Pruitt and Associates, P.C., dated \_\_\_\_\_, 2017, filed in the aforesaid records, as may be amended, and all matters shown on the Plans for Parcel 4 Condominium prepared by Travis Pruitt and Associates, P.C., dated \_\_\_\_\_, 2017, filed in the aforesaid records, as may be amended.

**THE OFFICE UNIT IS ALSO DESCRIBED AS:**

All that tract or parcel of land lying and being in Land Lot 1268 of the 2nd District, 2nd Section, City of Alpharetta, Fulton County, Georgia and being more particularly described as follows:

**COMMENCING** at the intersection of the easterly R/W line of Main Street (R/W varies) with the southerly R/W line of South Broad Street, **THENCE** running along said R/W line of South Broad Street South 87 degrees 35 minutes 46 seconds East a distance of 102.14 feet to a point; **THENCE** leaving said R/W line South 45 degrees 59 minutes 38 seconds East a distance of 13.39 feet to a point; **THENCE** South 02 degrees 24 minutes 14 seconds West a distance of 103.25 feet to a point; **THENCE** South 87 degrees 35 minutes 46 seconds East a distance of 37.50 feet to a point; said point being the **TRUE POINT OF BEGINNING**.

**THENCE** North 02 degrees 24 minutes 14 seconds East a distance of 12.09 feet to a point;  
**THENCE** South 87 degrees 35 minutes 46 seconds East a distance of 13.82 feet to a point;  
**THENCE** North 02 degrees 24 minutes 14 seconds East a distance of 17.46 feet to a point;  
**THENCE** North 87 degrees 35 minutes 46 seconds West a distance of 7.61 feet to a point;  
**THENCE** North 02 degrees 24 minutes 14 seconds East a distance of 20.46 feet to a point;  
**THENCE** North 87 degrees 40 minutes 09 seconds West a distance of 6.22 feet to a point;  
**THENCE** North 02 degrees 24 minutes 14 seconds East a distance of 8.71 feet to a point;  
**THENCE** South 87 degrees 35 minutes 46 seconds East a distance of 17.80 feet to a point;  
**THENCE** South 02 degrees 24 minutes 14 seconds West a distance of 8.76 feet to a point;  
**THENCE** South 87 degrees 35 minutes 46 seconds East a distance of 38.92 feet to a point;  
**THENCE** South 02 degrees 24 minutes 14 seconds West a distance of 20.40 feet to a point;  
**THENCE** South 87 degrees 35 minutes 46 seconds East a distance of 5.58 feet to a point;

THENCE South 02 degrees 24 minutes 14 seconds West a distance of 29.55 feet to a point;  
THENCE North 87 degrees 35 minutes 46 seconds West a distance of 62.30 feet to a point; said  
point being the **TRUE POINT OF BEGINNING**.

Said tract contains 2,785 square feet or 0.064 acre.

**TOGETHER WITH:**

**Easement Parcel One:**

Easements and other interests in Real Property contained in that Declaration of Covenants, Conditions, Restrictions and Easements for Alpharetta City Center, by and between the City of Alpharetta and \_\_\_\_\_, dated \_\_\_\_\_, filed \_\_\_\_\_, and recorded in Deed Book \_\_\_\_\_, Page \_\_\_\_\_, aforesaid records.

**Easement Parcel Two:**

Easements and other interests in Real Property contained in that certain Grant of Permanent Sanitary Sewer Easement and Temporary Construction Easements from Publix Super Markets, Inc., a Florida corporation, to The City of Alpharetta, Georgia, dated October 9, 2013, filed for record October 21, 2013, and recorded in Deed Book 53268, Page 512, aforesaid records.

**Easement Parcel Three:**

Easements and other interests in Real Property contained in that certain Grant of Water Line Easement from Publix Super Markets, Inc., a Florida corporation, to The City of Alpharetta, Georgia, dated September 6, 2013, filed for record October 3, 2013, and recorded in Deed Book 53209, Page 577, aforesaid records.

**Easement Parcel Four:**

Easements and other interests in Real Property contained in that certain Grant of Permanent Public Access Easement from Publix Super Markets, Inc., a Florida corporation, to The City of Alpharetta, Georgia, dated September 6, 2013, filed for record October 3, 2013, and recorded in Deed Book 53209, Page 582, aforesaid records.

**EXHIBIT 2**

**LIST OF DOCUMENTS**

1. Guaranty Agreement, dated as of March 3, 2017.
2. Home Office Payment Agreement, dated as of March 3, 2017.
3. Bond Purchase Agreement, dated as of March 3, 2017.
4. Lease Agreement dated March 3, 2017, by and between the Issuer and the Current Company.

Exhibit B

Current Bond Assignment and Assumption Agreement

**Return to:**

Matthew Fox, Senior Counsel  
JM Family Enterprises, Inc.  
100 Jim Moran Boulevard  
Deerfield Beach, FL 33442

**Cross Reference:**

1. Assignment Agreement recorded Book 58839, Page 382
  2. Short Form Lease recorded at Book 57262, Page 632
  3. Affidavit of Name Change by Conversion recorded at Book 67490, Page 69
  4. Condominium Declaration recorded at Book 58839, Page 271
- Fulton County, Georgia real property records

**Tax Parcel Number: 22498412681827**

**Also known as Property Address: 415 South Broad Street, Alpharetta, GA 30009-0255**

**Note to Clerk: No transfer tax owed; this is a transfer of Development Authority Bond Documents and leasehold interest in real property; NO CASH CONSIDERATION**

**ASSIGNMENT AND ASSUMPTION AGREEMENT OF LEASEHOLD INTEREST IN  
BOND TRANSACTION AND BOND LEASE**

This **ASSIGNMENT AND ASSUMPTION AGREEMENT OF LEASEHOLD INTEREST IN BOND TRANSACTION AND BOND LEASE** (this "Agreement") is made effective as of May 6, 2025 ("Effective Date"), by **JM Family Enterprises, Inc., a Delaware corporation** ("Assignee"), having an address at 100 Jim Moran Blvd., Deerfield Beach, FL 33442, and **JM Family Automotive LLC, a Delaware limited liability company, successor by conversion from JM Family Automotive, Inc., successor by name change from JM Family Enterprises, Inc., a Delaware corporation** ("Assignor"), having an address at 100 Jim Moran Blvd., Deerfield Beach, FL 33442. Assignor and Assignee are affiliated parties.

**RECITALS**

A. Pursuant to that certain Indenture of Trust, dated as of March 3, 2017 (as amended, the "Indenture"), between the Development Authority of Alpharetta ("Issuer") and Synovus Bank, as successor to First Commercial Bank, a Division of Synovus Bank ("Trustee"), Issuer authorized the issuance in one or more series of its Taxable Revenue Bonds (City Center Office Project), Series 2017C, in an aggregate principal amount not to exceed Seven Million Thirty-Four Thousand Eight Hundred Twenty-One and no/100ths Dollars (\$7,034,821.00) (collectively, the "Bonds") for the original benefit of MMS Alpharetta, LLC ("Prior Bond Party #1").

B. The Bonds were issued to provide financing for the acquisition, construction, development and installation of certain land, buildings, structures, machinery, fixtures and equipment consisting of approximately 36,000 square feet of Class A office space, along with the adjacent surface parking, which together occupies approximately 0.71 acres of real property, more particularly described on Exhibit A attached hereto and incorporated herein, fronting South Broad

Street in downtown Alpharetta, Fulton County, Georgia ("Project"), known as 415 South Broad Street, Alpharetta, GA 30009-0255, according to the present system of numbering in Fulton County, Georgia.

C. Prior Bond Party #1 agreed to purchase the Bonds from the Issuer pursuant to a Bond Purchase Agreement dated March 3, 2017 ("Bond Purchase Agreement"), and in consideration of the issuance of the Bonds by the Issuer, the Prior Bond Party #1 and the Issuer entered into a Lease Agreement, dated as of March 3, 2017 ("Lease Agreement"), pursuant to the terms of which the Issuer agreed to use the proceeds of the sale of the Bonds to finance the costs of the Project and to lease the Project to the Prior Bond Party #1.

D. In connection with and in anticipation of the issuance of the Bonds and the execution and delivery of the Lease Agreement, Prior Bond Party #1 and Issuer entered into that certain Memorandum of Agreement Regarding Lease Structure and Valuation of Leasehold Interest with the Fulton County Board Of Assessors ("Assessor"), dated as of December 1, 2016 ("MOA"), which established a schedule of "applicable percentages" for purposes of valuing the Prior Bond Party #1's leasehold interest in the Project for purposes of ad valorem taxes assessed by the Assessor for the 10 year period following the Tax Commencement Date (as defined in the MOA).

E. Prior Bond Party #1 previously (i) transferred its leasehold interest in the Project to MidCity Alpharetta Office Owner, LLC ("Prior Bond Party #2"), in connection with which transfer Prior Bond Party #2 assumed the obligations of the Prior Bond Party #1 under the documents appearing on Exhibit B attached hereto and made a part hereof (all such documents being hereinafter collectively referred to as the "Bond Documents") and (ii) transferred the Bonds and its interests in the Bond Documents and the Bonds to the Prior Bond Party #2.

F. Prior Bond Party #2 subsequently transferred its leasehold interest in the Project and the Bond Documents to JM Family Enterprises, Inc., a Delaware corporation ("Assignor"), in which transfer Assignor assumed the obligations of the Prior Bond Party #2 under the leasehold interest in the Project and in the Bond Documents, and Prior Bond Party #2 further transferred the Bonds to Assignor.

G. The Bonds were consolidated into Bond Certificate No. R-4 in the original principal amount of \$7,034,821.00 by virtue of Bond Certificate No. R-4 dated October 15, 2024 with an intended effective date of May 23, 2018. As a condition to this assignment, Issuer, Trustee and Assignor and Assignee herein agree that the Bond Certificate No. R-4 shall be replaced with a replacement Bond Certificate No. R-5 in the same original principal amount of \$7,034,821.00, to be effective as of the date of this Assignment.

**H. Assignee is a direct parent entity of Assignor, and Assignee owns all of the membership interests of Assignor herein, and under the terms of, inter alia, Sections 8.3 and 9.1(b) of the Lease Agreement, Assignor may assign the Lease and the leasehold interest in the Project to an entity controlled, controlling or under common control with Assignor, without the consent of Issuer and Trustee.**

NOW, THEREFORE, in consideration of the foregoing and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, AND THE

PARTIES ACKNOWLEDGING THERE IS NO CASH CONSIDERATION PAID IN CONNECTION WITH THIS TRANSACTION, the parties to this Agreement hereby agree as follows:

1. As of the Effective Date, Assignor hereby transfers and assigns the Bonds, the Bond Documents, inclusive of the Lease, and the leasehold interest in the Project, to Assignee. Assignee further hereby fully and unconditionally assumes all of the Assignor's rights, duties and obligations under the Bond Documents, inclusive of the Lease, the Bonds, and the leasehold interest in the Project accruing on or after the "Effective Date," and Assignor hereby fully and unconditionally assigns all such rights, duties and obligations to Assignee as of the Effective Date. Notwithstanding anything contained herein to the contrary, Assignee's assumption of obligations set forth herein expressly constitutes an assumption by Assignee of all liabilities and obligations of Assignor under the Bond Documents, inclusive of the Lease, the Bonds, and the leasehold interest in the Project accruing on or after the Effective Date. For avoidance of doubt, the rights of Assignor as current Declarant under that certain Amended and Restated Declaration of Condominium for Parcel 4 Condominium recorded on May 30, 2018 in Deed Book 58839, Page 271, aforesaid records ("Condominium Declaration"), are further transferred to Assignee, said Condominium Declaration also being referenced in the Lease that is made part of the Bond Documents. Also included in the assignment and assumption are all permits, plans, specifications, intangible rights, licenses and approvals for the Project, together with any personal property owned by Assignor, located at the Project and used in connection with the operation of the Project.

2. The parties hereby agree that from and after the Effective Date all references to: (i) "Purchaser" in the Bond Purchase Agreement and the Home Office Payment Agreement, dated as of March 3, 2017, between Trustee and Issuer and as previously assigned to Assignor, (ii) the "Company" in the Indenture and the Bond Purchase Agreement; (iii) "Lessee" in the Lease and the Home Office Payment Agreement, (iv) "Guarantor" in the Guaranty Agreement, dated as of March 3, 2017, between Trustee, the rights of the original obligor being previously assigned and assumed by Assignor, and (v) "Declarant" under the Condominium Declaration, shall mean and refer to Assignee or an affiliate to Assignee. This Agreement shall be binding upon and inure to the benefit of the parties, and their successors and assigns, and the provisions hereof may not be modified without the written approval and consent of all parties hereto.

3. From and after the Effective Date, all notices required or permitted to be sent to, the "Lessee," "Company," "Purchaser," "Declarant," or "Guarantor" under the Bond Documents shall be sent to Assignee at the following address, in the manner required under the Bond Documents:

Assignee:  
JM Family Enterprises, Inc.  
111 Jim Moran Boulevard  
Deerfield Beach, FL 33442  
Attention: Andre Hall  
Vice President, General Counsel, JM Family Holdings & Services  
Email: [Andre.Hall@jmfamily.com](mailto:Andre.Hall@jmfamily.com)

With a copy to:

JM Family Enterprises, Inc.  
111 Jim Moran Boulevard  
Deerfield Beach, FL 33442  
Attention: Matthew Fox, Senior Counsel  
Legal Department  
Email: [Matthew.Fox@jmfamily.com](mailto:Matthew.Fox@jmfamily.com)

Assignor:

JM Family Automotive LLC  
Successor by conversion from JM Family Automotive, Inc.  
Successor by name change from JM Family Enterprises, Inc.  
c/o JM Family Enterprises, Inc.  
111 Jim Moran Boulevard  
Deerfield Beach, FL 33442  
Attention: Andre Hall  
Vice President, General Counsel, JM Family Holdings & Services  
Email: [Andre.Hall@jmfamily.com](mailto:Andre.Hall@jmfamily.com)

With a copy to:

JM Family Automotive LLC  
Successor by conversion from JM Family Automotive, Inc.  
Successor by name change from JM Family Enterprises, Inc.  
c/o JM Family Enterprises, Inc.  
111 Jim Moran Boulevard  
Deerfield Beach, FL 33442  
Attention: Matthew Fox, Senior Counsel  
Legal Department  
Email: [Matthew.Fox@jmfamily.com](mailto:Matthew.Fox@jmfamily.com)

4. All terms and conditions of the Bond Documents not expressly modified by this Agreement are expressly reaffirmed as if set forth in their entirety herein and shall remain unaffected, unchanged and unimpaired by reason of this Agreement. This Agreement shall be governed by the laws of the State of Georgia. Time is of the essence of this Agreement. This Agreement shall be effective and any statements and certifications contained herein shall be true and correct as of the Effective Date. Assignor and Assignee have provided notice to Issuer and Trustee of the affiliated assignments hereby made. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

[Signatures Commence on Following Page]



**IN WITNESS WHEREOF**, the parties have caused this Assignment and Assumption Agreement to be executed under seal by their duly authorized representatives as of the Effective Date.

**ASSIGNOR:**

**JM Family Automotive LLC, a Delaware limited liability company, successor by conversion from JM Family Automotive, Inc., successor by name change from JM Family Enterprises, Inc., a Delaware corporation**

By: \_\_\_\_\_ (SEAL)  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Signed, Sealed and Delivered  
in the presence of:

\_\_\_\_\_  
Unofficial Witness

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_

(Notarial Seal)

[Signatures Continue on Following Page]

**ASSIGNEE:**

**JM FAMILY ENTERPRISES, INC.,**  
a Delaware corporation

By: \_\_\_\_\_ (SEAL)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signed, Sealed and Delivered  
in the presence of:

\_\_\_\_\_  
Unofficial Witness

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

## **EXHIBIT A**

### **LEGAL DESCRIPTION**

**ALL THAT TRACT OR PARCEL OF LAND** lying and being in Land Lot 1268 of the 2nd District, 2nd Section, City of Alpharetta, Fulton County, Georgia and being more particularly described as follows:

The condominium unit known as the Office Unit of Parcel 4 Condominium, as more particularly described and delineated in Declaration of Condominium for Parcel 4 Condominium, recorded on March 3, 2017, in Deed Book 57262, Page 426, Fulton County, Georgia Records, as further evidenced by that certain Amended and Restated Declaration of Condominium for Parcel 4 Condominium, recorded on May 30, 2018 in Deed Book 58839, Page 271, Fulton County, Georgia records, as may be amended (the "Declaration"), together with the undivided percentage interest in the Common Elements assigned to the Office Unit as set forth in Exhibit "C" to the Declaration.

This conveyance is made subject to the Declaration and all matters referenced therein, all matters shown on the Plat for Parcel 4 Condominium prepared by Travis Pruitt and Associates, P.C., dated March 3, 2017, filed in the aforesaid records, as further amended and restated by Plat for Parcel 4 Condominium dated May 18, 2018, filed in the aforesaid records, as may be amended, and all matters shown on the Plans for Parcel 4 Condominium prepared by Travis Pruitt and Associates, P.C., including those dated March 3, 2017 and those dated April 13, 2018, and filed and recorded at Condominium Floor Plan Book 397, Page 122 aforesaid records, as may be amended.

#### **THE OFFICE UNIT IS ALSO DESCRIBED AS:**

All that tract or parcel of land lying and being in Land Lot 1268 of the 2nd. District, 2nd Section, City of Alpharetta, Fulton County, Georgia and being more particularly described as follows:

**COMMENCING** at the intersection of the easterly R/W line of Main Street (R/W varies) with the southerly R/W line of South Broad Street, **THENCE** running along said R/W line of South Broad Street South 87 degrees 35 minutes 46 seconds East a distance of 102.14 feet to a point; **THENCE** leaving said R/W line South 45 degrees 59 minutes 38 seconds East a distance of 13.39 feet to a point; **THENCE** South 02 degrees 24 minutes 14 Seconds West a distance of 103.25 feet to a point; **THENCE** South 87 degrees 35 minutes 46 seconds East a distance of 37.50 feet to a point; said point being the **TRUE POINT OF BEGINNING**.

**THENCE** North 02 degrees 24 minutes 14 seconds East a distance of 12.09 feet to a point; **THENCE** South 87 degrees 35 minutes 46 seconds East a distance of 13.82 feet to a point; **THENCE** North 02 degrees 24 minutes 14 seconds East a distance of 17.46 feet to a point; **THENCE** North 87 degrees 35 minutes 46 seconds West a distance of 7.61 feet to a point; **THENCE** North 02 degrees 24 minutes 14 Seconds East a distance of 20.46 feet to a point; **THENCE** North 87 degrees 40 minutes 09 seconds West a distance of 6.22 feet to a point; **THENCE** North 02 degrees 24 minutes 14 seconds East a distance of 8.71 feet to a point;

THENCE South 87 degrees 35 minutes 46 seconds East a distance of 17.80 feet to a point;  
THENCE South 02 degrees 24 minutes 14 seconds West a distance of 8.76 feet to a point;  
THENCE South 87 degrees 35 minutes 46 seconds East a distance of 38.92 feet to a point;  
THENCE South 02 degrees 24 minutes 14 seconds West a distance of 20.40 feet to a point;  
THENCE South 87 degrees 35 minutes 46 seconds East a distance of 5.58 feet to a point;  
THENCE South 02 degrees 24 minutes 14 seconds West a distance of 29.55 feet to a point;  
THENCE North 87 degrees 35 minutes 46 seconds West a distance of 62.30 feet to a point;  
said point being the **TRUE POINT OF BEGINNING**.

Said tract contains approximately 2,785 square feet or approximately 0.064 acre.

Known as 415 South Broad Street, Alpharetta, GA 30009-0255, according to the present system of numbering in Fulton County, Georgia, having tax parcel 22498412681827.

#### **TOGETHER WITH:**

##### **Easement Parcel One:**

Easements and other interests in Real Property contained in that Declaration of Covenants, Conditions, Restrictions and Easements for Alpharetta City Center, by and between the City of Alpharetta and MMS Alpharetta, LLC, a Georgia limited liability company, dated March 3, 2017, filed March 7, 2017 and recorded in Deed Book 57262, Page 321, aforesaid records,

##### **Easement Parcel Two:**

Easements and other interests in Real Property contained in that certain Grant of Permanent Sanitary Sewer Easement and Temporary Construction Easements from Publix Super Markets, Inc., a Florida corporation, to The City of Alpharetta, Georgia, dated October 9, 2013, filed for record October 21, 2013, and recorded in Deed Book 53268, Page 512, aforesaid records.

##### **Easement Parcel Three:**

Easements and other interests in Real Property contained in that certain Grant of Water Line Easement from Publix Super Markets, Inc., a Florida corporation, to The City of Alpharetta, Georgia, dated September 6, 2013, filed for record October 3, 2013, and recorded in Deed Book 53209, Page 577, aforesaid records.

##### **Easement Parcel Four:**

Easements and other interests in Real Property contained in that certain Grant of Permanent Public Access Easement from Publix Super Markets, Inc., a Florida corporation, to The City of Alpharetta, Georgia, dated September 6, 2013, filed for record October 3, 2013, and recorded in Deed Book 53209, Page 582, aforesaid records.

##### **Easement Parcel Five:**

Easements and other interests in Real Property contained in that certain Grant of Permanent Parking Easement Agreement by and between SCP Alpharetta Residential Owner, LLC and

MidCity Alpharetta Office Owner, LLC, dated May 23, 2018, filed for record May 30, 2018 and recorded in Deed Book 58839, Page 412, aforesaid records.

**Easement Parcel Six:**

Easements and other interests in Real Property contained in that certain Encroachment Easement Agreement by and between Alpha 1-2-3 LLC, SCP Alpharetta Residential Owner LLC and JM Family Enterprises et al. dated May 28, 2018, filed for record May 30, 2018 and recorded in Deed Book 58839, Page 383, aforesaid records.

## **EXHIBIT B**

### **List of Bond Documents**

1. Guaranty Agreement, dated as of March 3, 2017.
2. Home Office Payment Agreement, dated as of March 3, 2017.
3. Bond Purchase Agreement, dated as of March 3, 2017.
4. Lease Agreement dated March 3, 2017, by and between the Issuer and Prior Bond Party.
5. Assignment, Assumption and Release Agreement dated May 23, 2018 among MidCity Alpharetta Office Owner, LLC, JM Family Enterprises and Development Authority of Alpharetta recorded in Deed Book 58839, Page 382, Fulton County, Georgia real property records, by which document JM Family Enterprises, Inc., assumed the requirements of “Guarantor” under the Guaranty Agreement, effective as of May 23, 2018.
6. Bond Certificate No. R-4 dated October 15, 2024 effective May 23, 2018 in the original principal amount of \$7,034,821.00.
7. Transfer of Bond Certificate No. R-4 effective May 23, 2018 and effective the effective date of this Assignment in the original principal amount of \$7,034,821.00.

Exhibit C  
Bond Certificate R-4

UNITED STATES OF AMERICA

STATE OF GEORGIA

DEVELOPMENT AUTHORITY OF ALPHARETTA  
TAXABLE REVENUE BOND  
(CITY CENTER OFFICE PROJECT)

SERIES 2017C

THIS BOND IS SUBJECT TO TRANSFER RESTRICTIONS AS SET FORTH IN SECTION 207 OF THE INDENTURE REFERRED TO BELOW. THIS SERIES 2017C BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND IT MAY NOT BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED NOR MAY THE EXTENT OF ITS REGISTRATION BE REDUCED, WITHOUT OPINION OF COUNSEL SATISFACTORY TO THE TRUSTEE, THE ISSUER AND THE INITIAL LESSEE OF THE PROJECT REFERRED TO IN THIS SERIES 2017C BOND TO THE EFFECT THAT SUCH TRANSFER OR CHANGE IN THE EXTENT OF REGISTRATION WILL NOT VIOLATE APPLICABLE SECURITIES LAWS.

No. R-4

\$7,034,821

FOR VALUE RECEIVED, the Development Authority of Alpharetta (the "Issuer"), a public body corporate and politic created and existing under the Constitution and the laws of the State of Georgia, hereby promises to pay to JM FAMILY ENTERPRISES, INC., or registered assigns, solely from the fund hereinafter described and from no other source, on the first day of January 1, 2028 the principal sum of

SEVEN MILLION THIRTY-FOUR THOUSAND EIGHT HUNDRED AND TWENTY-ONE  
DOLLARS

and to pay to the registered owner hereof solely from said special fund, interest hereon at the rate of 4.00% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months), from the dated date hereof or from the last Interest Payment Date to which interest has been paid (interest due on any Series 2017C Bond on any Interest Payment Date shall be paid to the Registered Owner of such Series 2017C Bond as shown on the registration books kept by the Registrar on the Record Date), first interest payable on the next succeeding January 1 or July 1 (whichever shall come first) and semiannually thereafter on January 1 and July 1 each year until payment of the principal amount of this Series 2017C Bond. The principal of and the interest on



this Series 2017C Bond shall be payable in lawful money of the United States of America by check mailed to the registered owner hereof at the orders shown on the Bond Register or to the order of any subsequent registered owner hereof shown on the Bond Register, unless there shall be in effect, as provided in the hereinafter mentioned Indenture, a home office payment agreement satisfactory to the Trustee. Payment of the final installment of interest on and principal of this bond shall be made upon surrender of this Series 2017C Bond to the Trustee. Such payment shall be made to the person in whose name this Series 2017C Bond is registered on the Bond Register with respect to payment of principal, on the date such principal is due and with respect to the payment of interest.

“Record Date” shall mean the close of business on the 15th day (whether or not a Business Day) of the calendar month immediately preceding the applicable Interest Payment Date.

This bond is a fully registered bond comprising one of a duly authorized series in an aggregate principal amount not to exceed \$7,034,821 (the “bonds”), of like tenor except as to numbers, issued under and secured by an Indenture of Trust, dated March 3, 2017, by and between the Issuer and the Trustee (the “Indenture”), and an authorizing resolution of the Issuer, adopted on November 29, 2016 for the purpose of financing the acquisition, construction, development and installation of certain land, buildings, structures, machinery, fixtures and equipment for 36,000 square feet of Class A office space, along with the adjacent surface parking, which together will occupy 0.71 acres and will front South Broad Street in downtown Alpharetta, Fulton County, Georgia (the “Project”) for lease to MMS Alpharetta, LLC, a Georgia limited liability company (the “Company”) pursuant to a Lease Agreement, dated March 3, 2017, as amended and assigned (the “Lease Agreement”), between the Issuer and the Company.

The Indenture recites that the Series 2017C Bonds may be delivered to, and paid for by, the purchaser, in multiple installments as and when moneys are required to complete the acquisition, construction, development and installation of the Project.

This Series 2017C Bond and the interest hereon shall not be deemed to constitute a debt or a general obligation or a pledge of the faith and credit of the Issuer, the State of Georgia, the City of Alpharetta, Georgia or of Fulton County, Georgia or any political subdivision therein, and does not directly, indirectly or contingently obligate said State, City or County to levy or to pledge any form of taxation whatever for the payment of such principal and interest. The Issuer has no taxing power. This Series 2017C Bond is a limited obligated and payable solely from the rental payments and other payments received under the Lease Agreement (hereinafter described) together with all other rents, revenues and receipts arising out of or in connection with the Issuer’s ownership of the Project (except for certain Unassigned Rights) and the Issuer is obligated to pay the principal of and the interest on this Series 2017C Bond only from the fund entitled “Development Authority of Alpharetta Revenue Bonds - Bond Fund, City Center Office Project, Series 2017C” (the “Bond Fund”), created in the Indenture. No recourse shall be had for the payment of the principal of and the interest on this Series 2017C Bond against any officer, director, employee, agent or member of the Issuer.

This Series 2017C Bond is issued under and the Indenture was authorized, executed and delivered by the Issuer under and pursuant to the laws of the State of Georgia, including

particularly the Development Authorities Law of the State of Georgia (O.C.G.A. Section 36-62), as amended, and the aforesaid resolution of the Issuer. Pursuant to the terms of the Lease Agreement, the Company must pay to the Issuer rental payments which are pledged to, and will be fully sufficient to provide for, the payment of the principal of and the interest on the Series 2017C Bonds as the same become due.

Pursuant to the Indenture, the Issuer may from time to time after the issuance of all of the Series 2017C Bonds which are to be issued have been issued, sell and issue additional parity bonds for the purposes and subject to the terms and conditions contained in the Indenture. Such additional parity bonds will rank on a parity with and be equally secured with the Series 2017C Bonds. Reference is hereby made to Article IV of the Indenture for a more complete description of the terms under which such additional parity bonds may be issued by the Issuer. As additional security for the payment of the Bonds, the Company will enter into a Guaranty Agreement with the Trustee, dated March 3, 2017, under the terms of which the Company will unconditionally guarantee to the Trustee, for the benefit of the owners of the Bonds, the payment of the rental payments owed by the Company under the Lease Agreement as the same become due; it being provided that Company has complied with this requirement for a Guaranty Agreement by virtue of that certain Assignment, Assumption and Release Agreement dated May 23, 2018 among MidCity Alpharetta Office Owner, LLC, JM Family Enterprises and Development Authority of Alpharetta recorded in Deed Book 58839, Page 382, Fulton County, Georgia real estate records, by which document JM Family Enterprises, Inc., assumed the requirements of "Guarantor" under the Guaranty Agreement, effective as of May 23, 2018.

The Issuer has agreed that it will use its best efforts to keep the Project continuously leased and will prescribe and collect rental payments therefor sufficient to pay when due the principal of and the interest on the Series 2017C Bonds. Reference to the Indenture is hereby made for a description of the aforesaid Bond Fund which is charged with, and pledged to, the payment of the principal of and the interest on the Series 2017C Bonds, the nature and extent of the security, the rights, duties and obligations of the Issuer and the Trustee, the rights of the owners of the Series 2017C Bonds, the terms and conditions under and upon the occurrence of which the Indenture and the Lease Agreement may be modified, the terms and conditions under which additional parity bonds may be issued and the terms and conditions under and upon the occurrence of which the lien of the Indenture may be defeased as to this Series 2017C Bond prior to the maturity or prepayment date hereof, to all of the provisions of which the owner hereof, by the acceptance of this Series 2017C Bond, assents.

The Series 2017C Bonds shall be subject to mandatory sinking fund redemption on January 1 in the following years, starting the date of completion of the Project (as defined in the Indenture), and in percentages of the amount previously drawn down on the Series 2017C Bonds:

|              | <u>Percentage Redeemed</u> | <u>Percentage to Remain<br/>Outstanding</u> |
|--------------|----------------------------|---------------------------------------------|
| First Year   | 50%                        | 50%                                         |
| Second Year  | 55                         | 45                                          |
| Third Year   | 60                         | 40                                          |
| Fourth Year  | 65                         | 35                                          |
| Fifth Year   | 70                         | 30                                          |
| Sixth Year   | 75                         | 25                                          |
| Seventh Year | 80                         | 20                                          |
| Eighth Year  | 85                         | 15                                          |
| Ninth Year   | 90                         | 10                                          |
| Tenth Year   | 95                         | 5                                           |

Notwithstanding anything to the contrary in the Indenture, should additional Series 2017C Bonds be issued in the calendar years following the date of completion of the Project, such redemptions shall be made in such amounts as if such additional Series 2017C Bonds were issued simultaneously with the first Series 2017C Bonds issued, and the Series 2017C Bonds shall be redeemed in an amount sufficient such that only the applicable remaining percentage of Series 2017C Bonds (with each Series 2017C Bond being treated as issued on the date of issuance of the first Series 2017C Bond) set forth above shall remain outstanding.

The Series 2017C Bonds are subject to prepayment prior to maturity by the Issuer at any time, in whole or in part, pro rata among the owners of the Series 2017C Bonds as provided in the Indenture, at 100% of the principal amount to be so prepaid plus accrued interest thereon to the prepayment date.

When this Series 2017C Bond (or any portion hereof) is called for prepayment as aforesaid, notice thereof shall be given by mailing a copy of the prepayment notice by first class mail at least thirty (30) days prior to the prepayment date to the registered owner of this Series 2017C Bond at the addresses shown on the registration books.

Less than the entire principal amount of this Series 2017C Bond may be prepaid and in such case, upon the surrender of such Series 2017C Bond (a) appropriate endorsement shall be made thereon by the Trustee to reflect such partial prepayment, or (b) there shall be issued to the registered owner hereof, without charge therefor, for the unredeemed balance of the principal amount of this Series 2017C Bond, fully registered Series 2017C Bonds in any of the authorized denominations, as more fully set forth in the Indenture.

By acceptance of this Series 2017C Bond, the owner hereof agrees that in the event it elects not to surrender this Series 2017C Bond to the Trustee as described in the foregoing paragraph, upon a partial prepayment of this Series 2017C Bond it will endorse in the space provided on the schedule attached hereto, the amount and date of such partial prepayment and shall immediately forward a written confirmation of such prepayment and endorsement to the Trustee.

This Series 2017C Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing at the principal office of the Trustee, but only in the manner, subject to the conditions and limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Series 2017C Bond. Upon such transfer, a new fully registered Series 2017C Bond or fully registered Series 2017C Bonds in the same aggregate principal amount and of any authorized denomination or denominations shall be issued to the transferee or transferees in exchange therefor.

The owner of this Series 2017C Bond shall have the right to enforce the payment of the principal hereof and the interest hereon at or after the maturity hereof, and the owner of this Series 2017C Bond shall have the right to enforce the provisions of the Indenture and to institute action to enforce the covenants therein, and to take any action with respect to any Event of Default under the Indenture, and to institute, appear in or defend any suit or other proceedings with respect thereto, as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Series 2017C Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with the interest accrued thereon. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

This Series 2017C Bond is issued with the intent that the laws of the State of Georgia shall govern its construction.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of Georgia to happen, exist and be performed precedent to and in the issuance of this Series 2017C Bond, the execution of the Indenture and the adoption of the aforesaid resolution by the Issuer, have happened, exist and have been performed. The issuance of this Series 2017C Bond and the series of which it forms a part, together with all other obligations of the Issuer, does not exceed or violate any constitutional or statutory limitation.

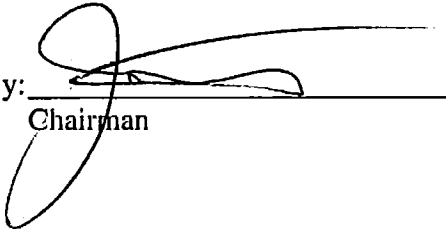
This Series 2017C Bond shall not be entitled to any benefit under the Indenture nor shall it become valid or obligatory for any purpose until it shall have been authenticated by execution by the Trustee of the certificate hereon endorsed.

This Series 2017C Bond R-4 shall be in replacement of Series 2017C Bond No. R-1 in the original principal amount of \$587,633 dated March 3, 2017, Series 2017C Bond No. R-2 in the original principal amount of \$587,633 dated March 3, 2017, and Series 2017C Bond No. R-3 in the original principal amount of \$6,447,188 dated May 23, 2018.

IN WITNESS WHEREOF, the Development Authority of Alpharetta has caused this Series 2017C Bond to be executed in its name by the signature of its Chairman or Vice Chairman, and its corporate seal to be hereunto affixed and attested by the signature of its Secretary-Treasurer, all as of the 5<sup>th</sup> day of October, 2024 but with an intended effective date of May 23, 2018. K

DEVELOPMENT AUTHORITY OF  
ALPHARETTA

(SEAL)

By:   
Chairman

ATTEST

  
Secretary-Treasurer

\* \* \* \* \*



TRUSTEE'S AUTHENTICATION CERTIFICATE

Date of authentication: October 15, 2024 and with an intended effective date of May 23, 2018.

The above Series 2017C Bond is one of the fully registered Series 2017C Bonds described in the above mentioned Indenture of Trust, and is hereby authenticated on its dated date as specified above.

FIRST COMMERCIAL BANK, A DIVISION OF  
SYNOVUS BANK, as Trustee

By: 

Dean Matthews  
Senior Vice President

\* \* \* \* \*

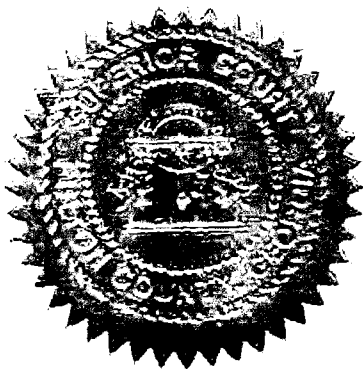
VALIDATION CERTIFICATE

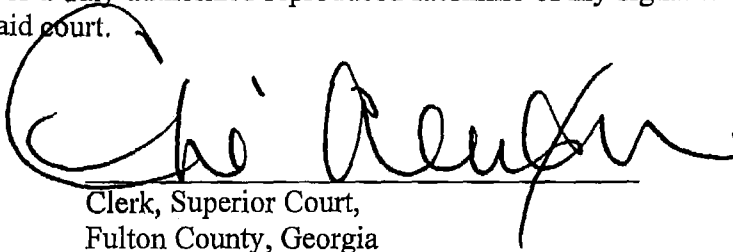
STATE OF GEORGIA

COUNTY OF FULTON

The undersigned Clerk of the Superior Court of Fulton County, Georgia, HEREBY CERTIFIES that the within Series 2017C Bond in the case of State of Georgia, Plaintiff, v. Development Authority of Alpharetta and MMS Alpharetta LLC, Defendants, Civil Action File No. 2016CV283470, was confirmed and validated by judgment of the Superior Court of Fulton County, Georgia, rendered on the 27<sup>th</sup> day of December 2016, that no intervention or objection was filed thereto and that no appeal has been taken therefrom.

WITNESS the manual or a duly authorized reproduced facsimile of my signature and the reproduced facsimile seal of said court.



  
Clerk, Superior Court,  
Fulton County, Georgia

\* \* \* \* \*

PAYMENTS ON ACCOUNT OF PRINCIPAL

Partial prepayments of the principal of this Series 2017C Bond have been made, as follows:

| <u>DATE</u> | <u>AMOUNT<br/>PREPAID</u> | <u>BALANCE OF<br/>PRINCIPAL<br/>AMOUNT UNPAID</u> | <u>AUTHORIZED<br/>SIGNATURE OF OWNER<br/>OF THIS BOND</u> |
|-------------|---------------------------|---------------------------------------------------|-----------------------------------------------------------|
|             |                           |                                                   |                                                           |
|             |                           |                                                   |                                                           |
|             |                           |                                                   |                                                           |
|             |                           |                                                   |                                                           |
|             |                           |                                                   |                                                           |
|             |                           |                                                   |                                                           |
|             |                           |                                                   |                                                           |

\* \* \* \* \*



Exhibit D

Bond Certificate R-4 Transfer

FOR VALUE RECEIVED, JM FAMILY ENTERPRISES, INC. (by and through JM Family Automotive LLC, a Delaware limited liability company, successor by conversion from JM Family Automotive, Inc., successor by name change from JM FAMILY ENTERPRISES, INC., a Delaware corporation), hereby sells, assigns and transfers unto JM FAMILY ENTERPRISES, INC., a Delaware corporation (Tax Identification or Social Security No. 35-2831120) the within Series 2017C Bond (R-4) and all rights thereunder, and hereby irrevocably constitutes and appoints FIRST COMMERCIAL BANK, A DIVISION OF SYNOVUS BANK, attorney to transfer the within Series 2017C Bond (R-4) on the books kept for registration thereof, with full power of substitution in the premises.

Dated Effective: May 6, 2025.

Signature Guarantee:

JM FAMILY ENTERPRISES, INC., a Delaware corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Series 2017C Bond in every particular, without alteration or enlargement or any change whatever.

JM FAMILY AUTOMOTIVE LLC, a Delaware limited liability company,  
successor by conversion from JM FAMILY AUTOMOTIVE, INC., a Delaware corporation,  
successor by name change from JM FAMILY ENTERPRISES, INC., a Delaware corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Return to:**

Matthew Fox, Senior Counsel  
JM Family Enterprises, Inc.  
100 Jim Moran Boulevard  
Deerfield Beach, FL 33442

**Cross Reference:**

1. Assignment Agreement recorded Book 58839, Page 382
2. Short Form Lease recorded at Book 57262, Page 632
3. Affidavit of Name Change by Conversion recorded at Book 67490, Page 69
4. Condominium Declaration recorded at Book 58839, Page 271

Fulton County, Georgia real property records

**Tax Parcel Number: 22498412681827**

**Also known as Property Address: 415 South Broad Street, Alpharetta, GA 30009-0255**

**Note to Clerk: No transfer tax owed; this is a transfer of Development Authority Bond Documents and leasehold interest in real property; NO CASH CONSIDERATION**

**ASSIGNMENT AND ASSUMPTION AGREEMENT OF LEASEHOLD INTEREST IN  
BOND TRANSACTION AND BOND LEASE**

This **ASSIGNMENT AND ASSUMPTION AGREEMENT OF LEASEHOLD INTEREST IN BOND TRANSACTION AND BOND LEASE** (this "Agreement") is made effective as of May 6, 2025 ("Effective Date"), by **JM Family Enterprises, Inc., a Delaware corporation** ("Assignee"), having an address at 100 Jim Moran Blvd., Deerfield Beach, FL 33442, and **JM Family Automotive LLC, a Delaware limited liability company, successor by conversion from JM Family Automotive, Inc., successor by name change from JM Family Enterprises, Inc., a Delaware corporation** ("Assignor"), having an address at 100 Jim Moran Blvd., Deerfield Beach, FL 33442. Assignor and Assignee are affiliated parties.

**RECITALS**

A. Pursuant to that certain Indenture of Trust, dated as of March 3, 2017 (as amended, the "Indenture"), between the Development Authority of Alpharetta ("Issuer") and Synovus Bank, as successor to First Commercial Bank, a Division of Synovus Bank ("Trustee"), Issuer authorized the issuance in one or more series of its Taxable Revenue Bonds (City Center Office Project), Series 2017C, in an aggregate principal amount not to exceed Seven Million Thirty-Four Thousand Eight Hundred Twenty-One and no/100ths Dollars (\$7,034,821.00) (collectively, the "Bonds") for the original benefit of MMS Alpharetta, LLC ("Prior Bond Party #1").

B. The Bonds were issued to provide financing for the acquisition, construction, development and installation of certain land, buildings, structures, machinery, fixtures and equipment consisting of approximately 36,000 square feet of Class A office space, along with the adjacent surface parking, which together occupies approximately 0.71 acres of real property, more particularly described on Exhibit A attached hereto and incorporated herein, fronting South Broad

Street in downtown Alpharetta, Fulton County, Georgia ("Project"), known as 415 South Broad Street, Alpharetta, GA 30009-0255, according to the present system of numbering in Fulton County, Georgia.

C. Prior Bond Party #1 agreed to purchase the Bonds from the Issuer pursuant to a Bond Purchase Agreement dated March 3, 2017 ("Bond Purchase Agreement"), and in consideration of the issuance of the Bonds by the Issuer, the Prior Bond Party #1 and the Issuer entered into a Lease Agreement, dated as of March 3, 2017 ("Lease Agreement"), pursuant to the terms of which the Issuer agreed to use the proceeds of the sale of the Bonds to finance the costs of the Project and to lease the Project to the Prior Bond Party #1.

D. In connection with and in anticipation of the issuance of the Bonds and the execution and delivery of the Lease Agreement, Prior Bond Party #1 and Issuer entered into that certain Memorandum of Agreement Regarding Lease Structure and Valuation of Leasehold Interest with the Fulton County Board Of Assessors ("Assessor"), dated as of December 1, 2016 ("MOA"), which established a schedule of "applicable percentages" for purposes of valuing the Prior Bond Party #1's leasehold interest in the Project for purposes of ad valorem taxes assessed by the Assessor for the 10 year period following the Tax Commencement Date (as defined in the MOA).

E. Prior Bond Party #1 previously (i) transferred its leasehold interest in the Project to MidCity Alpharetta Office Owner, LLC ("Prior Bond Party #2"), in connection with which transfer Prior Bond Party #2 assumed the obligations of the Prior Bond Party #1 under the documents appearing on Exhibit B attached hereto and made a part hereof (all such documents being hereinafter collectively referred to as the "Bond Documents") and (ii) transferred the Bonds and its interests in the Bond Documents and the Bonds to the Prior Bond Party #2.

F. Prior Bond Party #2 subsequently transferred its leasehold interest in the Project and the Bond Documents to JM Family Enterprises, Inc., a Delaware corporation ("Assignor"), in which transfer Assignor assumed the obligations of the Prior Bond Party #2 under the leasehold interest in the Project and in the Bond Documents, and Prior Bond Party #2 further transferred the Bonds to Assignor.

G. The Bonds were consolidated into Bond Certificate No. R-4 in the original principal amount of \$7,034,821.00 by virtue of Bond Certificate No. R-4 dated October 15, 2024 with an intended effective date of May 23, 2018. As a condition to this assignment, Issuer, Trustee and Assignor and Assignee herein agree that the Bond Certificate No. R-4 shall be replaced with a replacement Bond Certificate No. R-5 in the same original principal amount of \$7,034,821.00, to be effective as of the date of this Assignment.

**H. Assignee is a direct parent entity of Assignor, and Assignee owns all of the membership interests of Assignor herein, and under the terms of, inter alia, Sections 8.3 and 9.1(b) of the Lease Agreement, Assignor may assign the Lease and the leasehold interest in the Project to an entity controlled, controlling or under common control with Assignor, without the consent of Issuer and Trustee.**

NOW, THEREFORE, in consideration of the foregoing and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, AND THE

PARTIES ACKNOWLEDGING THERE IS NO CASH CONSIDERATION PAID IN CONNECTION WITH THIS TRANSACTION, the parties to this Agreement hereby agree as follows:

1. As of the Effective Date, Assignor hereby transfers and assigns the Bonds, the Bond Documents, inclusive of the Lease, and the leasehold interest in the Project, to Assignee. Assignee further hereby fully and unconditionally assumes all of the Assignor's rights, duties and obligations under the Bond Documents, inclusive of the Lease, the Bonds, and the leasehold interest in the Project accruing on or after the "Effective Date," and Assignor hereby fully and unconditionally assigns all such rights, duties and obligations to Assignee as of the Effective Date. Notwithstanding anything contained herein to the contrary, Assignee's assumption of obligations set forth herein expressly constitutes an assumption by Assignee of all liabilities and obligations of Assignor under the Bond Documents, inclusive of the Lease, the Bonds, and the leasehold interest in the Project accruing on or after the Effective Date. For avoidance of doubt, the rights of Assignor as current Declarant under that certain Amended and Restated Declaration of Condominium for Parcel 4 Condominium recorded on May 30, 2018 in Deed Book 58839, Page 271, aforesaid records ("Condominium Declaration"), are further transferred to Assignee, said Condominium Declaration also being referenced in the Lease that is made part of the Bond Documents. Also included in the assignment and assumption are all permits, plans, specifications, intangible rights, licenses and approvals for the Project, together with any personal property owned by Assignor, located at the Project and used in connection with the operation of the Project.

2. The parties hereby agree that from and after the Effective Date all references to: (i) "Purchaser" in the Bond Purchase Agreement and the Home Office Payment Agreement, dated as of March 3, 2017, between Trustee and Issuer and as previously assigned to Assignor, (ii) the "Company" in the Indenture and the Bond Purchase Agreement; (iii) "Lessee" in the Lease and the Home Office Payment Agreement, (iv) "Guarantor" in the Guaranty Agreement, dated as of March 3, 2017, between Trustee, the rights of the original obligor being previously assigned and assumed by Assignor, and (v) "Declarant" under the Condominium Declaration, shall mean and refer to Assignee or an affiliate to Assignee. This Agreement shall be binding upon and inure to the benefit of the parties, and their successors and assigns, and the provisions hereof may not be modified without the written approval and consent of all parties hereto.

3. From and after the Effective Date, all notices required or permitted to be sent to the "Lessee," "Company," "Purchaser," "Declarant," or "Guarantor" under the Bond Documents shall be sent to Assignee at the following address, in the manner required under the Bond Documents:

Assignee:  
JM Family Enterprises, Inc.  
100 Jim Moran Boulevard  
Deerfield Beach, FL 33442  
Attention: Andre Hall  
Vice President, Deputy General Counsel – Corporate Services  
Email: [Andre.Hall@jmfamily.com](mailto:Andre.Hall@jmfamily.com)

With a copy to:

JM Family Enterprises, Inc.  
100 Jim Moran Boulevard  
Deerfield Beach, FL 33442  
Attention: Matthew Fox, Senior Counsel  
Legal Department  
Email: [Matthew.Fox@jmfamily.com](mailto:Matthew.Fox@jmfamily.com)

Assignor:

JM Family Automotive LLC  
Successor by conversion from JM Family Automotive, Inc.  
Successor by name change from JM Family Enterprises, Inc.  
c/o JM Family Enterprises, Inc.  
100 Jim Moran Boulevard  
Deerfield Beach, FL 33442  
Attention: Andre Hall  
Vice President, Deputy General Counsel – Corporate Services  
Email: [Andre.Hall@jmfamily.com](mailto:Andre.Hall@jmfamily.com)

With a copy to:

JM Family Automotive LLC  
Successor by conversion from JM Family Automotive, Inc.  
Successor by name change from JM Family Enterprises, Inc.  
c/o JM Family Enterprises, Inc.  
100 Jim Moran Boulevard  
Deerfield Beach, FL 33442  
Attention: Matthew Fox, Senior Counsel  
Legal Department  
Email: [Matthew.Fox@jmfamily.com](mailto:Matthew.Fox@jmfamily.com)

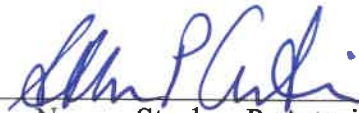
4. All terms and conditions of the Bond Documents not expressly modified by this Agreement are expressly reaffirmed as if set forth in their entirety herein and shall remain unaffected, unchanged and unimpaired by reason of this Agreement. This Agreement shall be governed by the laws of the State of Georgia. Time is of the essence of this Agreement. This Agreement shall be effective and any statements and certifications contained herein shall be true and correct as of the Effective Date. Assignor and Assignee have provided notice to Issuer and Trustee of the affiliated assignments hereby made. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

[Signatures Commence on Following Page]

**IN WITNESS WHEREOF**, the parties have caused this Assignment and Assumption Agreement to be executed under seal by their duly authorized representatives as of the Effective Date.

**ASSIGNOR:**

**JM Family Automotive LLC, a Delaware limited liability company, successor by conversion from JM Family Automotive, Inc., successor by name change from JM Family Enterprises, Inc., a Delaware corporation**

By:  (SEAL)  
Name: Stephen P. Artusi  
Title: Senior Vice President, General Counsel,  
Corporate Services

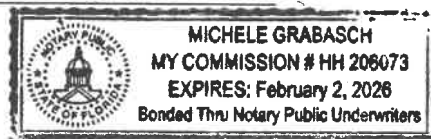
Signed, Sealed and Delivered  
in the presence of:

  
Unofficial Witness

  
Notary Public

My Commission Expires:

(Notarial Seal)



[Signatures Continue on Following Page]

**ASSIGNEE:**

**JM FAMILY ENTERPRISES, INC.,**  
a Delaware corporation

By:  (SEAL)  
Name: Stephen P. Artusi  
Title: Senior Vice President, General Counsel,  
Corporate Services

Signed, Sealed and Delivered  
in the presence of:

  
Unofficial Witness

  
Notary Public

My Commission Expires:

\_\_\_\_\_





## **EXHIBIT A**

### **LEGAL DESCRIPTION**

**ALL THAT TRACT OR PARCEL OF LAND** lying and being in Land Lot 1268 of the 2nd District, 2nd Section, City of Alpharetta, Fulton County, Georgia and being more particularly described as follows:

The condominium unit known as the Office Unit of Parcel 4 Condominium, as more particularly described and delineated in Declaration of Condominium for Parcel 4 Condominium, recorded on March 3, 2017, in Deed Book 57262, Page 426, Fulton County, Georgia Records, as further evidenced by that certain Amended and Restated Declaration of Condominium for Parcel 4 Condominium, recorded on May 30, 2018 in Deed Book 58839, Page 271, Fulton County, Georgia records, as may be amended (the "Declaration"), together with the undivided percentage interest in the Common Elements assigned to the Office Unit as set forth in Exhibit "C" to the Declaration.

This conveyance is made subject to the Declaration and all matters referenced therein, all matters shown on the Plat for Parcel 4 Condominium prepared by Travis Pruitt and Associates, P.C., dated March 3, 2017, filed in the aforesaid records, as further amended and restated by Plat for Parcel 4 Condominium dated May 18, 2018, filed in the aforesaid records, as may be amended, and all matters shown on the Plans for Parcel 4 Condominium prepared by Travis Pruitt and Associates, P.C., including those dated March 3, 2017 and those dated April 13, 2018, and filed and recorded at Condominium Floor Plan Book 397, Page 122 aforesaid records, as may be amended.

#### **THE OFFICE UNIT IS ALSO DESCRIBED AS:**

All that tract or parcel of land lying and being in Land Lot 1268 of the 2nd. District, 2nd Section, City of Alpharetta, Fulton County, Georgia and being more particularly described as follows:

**COMMENCING** at the intersection of the easterly R/W line of Main Street (R/W varies) with the southerly R/W line of South Broad Street, **THENCE** running along said R/W line of South Broad Street South 87 degrees 35 minutes 46 seconds East a distance of 102.14 feet to a point; **THENCE** leaving said R/W line South 45 degrees 59 minutes 38 seconds East a distance of 13.39 feet to a point; **THENCE** South 02 degrees 24 minutes 14 Seconds West a distance of 103.25 feet to a point; **THENCE** South 87 degrees 35 minutes 46 seconds East a distance of 37.50 feet to a point; said point being the **TRUE POINT OF BEGINNING**.

**THENCE** North 02 degrees 24 minutes 14 seconds East a distance of 12.09 feet to a point; **THENCE** South 87 degrees 35 minutes 46 seconds East a distance of 13.82 feet to a point; **THENCE** North 02 degrees 24 minutes 14 seconds East a distance of 17.46 feet to a point; **THENCE** North 87 degrees 35 minutes 46 seconds West a distance of 7.61 feet to a point; **THENCE** North 02 degrees 24 minutes 14 Seconds East a distance of 20.46 feet to a point; **THENCE** North 87 degrees 40 minutes 09 seconds West a distance of 6.22 feet to a point; **THENCE** North 02 degrees 24 minutes 14 seconds East a distance of 8.71 feet to a point;

THENCE South 87 degrees 35 minutes 46 seconds East a distance of 17.80 feet to a point;  
THENCE South 02 degrees 24 minutes 14 seconds West a distance of 8.76 feet to a point;  
THENCE South 87 degrees 35 minutes 46 seconds East a distance of 38.92 feet to a point;  
THENCE South 02 degrees 24 minutes 14 seconds West a distance of 20.40 feet to a point;  
THENCE South 87 degrees 35 minutes 46 seconds East a distance of 5.58 feet to a point;  
THENCE South 02 degrees 24 minutes 14 seconds West a distance of 29.55 feet to a point;  
THENCE North 87 degrees 35 minutes 46 seconds West a distance of 62.30 feet to a point;  
said point being the **TRUE POINT OF BEGINNING**.

Said tract contains approximately 2,785 square feet or approximately 0.064 acre.

Known as 415 South Broad Street, Alpharetta, GA 30009-0255, according to the present system of numbering in Fulton County, Georgia, having tax parcel 22498412681827.

**TOGETHER WITH:**

**Easement Parcel One:**

Easements and other interests in Real Property contained in that Declaration of Covenants, Conditions, Restrictions and Easements for Alpharetta City Center, by and between the City of Alpharetta and MMS Alpharetta, LLC, a Georgia limited liability company, dated March 3, 2017, filed March 7, 2017 and recorded in Deed Book 57262, Page 321, aforesaid records,

**Easement Parcel Two:**

Easements and other interests in Real Property contained in that certain Grant of Permanent Sanitary Sewer Easement and Temporary Construction Easements from Publix Super Markets, Inc., a Florida corporation, to The City of Alpharetta, Georgia, dated October 9, 2013, filed for record October 21, 2013, and recorded in Deed Book 53268, Page 512, aforesaid records.

**Easement Parcel Three:**

Easements and other interests in Real Property contained in that certain Grant of Water Line Easement from Publix Super Markets, Inc., a Florida corporation, to The City of Alpharetta, Georgia, dated September 6, 2013, filed for record October 3, 2013, and recorded in Deed Book 53209, Page 577, aforesaid records.

**Easement Parcel Four:**

Easements and other interests in Real Property contained in that certain Grant of Permanent Public Access Easement from Publix Super Markets, Inc., a Florida corporation, to The City of Alpharetta, Georgia, dated September 6, 2013, filed for record October 3, 2013, and recorded in Deed Book 53209, Page 582, aforesaid records.

**Easement Parcel Five:**

Easements and other interests in Real Property contained in that certain Grant of Permanent Parking Easement Agreement by and between SCP Alpharetta Residential Owner, LLC and

MidCity Alpharetta Office Owner, LLC, dated May 23, 2018, filed for record May 30, 2018 and recorded in Deed Book 58839, Page 412, aforesaid records.

**Easement Parcel Six:**

Easements and other interests in Real Property contained in that certain Encroachment Easement Agreement by and between Alpha 1-2-3 LLC, SCP Alpharetta Residential Owner LLC and JM Family Enterprises et al. dated May 28, 2018, filed for record May 30, 2018 and recorded in Deed Book 58839, Page 383, aforesaid records.

## **EXHIBIT B**

### **List of Bond Documents**

1. Guaranty Agreement, dated as of March 3, 2017.
2. Home Office Payment Agreement, dated as of March 3, 2017.
3. Bond Purchase Agreement, dated as of March 3, 2017.
4. Lease Agreement dated March 3, 2017, by and between the Issuer and Prior Bond Party.
5. Assignment, Assumption and Release Agreement dated May 23, 2018 among MidCity Alpharetta Office Owner, LLC, JM Family Enterprises and Development Authority of Alpharetta recorded in Deed Book 58839, Page 382, Fulton County, Georgia real property records, by which document JM Family Enterprises, Inc., assumed the requirements of “Guarantor” under the Guaranty Agreement, effective as of May 23, 2018.
6. Bond Certificate No. R-4 dated October 15, 2024 effective May 23, 2018 in the original principal amount of \$7,034,821.00.
7. Transfer of Bond Certificate No. R-4 effective May 23, 2018 and effective the effective date of this Assignment in the original principal amount of \$7,034,821.00.

FOR VALUE RECEIVED, JM FAMILY ENTERPRISES, INC. (by and through JM Family Automotive LLC, a Delaware limited liability company, successor by conversion from JM Family Automotive, Inc., successor by name change from JM FAMILY ENTERPRISES, INC., a Delaware corporation), hereby sells, assigns and transfers unto JM FAMILY ENTERPRISES, INC., a Delaware corporation (Tax Identification or Social Security No. 35-2831120) the within Series 2017C Bond (R-4) and all rights thereunder, and hereby irrevocably constitutes and appoints FIRST COMMERCIAL BANK, A DIVISION OF SYNOVUS BANK, attorney to transfer the within Series 2017C Bond (R-4) on the books kept for registration thereof, with full power of substitution in the premises.

Dated Effective: May 6, 2025.

Signature Guarantee:

JM FAMILY ENTERPRISES, INC., a Delaware corporation

By: 

Name: Stephen P. Artusi

Title: Senior Vice President, General Counsel, Corporate Services

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Series 2017C Bond in every particular, without alteration or enlargement or any change whatever.

JM FAMILY AUTOMOTIVE LLC, a Delaware limited liability company,  
successor by conversion from JM FAMILY AUTOMOTIVE, INC., a Delaware corporation,  
successor by name change from JM FAMILY ENTERPRISES, INC., a Delaware corporation

By: 

Name: Stephen P. Artusi

Title: Senior Vice President, General Counsel, Corporate Services