MoneyGram Payment Systems, Inc. and Subsidiaries

(A Wholly Owned Subsidiary of MoneyGram Payment Systems Worldwide, Inc., a Wholly Owned Subsidiary of MoneyGram International, Inc.)

Consolidated Financial Statements as of December 31, 2025 and 2024, and for each of the Two Years in the Period Ended December 31, 2025, Schedule of Net Worth as of and for the year ended December 31, 2025, and Independent Auditors' Report

MONEYGRAM PAYMENT SYSTEMS, INC. AND SUBSIDIARIES

(A Wholly Owned Subsidiary of MoneyGram Payment Systems Worldwide, Inc., a Wholly Owned Subsidiary of MoneyGram International, Inc.)

Index to Financial Statements

GLOSSARY OF TERMS

This glossary highlights terms used in the Consolidated Financial Statements and is not a complete list of all the defined terms used herein. All monetary values are stated in millions of U.S. dollars unless otherwise specified.

Abbreviation	Term
ASC	Accounting Standards Codification
CFPB	The Consumer Financial Protection Bureau was created by the Dodd-Frank Act to issue and enforce consumer protection initiatives governing financial products and services, including money transfer services, in the U.S.
CID	Civil Investigative Demand
Company	MoneyGram Payment Systems, Inc. and its subsidiaries
Corridor	With regard to a money transfer transaction, the originating "send" location and the designated "receive" location are referred to as a corridor
Digital Channel	Transactions in which either the send transaction, receive transaction or both occur through one of the Company's digital properties such as moneygram.com, the native mobile application or virtual agents
Digital Partnership	Sender uses a digital partner's platform and brand that integrates with MoneyGram to send money
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
DOJ	U.S. Department of Justice, Criminal Division, Money Laundering and Asset Recovery Section
DPA	Deferred Prosecution Agreement dated November 9, 2012 by and between MoneyGram International, Inc and the United States Department of Justice and the United States Attorney's Office for the Middle District of Pennsylvania, as amended
FASB	Financial Accounting Standards Board
Fitch	Fitch Ratings, Inc.
FPP	Financial Paper Products
FTC	Federal Trade Commission
GFT	Global Funds Transfer
IRS	Internal Revenue Service
Merger	Mobius Merger Sub, Inc., a Delaware corporation merged with and into the Company, with the Company being the surviving company
Merger Agreement	On February 14, 2022, the Company entered into an Agreement and Plan of Merger with Merger Sub
Merger Sub	Mobius Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Parent
MDP	Madison Dearborn Partners, LLC, a Delaware limited liability company
MGO	MoneyGram Online (our direct-to-consumer business) is the MoneyGram website or mobile app that sender uses to send money
Moody's	Moody's Investor Service
MPSI	MoneyGram Payment Systems, Inc.
Non-U.S. dollar	The impact of non-U.S. dollar exchange rate fluctuations on the Company's financial results is typically calculated as the difference between current period activity translated using the current period's exchange rates and the comparable prior-year period's exchange rates; this method is used to calculate the impact of changes in non-U.S. dollar exchange rates on revenues, commissions and other operating expenses for all countries where the functional currency is not the U.S. dollar
NYAG	New York State Office of the Attorney General
NYDFS	New York Department of Financial Services
OFAC	U.S. Treasury Department's Office of Foreign Assets Control
Parent	Mobius Parent Corp.
Pension	The Company's Pension Plan and SERPs

Pension Plan	Defined benefit pension plan
Postretirement Benefits	Defined benefit postretirement plan
Receiver	Person receiving a money transfer transaction
Retail Channel	Transactions in which both the send transaction and receive transaction occur at one of the Company's physical agent locations
ROU	Right-of-use
SERPs	Supplemental executive retirement plans
S&P	Standard & Poor's
SOFR	Secured Overnight Financing Rate
Ultimate Parent	Mobius Intermediate HoldCo, Inc.
U.S. GAAP	Accounting principles generally accepted in the United States of America

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Independent Auditors' Report

The Board of Directors
MoneyGram Payment Systems, Inc.:

Opinion

We have audited the consolidated financial statements of MoneyGram Payment Systems, Inc. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations, comprehensive income, cash flows, and shareholders' equity for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedule of net worth is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Dallas, Texas
March 31, 2026

MONEYGRAM PAYMENT SYSTEMS, INC. AND SUBSIDIARIES
(A Wholly Owned Subsidiary of MoneyGram Payment Systems Worldwide, Inc., a Wholly Owned Subsidiary of MoneyGram International, Inc.)

CONSOLIDATED BALANCE SHEETS

AS OF DECEMBER 31,	2025	2024
ASSETS		
Cash and cash equivalents	$ 173.3	$ 145.4
Settlement assets	2,901.6	3,035.2
Property and equipment, net	113.4	147.2
Goodwill	442.2	442.2
Right-of-use assets	21.7	28.5
Other assets	64.9	70.6
Total assets	$ 3,717.1	$ 3,869.1
LIABILITIES		
Payment service obligations	$ 2,901.6	$ 3,035.2
Pension and other postretirement benefits	42.7	43.4
Lease liabilities	24.0	30.7
Intercompany payables	75.8	45.3
Accounts payable and other liabilities	112.5	110.9
Total liabilities	3,156.6	3,265.5
COMMITMENTS AND CONTINGENCIES (NOTE 14)		
SHAREHOLDERS' EQUITY		
Common stock, 0.01 par value, 1,000 shares authorized, one share issued and one share outstanding	—	—
Additional paid-in capital	2,121.7	2,120.1
Retained loss	(1,519.9)	(1,461.5)
Accumulated other comprehensive loss	(41.3)	(55.0)
Total shareholders' equity	560.5	603.6
Total liabilities and shareholders' equity	$ 3,717.1	$ 3,869.1

See Notes to the Consolidated Financial Statements

MONEYGRAM PAYMENT SYSTEMS, INC. AND SUBSIDIARIES
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CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31,	2025	2024
REVENUE		
Fee and other revenue	$ 1,169.0	$ 1,296.3
Investment revenue	74.5	99.8
Total revenue	1,243.5	1,396.1
COST OF REVENUE		
Commissions and other fee expense	520.3	606.0
Investment commissions expense	47.7	58.3
Direct transaction expense	114.7	100.1
Total cost of revenue	682.7	764.4
GROSS PROFIT	560.8	631.7
OPERATING EXPENSES		
Compensation and benefits	236.6	240.4
Transaction and operations support	86.9	112.9
Marketing	74.0	74.0
Occupancy, equipment and supplies	60.7	64.6
Depreciation and amortization	64.5	46.9
Total operating expenses	522.7	538.8
OPERATING INCOME	38.1	92.9
Other expenses		
Other non-operating expense	3.4	26.7
Total other expenses	3.4	26.7
Income before income taxes	34.7	66.2
Income tax expense (benefit)	1.9	(4.1)
NET INCOME	$ 32.8	$ 70.3

See Notes to the Consolidated Financial Statements

MONEYGRAM PAYMENT SYSTEMS, INC. AND SUBSIDIARIES
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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31,	2025	2024
NET INCOME	$ 32.8	$ 70.3
OTHER COMPREHENSIVE INCOME		
Net change in unrealized holding gain on available-for-sale securities arising during the period net of tax expense of $0.0 and 0.3 for the years ended December 31, 2025 and 2024, respectively	—	1.0
Pension settlement loss, net of tax benefit of $0.0 and $0.1 for the years ended December 31, 2025 and 2024, respectively.	—	16.2
Valuation adjustment for pension and postretirement benefits, net of tax expense of $(0.4) and 0.7 for the years ended December 31, 2025 and 2024, respectively	(1.3)	2.4
Unrealized non-U.S. dollar translation adjustments, net of tax expense of $0.0 and $2.9 for the years ended December 31, 2025 and 2024, respectively	15.0	(8.7)
Other comprehensive income	13.7	10.9
COMPREHENSIVE INCOME	$ 46.5	$ 81.2

See Notes to the Consolidated Financial Statements

MONEYGRAM PAYMENT SYSTEMS, INC. AND SUBSIDIARIES
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CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,	**2025**	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 32.8	$ 70.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	64.5	46.9
Signing bonus amortization	23.3	27.1
Change in right-of-use assets	7.1	8.0
Deferred income tax benefit	0.4	(24.6)
Non-cash compensation and pension expense	1.7	5.8
Signing bonus payments	(27.1)	(17.1)
Change in other assets and intercompany receivables, net	13.8	11.0
Change in lease liabilities	(8.2)	(8.9)
Change in accounts payable and other liabilities and intercompany payables	39.4	8.7
Other non-cash items, net	3.4	1.1
Net cash provided by operating activities	151.1	128.3
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(31.9)	(50.6)
Proceeds from available-for-sale investments	0.2	0.3
Purchases of interest-bearing investments	(2,374.2)	(2,185.4)
Proceeds from interest-bearing investments	2,572.0	2,316.1
Net cash provided by investing activities	166.1	80.4
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividend to parent	(91.2)	(97.5)
Change in receivables, net	(53.2)	366.5
Change in payment service obligations	(133.6)	(371.1)
Net cash used in financing activities	(278.0)	(102.1)
NET CHANGE IN CASH AND CASH EQUIVALENTS AND SETTLEMENT CASH AND CASH EQUIVALENTS	39.2	106.6
CASH AND CASH EQUIVALENTS AND SETTLEMENT CASH AND CASH EQUIVALENTS—Beginning of year	1,430.2	1,323.6
CASH AND CASH EQUIVALENTS AND SETTLEMENT CASH AND CASH EQUIVALENTS—End of year	$ 1,469.4	$ 1,430.2

See Notes to the Consolidated Financial Statements

Supplemental disclosures to the Consolidated Statements of Cash Flows are presented below:

FOR THE YEARS ENDED DECEMBER 31,

	2025	2024
Cash payments for taxes, net of refunds	$ 2.6	$ 6.0

The following table provides a reconciliation of cash and cash equivalents as reported in the Consolidated Statements of Cash Flows to the line items within the Consolidated Balance Sheets as of December 31:

	2025	2024
Cash and cash equivalents	$ 173.3	$ 145.4
Settlement cash and cash equivalents	1,296.1	1,284.8
Cash and cash equivalents and settlement cash and cash equivalents	$ 1,469.4	$ 1,430.2

See Notes to the Consolidated Financial Statements

MONEYGRAM PAYMENT SYSTEMS, INC. AND SUBSIDIARIES
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CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Additional Paid-In Capital	Retained Loss	Accumulated Other Comprehensive Loss	Total
December 31, 2023	$ 2,116.3	$ (1,435.9)	$ (65.9)	$ 614.5
Net income	—	70.3	—	70.3
Dividend to parent	—	(97.5)	—	(97.5)
Equity-based compensation activity	3.0	—	—	3.0
Other comprehensive income	—	—	10.9	10.9
Other adjustments	0.8	1.6	—	2.4
December 31, 2024	2,120.1	(1,461.5)	(55.0)	603.6
Net income	—	32.8	—	32.8
Dividend to parent	—	(91.2)	—	(91.2)
Equity-based compensation activity	1.6	—	—	1.6
Other comprehensive income	—	—	13.7	13.7
December 31, 2025	$ 2,121.7	$ (1,519.9)	$ (41.3)	$ 560.5

See Notes to the Consolidated Financial Statements

MONEYGRAM PAYMENT SYSTEMS, INC. AND SUBSIDIARIES
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — Description of the Business and Basis of Presentation

MoneyGram Payment Systems, Inc. is a wholly owned subsidiary of MoneyGram Payment Systems Worldwide, Inc. (“Worldwide”), which is a wholly owned subsidiary of MoneyGram International, Inc. (“MGI”). References to “MPSI,” the “Company,” “we,” “us” and “our” are to MoneyGram Payment Systems, Inc. and its subsidiaries. References to “MoneyGram" are to MoneyGram International, Inc. and its subsidiaries.

Nature of Operations

MoneyGram offers products and services under two reporting segments: GFT and FPP. The GFT segment provides global money transfer services and bill payment services to consumers through two primary distribution channels: retail and digital. Through our Retail Channel, we offer services through third-party agents, including retail chains, independent retailers, post offices and other financial institutions. Additionally, we have limited Company-operated retail locations in Europe. We offer services through MGO, Digital Partnerships, direct transfers to bank accounts, mobile wallets and card solutions, such as Visa Direct, as part of our Digital Channel. The FPP segment provides official check outsourcing services and money orders through financial institutions and agent locations.

Basis of Presentation

The accompanying consolidated financial statements of the Company are prepared in conformity with U.S. GAAP. The Consolidated Balance Sheets are unclassified due to the timing uncertainty surrounding the payment of settlement obligations.

Certain prior year amounts in the Consolidated Statement of Operations have been reclassified to conform to the current year presentation and to enhance comparability with industry peers. We have reclassified certain costs previously recorded within "Transaction and operations support" to "Direct transaction expense" within these audited Consolidated Statements of Operations. Direct transaction expense now includes expenses related to bank fees, financial paper product forms and consumer credit losses in addition to the processing of money transfers, such as customer authentication and funding costs as these costs are incurred to support our revenues. This change in presentation did not impact consolidated net income, consolidated cash flows, total assets, total liabilities or total shareholders' equity. Due to this change in presentation, reported gross profit changed for the year ended December 31, 2024, from $666.3 million to $631.7 million.

Use of Estimates

The preparation of these financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on historical experience, future expectations and other factors and assumptions we believe to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis and are revised when necessary. Changes in estimates are recorded in the period of change. Actual amounts may differ from these estimates.

There were no other material impacts to our Consolidated Financial Statements as of and for the year ended December 31, 2025 based on our assessment of its estimates. As additional information becomes available to us, our future assessment of these estimates, as well as other factors, could materially and adversely impact our Consolidated Financial Statements in the future.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of MoneyGram Payment Systems, Inc. and its subsidiaries. Intercompany profits, transactions and account balances have been eliminated in consolidation, other than those with MGI and Worldwide. The Company reflects intercompany income tax receivables and payables in "Other assets" and "Accounts payable and other liabilities," respectively, as further disclosed in Note 13 — *Income Taxes*.

Note 2 — Summary of Significant Accounting Policies

Cash and cash equivalents

We define cash and cash equivalents and settlement cash and cash equivalents as cash on hand and all highly liquid debt instruments with original maturities of three months or less at the purchase date.

Settlement assets and payment service obligations

We record payment service obligations relating to amounts payable under money transfers, money orders and consumer payment service arrangements. We recognize these obligations at the time the underlying transaction occurs. We record corresponding settlement assets, which represent funds received or to be received for unsettled money transfers, money orders and consumer payments. Settlement assets consist of settlement cash and cash equivalents, receivables and investments. Payment service obligations primarily consist of outstanding payment instruments; amounts owed to financial institutions for funds paid to us to cover clearings of official check payment instruments, remittances and clearing adjustments; amounts owed to agents for funds paid to consumers on our behalf; commissions owed to financial institution customers and agents for instruments sold; amounts owed to investment brokers for purchased securities and unclaimed instruments owed to various states.

Receivables, net (included in settlement assets)

We have receivables due from financial institutions and agents for payment instruments sold and amounts advanced by us to certain agents for operational and local regulatory purposes. These receivables are outstanding from the day of the sale of the payment instrument until the financial institution or agent remits the funds to us. We provide an allowance for the portion of the receivable estimated to become uncollectible based on our history of collection experience, known collection issues, such as agent suspensions and bankruptcies, consumer credit card chargebacks and insufficient funds and other matters we identify in our routine collection monitoring. Receivables are generally considered past due one day after the contractual remittance schedule, which is typically one day to three days after the sale of the underlying payment instrument. Receivables are generally written off against the allowance one year after becoming past due.

The following summary details the activity within the allowance for credit losses for the years ended December 31:

	2025	2024
Beginning balance	$ 15.5	$ 6.5
Provision	28.9	28.7
Write-offs, net of recoveries	(30.2)	(19.7)
Ending balance	$ 14.2	$ 15.5

Interest-bearing and available-for-sale Investments (included in settlement assets)

We classify securities as available-for-sale and have no securities classified as trading or held-to-maturity. Bonds, commercial papers, money market funds, time deposits and certificates of deposits with original maturities of up to 36 months are classified as interest-bearing investments and recorded at amortized cost. Securities held for indefinite periods of time, including any securities that may be sold to assist in the clearing of payment service obligations or in the management of the investment portfolio, are classified as available-for-sale securities. These securities are recorded at fair value, with the net after-tax unrealized gain or loss recorded within "Accumulated other comprehensive loss" in the shareholders' equity section of the Consolidated Balance Sheets. Realized gains and losses and other-than-temporary impairments are recorded in the Consolidated Statements of Operations under "Total other expenses."

We record interest income on residential mortgage-backed securities for which risk of credit loss is deemed remote utilizing the level yield method. Changes in estimated cash flows, both positive and negative, are accounted for with retrospective changes to the carrying value of investments to maintain a level yield over the life of the investment. We record interest income on residential mortgage-backed securities for which risk of credit loss is not deemed remote under the prospective method as adjustments of yield. Additionally, we apply the cost recovery method of accounting for interest to some of the investments within the available-for-sale portfolio as we believe it is probable that we will not recover all, or substantially all, of its principal investment and interest for our asset-backed and other securities given the sustained deterioration in the investment and securities market, the collapse of many asset-backed securities and the low levels to which the securities have been written down.

We evaluate all residential mortgage-backed and other asset-backed investments for impairment based on management's evaluation of the underlying reasons for the decline in fair value on an individual security basis. When an adverse change in expected cash flows occurs, and if the fair value of a security is less than its carrying value, the investment is written down to fair value through a permanent reduction to its amortized cost in the period the impairment occurs. Securities gains and losses are recognized upon the sale, call or maturity of securities using the specific identification method to determine the cost basis of securities sold.

Fair Value of Financial Instruments

Financial instruments consist of cash and cash equivalents, settlement cash and cash equivalents, investments, derivatives, payment service obligations and debt. The carrying values of cash and cash equivalents, settlement cash and cash equivalents, interest-bearing investments and payment service obligations approximate fair value. The carrying value of debt is stated at amortized cost; however, for disclosure purposes the fair value is estimated. See Note 5 — *Fair Value Measurement* for information regarding the principles and processes used to estimate the fair value of financial instruments.

Derivative Financial Instruments

We recognize derivative financial instruments on the Consolidated Balance Sheets at fair value. The accounting for changes in the fair value is recognized through "Transaction and operations support" in the Consolidated Statements of Operations in the period of change. See Note 7 — *Derivative Financial Instruments* for additional disclosure.

Property and Equipment

Property and equipment includes computer hardware, computer software including capitalized labor on internal developed software, signage, equipment at agent locations, office furniture and equipment and leasehold improvements and is stated at cost net of accumulated depreciation and amortization. Property and equipment is depreciated and amortized using a straight-line method over the useful life or term of the lease or license. The cost and related accumulated depreciation and amortization of assets sold or disposed of are removed from the financial statements, with the resulting gain or loss, if any, recognized within "Occupancy, equipment and supplies" in the Consolidated Statements of Operations. See Note 8 — *Property and Equipment* for additional disclosure.

The following table summarizes the estimated useful lives by major asset category:

Type of Asset	Useful Life
Computer hardware	3 years
Computer software	5 - 7 years
Signage	3 years
Equipment at agent locations	3 - 7 years
Office furniture and equipment	7 years
Leasehold improvements	10 years

Tenant allowances for leasehold improvements are capitalized as leasehold improvements upon completion of the improvement and amortized over the shorter of the remaining term of the lease or 10 years. Computer software includes capitalized labor on internally developed software.

Property and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable by comparing the carrying value of the assets to the estimated future undiscounted cash flows to be generated by the asset. If an impairment is determined to exist for property and equipment, the carrying value of the asset is reduced to the estimated fair value.

Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in mergers and is assigned to the reporting unit in which the acquired business will operate. Intangible assets are recorded at their estimated fair value at the date of acquisition. In the year following the period in which identified intangible assets become fully amortized, the fully amortized balances are removed from the gross asset and accumulated amortization amounts. Intangible assets with indefinite lives are not amortized. Intangible assets that are not amortized are evaluated for impairment on a quarterly basis. As of December 31, 2025 and 2024, we had no indefinite-lived intangible assets. Intangible assets with finite lives are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable by comparing the carrying value of the assets to the estimated future undiscounted cash flows to be generated by the asset. If an impairment is determined to exist for intangible assets, the carrying value of the asset is reduced to the estimated fair value.

Intangible assets with finite lives are amortized using a straight-line method over their respective useful lives as follows:

Type of Intangible Asset	Useful Life
Contractual and customer relationships	3 - 15 years
Developed technology	5 - 7 years
Trademarks and licenses	10 - 15 years

Goodwill is not amortized but is instead subject to impairment testing. We evaluate its goodwill for impairment annually as of October 1 of each year or more frequently if impairment indicators arise in accordance with ASC Topic 350, *Intangibles - Goodwill and Other.* When testing goodwill for impairment, we may elect to perform either a qualitative test or a quantitative test to determine if it is more likely than not that the carrying value of a reporting unit exceeds its estimated fair value. During a qualitative analysis, we consider the impact of any changes to the following factors: macroeconomic, industry and market factors, cost factors and changes in overall financial performance, as well as any other relevant events and uncertainties impacting a reporting unit. If the qualitative assessment does not conclude that it is more likely than not that the estimated fair value of the reporting unit is greater than the carrying value, we perform a quantitative analysis. In a quantitative test, the carrying value of the reporting unit is compared to its estimated fair value. If the fair value of a reporting unit exceeds its carrying amount, there is no impairment. If not, to the extent the carrying amount of the reporting unit exceeds its fair value, an impairment charge of the reporting unit's goodwill would be recognized; however, the loss recognized would not exceed the total amount of goodwill allocated to that reporting unit.

Payments on Long-Term Contracts

We make payments to certain agents and financial institution customers as an incentive to enter into long-term contracts. The payments, or signing bonuses, are generally required to be refunded pro rata in the event of nonperformance under, or cancellation of, the contract by the agent or customer. Signing bonuses are viewed as prepaid commissions expense and are, therefore, capitalized and amortized over the life of the related contract. Amortization of signing bonuses on long-term contracts is recorded within "Fee and other commissions expense" in the Consolidated Statements of Operations. The carrying values of the signing bonuses are reviewed whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Income Taxes

The provision for income taxes is computed based on the pre-tax income included in the Consolidated Statements of Operations. Deferred tax assets and liabilities are recorded based on the future tax consequences attributable to temporary differences that exist between the financial statement carrying value of assets and liabilities and their respective tax basis and operating loss and tax credit carry-forwards on a taxing jurisdiction basis. We measure deferred tax assets and liabilities using enacted statutory tax rates that will apply in the years in which we expect the temporary differences to be recovered or paid. Our ability to realize deferred tax assets depends on the ability to generate sufficient taxable income within the carry-back or carry-forward periods provided for in the tax law. We establish valuation allowances for our deferred tax assets based on a more-likely-than-not threshold. To the extent management believes that recovery is not likely, we establish a valuation allowance in the period in which the determination is made.

The liability for unrecognized tax benefits is recorded as a non-cash item within "Accounts payable and other liabilities" on the Consolidated Balance Sheets. We record interest and penalties for unrecognized tax benefits within "Income tax (benefit) expense" in the Consolidated Statements of Operations. See Note 13— *Income Taxes* for additional disclosure.

Non-U.S. Dollar Translation

We convert assets and liabilities of foreign operations to their U.S. dollar equivalents at rates in effect at the balance sheet dates and records the translation adjustments within "Accumulated other comprehensive loss" on the Consolidated Balance Sheets. Income statements of foreign operations are translated from the operation's functional currency to U.S. dollar equivalents at the average exchange rate for the month. Non-U.S. dollar exchange transaction gains and losses are reported within "Transaction and operations support" in the Consolidated Statements of Operations.

Revenue Recognition

We earn revenues from consideration specified in contracts with customers and recognize revenue when we satisfy our performance obligations by transferring control over our services and products to customers. Revenue is recognized net of any taxes collected from customers that are subsequently remitted to governmental authorities. The following is a description of the principal activities, separated by reporting segments, from which we generate revenues. For tabular revenue disclosures, see Note 15 — *Revenue Recognition.*

GFT Segment:

Money transfer fee revenue

We earn money transfer revenues primarily from consumer transaction fees and the management of currency exchange spreads on money transfer transactions involving different "send" and "receive" currencies. Fees are collected from consumers at the time of transaction. In a cash-to-cash money transfer transaction, both the agent initiating the transaction and the receiving agent earn a commission that is generally a fixed fee or is based on a percentage of the fee charged to the consumer. When a money transfer transaction is initiated via our online platform or at a MoneyGram-owned store, typically only the receiving agent earns a commission. Each money transfer is considered a separate agreement between us and the consumer and includes only one performance obligation that is satisfied at a point in time, which is when the funds are made available for pick up. Money transfer funds are typically available for pick up within 24 hours of being sent. The consumer is in control of the service, as the consumer picks the "send" and "receive" locations as well as the transaction currency. Normally, we provide fee refunds to consumers only if the transaction is canceled within 30 minutes of initiating the transfer and the transfer amount has not been picked up by the Receiver. As such, fee refunds are accounted for within the same period as the origination of the transaction and no liability for the amount of expected returns is recorded on the Consolidated Balance Sheets. We recognize revenues on a gross basis for money transfer services as we are considered the principal in these transactions.

Bill payment services fee revenue

Bill payment revenues are earned primarily from fees charged to consumers for each transaction completed. Our primary bill payment service offering is our ExpressPayment service, which we offer at substantially all of our money transfer agent locations, at certain agent locations in select Caribbean and European countries and through our digital solutions. Through our bill payment services, consumers can complete urgent bill payments, pay routine bills or load and reload prepaid debit cards with cash at an agent location or with a credit or debit card. We offer consumers same-day and two or three-day payment service options; the service option is dependent upon our agreement with the biller. Each bill payment service is considered a separate agreement with the consumer and includes only one performance obligation that is satisfied at a point in time, when the funds are transferred to the designated institution, which is generally within the same day. The consumer is in control of the service, as the consumer picks out the "send" location and time. MoneyGram does not offer refunds for bill payment services and revenue is recognized on a gross basis as the Company is considered the principal in these transactions.

Other revenue

Other revenue includes breakage income, contract terminations, insufficient funds and other one-time charges. We recognize breakage revenue for unclaimed money transfers when the likelihood of consumer pick-up becomes remote based on historical experience and there is no requirement for remitting balances to government agencies.

FPP Segment:

Money order fee revenue

Consumers use our money orders to make payments in lieu of cash or personal checks. We contract with agents and financial institutes to issue money orders and related services and generate revenue by charging fees for such products and services, as well as by investing the funds underlying outstanding money orders. We sell money orders under the MoneyGram brand and on a private label or on a co-branded basis with certain agents and financial institutions in the U.S. We recognize revenue when an agent sells a money order because the funds are immediately made available to the consumer. As such, each sale of a money order and related service is considered a separate performance obligation that is satisfied at a point in time.

Official check outsourcing services fee revenue

Official checks are used by consumers where a payee requires a check drawn on a bank. Financial institutions also use official checks to pay their own obligations. Like money orders, we generate revenue from official check outsourcing services through U.S. banks and credit unions by charging per item and other fees, as well as from the investment of funds underlying outstanding official checks. Our consumer for official checks is considered the financial institution. The official checks services and products are considered a bundle of services and products that are provided to the financial institution on an ongoing basis. As such, revenue from these services is recognized on a monthly basis. Revenue corresponds directly with the value of MoneyGram's services and/or products completed to date and for which we have a right to invoice. Monthly revenue may vary based on the number of official checks issued and other ancillary services provided to the financial institution.

Other revenue

Other revenue includes fees from money order service revenue, proof adjustments, early contract terminations, money order photo and replacement fees and other one-time charges. We recognize service revenue from money orders that have not been redeemed within one year from issuance. Proof adjustment fees are generally unresolved and not recouped as they pertain to immaterial bank variances. We recognize as revenue the net proof adjustments amount on a monthly basis.

Investment Revenue

Investment revenue, which is not within the scope of ASC Topic 606 *(Revenue from Contracts with Customers)* per ASC 606-10-15-2, is earned from the investment of funds generated from the sale of payment instruments, primarily official checks and money orders and consists of interest income, dividend income, income received on our cost recovery securities and amortization of premiums and discounts. Investment revenue varies depending on the level of investment balances and the yield on our investments.

Cost of Revenue

Commissions and Other Fee Expense

We incur fee commissions primarily related to our GFT services. In a money transfer transaction, both the agent initiating the transaction and the receiving agent earn a commission that is generally either a fixed fee or is based on a percentage of the fee charged to the consumer. The agent initiating the transaction and the receiving agent also earn non-U.S. dollar exchange commissions, which are generally based on a percentage of the non-U.S. dollar exchange spread. In a bill payment transaction, the agent initiating the transaction receives a commission that is generally based on a percentage of the fee charged to the consumer and, in limited circumstances, the biller receives a commission that is based on a percentage of the fee charged to the consumer. We generally do not pay commissions to agents on the sale of money orders, except, in certain limited circumstances, for large agents where we may pay a fixed commission based on total money order transactions.

Investment Commissions Expense

Investment commissions expense consists of amounts paid to financial institution customers based on short-term interest rate indices times the average outstanding cash balances of official checks sold by the financial institution. Investment commissions are recognized each month based on the average outstanding balances of each financial institution customer and their contractual variable rate for that month.

Direct Transaction Expense

Direct transaction expense includes expenses related to the processing of money transfers, such as customer authentication and funding costs.

Marketing

Marketing and advertising costs are expensed as incurred or at the time the advertising first takes place and are recorded in the "Marketing" line in the Consolidated Statements of Operations. Marketing and advertising expense was $74.0 million and $74.0 million for 2025 and 2024, respectively.

Equity-Based Compensation

Equity-based compensation awards are measured at fair value at the date of grant and expensed using the straight-line method over their vesting or service periods. For grants to employees, expense, net of estimated forfeitures, is recognized in the "Compensation and benefits" line and expense for grants to non-employee directors is recorded in the "Transaction and operations support" line in the Consolidated Statements of Operations. We account for modifications to equity-based payment awards in accordance with ASC Topic 718, *Compensation - Stock Compensation.* Incremental compensation cost is measured as the excess, if any, of the fair value of the modified award over the fair value of the original award immediately before its terms are modified, measured based on the share price and other pertinent factors at that date and is recognized as compensation cost on the date of modification (for vested awards) or over the remaining vesting or service period (for unvested awards). Any unrecognized compensation cost remaining from the original award is recognized over the vesting period of the modified award.

Recently Issued Accounting Standards and Related Developments Not Yet Adopted

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. The amendments modernize the recognition and disclosure framework for internal-use software costs, removing the previous "development stage" model and introducing a more judgment-based approach. The effective date for the standard is for fiscal years beginning after December 15, 2027 and interim periods within those fiscal years. Early adoption is permitted. The amendments in this ASU should be applied either prospectively, retrospectively or utilizing a modified transition approach. We are in the process of analyzing the impact of the ASU on our Consolidated Financial Statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* which provides all entities with the option to elect a practical expedient that assumes that current conditions as of the balance sheet do not change for the remaining life of an asset, with respect to estimates of expected credit losses. This guidance is effective for annual reporting periods beginning after December 15, 2025 and interim periods within those annual reporting periods, with early adoption permitted and application of guidance prospectively. We are currently evaluating the effect of this update on our Consolidated Financial Statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. Under this ASU, additional disaggregated disclosures, among other items, are required in the notes to the Consolidated Financial Statements for certain categories of expenses that are included on the face of the Consolidated Statements of Operations. The amendments in this ASU are effective for fiscal years beginning after December 15, 2026 and for interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. We are currently evaluating the impact of this standard on our Consolidated Financial Statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. Under this ASU, public entities must annually disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. The amendments in this ASU address investor requests for enhanced income tax information primarily through changes to the rate reconciliation and income taxes paid information. Early adoption is permitted. A public entity should apply the amendments in this ASU prospectively to all annual periods beginning after December 15, 2024 and December 15, 2025 for all other entities. We are currently evaluating the impact of this standard on our consolidated financial statements and related disclosures.

We have determined that there have been no other recently adopted or issued accounting standards that had, or will have, a material impact on our Consolidated Financial Statements.

Note 3 — Restructuring Costs

In 2025, we committed to an operational plan to reduce overall operating expenses, including the elimination of 449 positions across the Company. The actions are designed to structure the Company in a way that will be more agile and aligned around its plan to execute digital and market-specific strategies. Costs consisted primarily of one-time termination benefits for employee severance and related costs, which are recorded in "Compensation and benefits" on the Consolidated Statements of Operations.

The following table is a summary of the restructuring costs accrual as of December 31, 2025:

	Other Liabilities
Balance at December 31, 2024	$ 1.3
Expenses	17.6
Cash payments	(17.0)
Balance at December 31, 2025	$ 1.9

The following table is a summary of the cumulative restructuring costs incurred to date in operating expenses and the estimated remaining restructuring costs to be incurred as of December 31, 2025:

	Compensation and Benefits
Cumulative restructuring costs incurred to date in operating expenses	$ 23.0
Estimated additional restructuring costs to be incurred	—
Total restructuring costs incurred and to be incurred	$ 23.0

The following table is a summary of the total cumulative reorganization costs incurred to date in operating expenses:

	Total
Balance at December 31, 2024	$ 5.4
First quarter 2025	3.2
Second quarter 2025	3.7
Third quarter 2025	7.0
Fourth quarter 2025	3.7
Total cumulative restructuring costs incurred to date	23.0
Total estimated additional restructuring costs to be incurred	—
Total restructuring costs incurred and to be incurred	$ 23.0

Note 4 — Settlement Assets and Payment Service Obligations

Our primary licensed entities are MPSI, MoneyGram International SA and MoneyGram International Limited, which enable us to offer our money transfer service in the European Economic Area as well as around the globe. MPSI is regulated by various U.S. state agencies that generally require us to maintain a pool of assets with an investment rating bearing one of the three highest grades as defined by a nationally recognized rating agency ("permissible investments") in an amount equal to the payment service obligations, as defined by each state, for those regulated payment instruments, namely teller checks, agent checks, money orders and money transfers. The regulatory payment service assets measure varies by state but in all cases excludes investments rated below A-. The most restrictive states may also exclude assets held at banks that do not belong to a national insurance program, varying amounts of accounts receivable balances. The regulatory payment service obligations measure varies by state but in all cases is substantially lower than our payment service obligations as disclosed on the Consolidated Balance Sheets as we are not regulated by state agencies for payment service obligations primarily resulting from outstanding cashier's checks.

We are also subject to licensing or other regulatory requirements in various other jurisdictions. Licensing requirements may include minimum net worth, provision of surety bonds or letters of credit, compliance with operational procedures, agent oversight and the maintenance of settlement assets in an amount equivalent to outstanding payment service obligations, as defined by our various regulators.

Regulatory and contractual requirements do not require us to specify individual assets held to meet our payment service obligations, nor are we required to deposit specific assets into a trust, escrow or other special account. Rather, we must maintain a pool of liquid assets sufficient to comply with the requirements. No third-party places limitations, legal or otherwise, on us regarding the use of its individual liquid assets. We are able to withdraw, deposit or sell our individual liquid assets at will, with no prior notice or penalty, provided we maintain a total pool of liquid assets sufficient to meet our regulatory and contractual requirements. Regulatory requirements also require MPSI to maintain positive net worth, with certain states requiring that MPSI maintain positive tangible net worth. We were in compliance with these contractual and financial regulatory requirements as of December 31, 2025.

The following table summarizes the amount of settlement assets and payment service obligations as of December 31:

	2025	2024
Settlement assets:		
Settlement cash	$ 1,296.1	$ 1,284.8
Receivables, net	977.7	924.5
Interest-bearing investments	627.1	825.0
Available-for-sale investments	0.7	0.9
Total settlement assets	$ 2,901.6	$ 3,035.2
Payment service obligations	$ (2,901.6)	$ (3,035.2)

Note 5 — Fair Value Measurement

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability, or the exit price, in an orderly transaction between market participants on the measurement date. A three-level hierarchy is used for fair value measurements based upon the observability of the inputs to the valuation of an asset or liability as of the measurement date. Under the hierarchy, the highest priority is given to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1), followed by observable inputs (Level 2) and unobservable inputs (Level 3). A financial instrument's level within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of our valuation methodologies used to estimate the fair value for assets and liabilities:

Assets and liabilities that are measured at fair value on a recurring basis

- ***Available-for-sale investments*** — For residential mortgage-backed securities issued by U.S. government agencies, fair value measures are obtained from an independent pricing service. As market quotes are generally not readily available or accessible for these specific securities, the pricing service measures fair value through the use of pricing models utilizing reported market quotes adjusted for observable inputs, such as market prices for comparable securities, spreads, prepayment speeds, yield curves and delinquency rates. Accordingly, these securities are classified as Level 2 financial instruments.

  For asset-backed and other securities, which include investments in limited partnerships, market quotes are generally not available. We utilize broker quotes to measure market value, if available. Because the inputs and assumptions that brokers use to develop prices are unobservable, valuations that are based on brokers' quotes are classified as Level 3. Also, we use pricing services that utilize pricing models based on market observable and unobservable data. The observable inputs include quotes for comparable securities, yield curves, default indices, interest rates, historical prepayment speeds and delinquency rates. These pricing models also apply an inactive market adjustment as a significant unobservable input. Accordingly, asset-backed and other securities valued using third-party pricing models are classified as Level 3.

- ***Derivative financial instruments*** — Derivatives consist of forward contracts to manage income statement exposure to non-U.S. dollar exchange risk arising from our assets and liabilities denominated in non-U.S. dollar currencies. Our forward contracts are well-established products, allowing the use of standardized models with market-based inputs. These models do not contain a high level of subjectivity, and the inputs are readily observable. Accordingly, we have classified our forward contracts as Level 2 financial instruments. See Note 7 — *Derivative Financial Instruments* for additional disclosure on our forward contracts.

There were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 of the fair value hierarchy. The following table summarizes our financial assets and liabilities measured at fair value by hierarchy level on a recurring basis:

	Level 2	Total
December 31, 2025		
Financial assets:		
Available-for-sale investments:		
Residential mortgage-backed securities	$ 0.7	$ 0.7
Forward contracts [(1)]	5.5	5.5
Total financial assets	$ 6.2	$ 6.2
Financial liabilities:		
Forward contracts	$ (0.1)	$ (0.1)
December 31, 2024		
Financial assets:		
Available-for-sale investments:		
Residential mortgage-backed securities	$ 0.9	$ 0.9
Forward contracts	7.4	7.4
Total financial assets	$ 8.3	$ 8.3
Financial liabilities:		
Forward contracts [(1)]	$ (0.4)	$ (0.4)

(1) Includes associated cash posted as collateral

As of December 31, 2025 and 2024, we had a nominal balance of asset-backed and other securities classified as Level 3, which are measured at fair value on a recurring basis. Additionally, for the years ended December 31, 2025 and 2024, we did not record any unrealized gains or losses.

Assets and liabilities that are disclosed at fair value

The carrying amounts for cash and cash equivalents, settlement cash and cash equivalents, receivables, interest-bearing investments and payment service obligations approximate fair value as of December 31, 2025 and 2024.

Assets and liabilities measured at fair value on a non-recurring basis

Assets and liabilities that are measured at fair value on a non-recurring basis relate primarily to property and equipment, goodwill and other intangible assets, which are remeasured only in the event of an impairment.

Fair value remeasurements are normally based on significant unobservable inputs (Level 3). Tangible and intangible asset fair values are derived using accepted valuation methodologies. If it is determined an impairment has occurred, the carrying value of the asset is reduced to fair value with a corresponding charge to "Other non-operating expenses" in the Consolidated Statements of Operations.

Note 6 — Investment Portfolio

Our portfolio is invested in cash and cash equivalents, interest-bearing investments and available-for-sale investments as described in Note 2 — *Summary of Significant Accounting Policies*. The following table shows the components of the investment portfolio as of December 31:

	2025	2024
Cash and cash equivalents and settlement cash and cash equivalents	$ 1,469.4	$ 1,430.2
Interest-bearing investments	627.1	825.0
Available-for-sale investments	0.7	0.9
Total investment portfolio	$ 2,097.2	$ 2,256.1

Cash and Cash Equivalents and Settlement Cash and Cash Equivalents

Cash and cash equivalents and settlement cash and cash equivalents consist of interest-bearing deposit accounts, non-interest-bearing transaction accounts and money market securities. Our money market securities are invested in one fund, which is AAA rated and consists of U.S. Treasury bills, notes or other obligations issued or guaranteed by the U.S. government and its agencies, as well as repurchase agreements secured by such instruments.

Interest-bearing Investments

Interest-bearing investments consist of bonds, commercial papers, money market funds, time deposits and certificates of deposit with maturities of up to 36 months and are issued from financial institutions rated A- or better as of December 31, 2025.

Available-for-sale Investments

Available-for-sale investments consist of residential mortgage-backed securities and asset-backed and other securities. The following table is a summary of the amortized cost and fair value of available-for-sale investments:

	Amortized Cost	Fair Value
December 31, 2025		
Residential mortgage-backed securities	$ 0.7	$ 0.7
December 31, 2024		
Residential mortgage-backed securities	$ 0.9	$ 0.9

As of December 31, 2025 and 2024, the entire fair value of the available-for-sale portfolio were invested in residential mortgage-backed securities issued by U.S. government agencies. These securities have the implicit backing of the U.S. government and the Company expects to receive full par value upon maturity or pay-down, as well as all interest payments.

Gains and Losses

We had no realized gains or losses for the reported periods.

Investment Ratings

We use ratings from Moody's, S&P and Fitch to rate the securities in our investment portfolio. If the rating agencies have split ratings, we use the lower of the highest two out of three ratings across the rating agencies for disclosure purposes. If the institution has only two ratings, we use the lower of the two ratings for disclosure purposes. Securities issued or backed by U.S. government agencies are included in the AAA rating category. Investment grade is defined as a security having a Moody's equivalent rating of Aaa, Aa, A or Baa or an S&P or Fitch equivalent rating of AAA, AA, A or BBB. Our investments consisted of the following ratings as of December 31:

	2025			2024		
	Number of Securities	Fair Value	Percent of Investments	Number of Securities	Fair Value	Percent of Investments
Investment grade	9	$ 0.7	100 %	9	$ 0.9	100 %
Below investment grade (1)	28	—	— %	28	—	— %
Total	37	$ 0.7	100 %	37	$ 0.9	100 %

(1) These are legacy asset-backed securities that were fully written down under the cost-recovery method.

Had we used the lowest rating from the rating agencies in the information presented above, there would be no change to the classifications as of December 31, 2025 and 2024.

Contractual Maturities

Actual maturities may differ from contractual maturities as borrowers may have the right to call or prepay obligations, sometimes without call or prepayment penalties. Maturities of residential mortgage-backed and asset-backed and other securities depend on the repayment characteristics and experience of the underlying obligations.

Fair Value Determination

We use various sources to estimate the fair value of our available-for-sale portfolio, including third-party pricing services and broker quotes. As of December 31, 2025 and 2024, 100% of the portfolio used a third-party pricing service.

Note 7 — Derivative Financial Instruments

We use forward contracts to manage our non-U.S. dollar needs and non-U.S. dollar exchange risk arising from our assets and liabilities denominated in non-U.S. dollars. While these contracts may mitigate certain non-U.S. dollar risk, they are not designated as hedges for accounting purposes and will result in gains and losses in the Consolidated Statements of Operations. We also report gains and losses from the spread differential between the rate set for its transactions and the actual cost of currency at the time we buy or sell in the open market.

The following net (losses) gains related to assets and liabilities denominated in non-U.S. dollar are included in "Transaction and operations support" in the Consolidated Statements of Operations and in the "Net cash provided by operating activities" line in the Consolidated Statements of Cash Flows:

	2025	2024
Net realized non-U.S. dollar loss	$ 18.5	$ (21.1)
Net gain from the related forward contracts	(19.5)	20.7
Net (loss) gain from the related forward contracts	$ (1.0)	$ (0.4)

As of December 31, 2025 and 2024, we had $1,014.0 million and $719.2 million, respectively, of outstanding notional amounts relating to its non-U.S. dollar forward contracts. As of December 31, 2025 and 2024, we reflect the following fair values of derivative forward contract instruments in its Consolidated Balance Sheets on a net basis, allowing for the right of offset by counterparty and cash collateral:

	Gross Amount of Recognized Assets		Gross Amount of Offset		Cash Collateral Posted		Net Amount of Assets Presented on the Consolidated Balance Sheets	
Balance Sheet Location	2025	2024	2025	2024	2025	2024	2025	2024
"Other assets"	$ 1.1	$ 2.8	$ (0.6)	$ (0.4)	$ 5.0	$ 5.0	$ 5.5	$ 7.4

	Gross Amount of Recognized Liabilities		Gross Amount of Offset		Cash Collateral Received		Net Amount of Liabilities Presented on the Consolidated Balance Sheets	
Balance Sheet Location	2025	2024	2025	2024	2025	2024	2025	2024
"Accounts payable and other liabilities"	$ (0.7)	$ (0.8)	$ 0.6	$ 0.4	$ —	$ —	$ (0.1)	$ (0.4)

Our forward contracts are primarily executed with counterparties governed by International Swaps and Derivatives Association agreements that generally include standard netting arrangements. Asset and liability positions from forward contracts and all other non-U.S. dollar exchange transactions with the same counterparty are net settled upon maturity. In addition, we net derivative liabilities against any receivables for cash collateral placed with the same counterparties.

We are exposed to credit loss in the event of non-performance by counterparties to its derivative contracts. We actively monitor our exposure to credit risk through the use of credit approvals and credit limits and by selecting major international banks and financial institutions as counterparties. Collateral generally is not required of the counterparties; however, it is required in some contracts. In the unlikely event the counterparty fails to meet the contractual terms of the derivative contract, our risk is limited to the fair value of the instrument. We have not had instances of non-performance by any counterparties in the past, nor do we anticipate any future instances of non-performance.

Note 8 — Property and Equipment

The following table is a summary of "Property and equipment, net" as of December 31:

	2025	2024
Computer hardware and software	$ 491.7	$ 540.9
Signage	24.0	22.1
Equipment at agent locations	45.6	46.7
Office furniture and equipment	9.1	10.1
Leasehold improvements	14.5	16.6
Total property and equipment	584.9	636.4
Accumulated depreciation and amortization	(471.5)	(489.2)
Total property and equipment, net	$ 113.4	$ 147.2

Depreciation and amortization expense for property and equipment for 2025 and 2024 was $64.5 million and $46.9 million, respectively. No impairments of property and equipment were recorded during the reported periods except for the year ended December 31, 2025, we recognized impairment charges on computer hardware and software of $1.1 million related to the GFT segment and within "Other non-operating expense" in the Consolidated Statements of Operations. .

At December 31, 2025 and 2024, we had $0.2 million and $0.7 million, respectively, in accrued purchases of property and equipment included within "Accounts payable and other liabilities" on the Consolidated Balance Sheets.

During the reported periods, we had nominal losses related to disposals of its property and equipment. The losses were recorded within "Occupancy, equipment and supplies" in the Consolidated Statements of Operations.

For the years ended December 31, 2025 and 2024, software development costs of $29.5 million and $47.6 million, respectively, were capitalized. At December 31, 2025 and 2024, there were $117.5 million and $77.3 million, respectively, of unamortized software development costs included in property and equipment.

For the years ended December 31, 2025 and 2024, we had $1.3 million and $1.4 million, respectively, in net capitalized implementation costs related to hosting arrangements that are service contracts. These costs are recorded within "Other assets" on the Consolidated Balance Sheets and the related amortization is recorded in the same line item in the Consolidated Statements of Operations as other fees associated with the service arrangements.

Note 9 — Goodwill and Intangible Assets

Goodwill

At December 31, 2025 and 2024, our goodwill balance was $442.2 million, and all relates to the GFT segment. During the fourth quarter of 2025 and 2024, we performed a qualitative assessment of goodwill and no impairments of goodwill were recorded.

Intangibles

All of our intangible assets are included within "Other assets" on the Consolidated Balance Sheets. There was no intangible asset amortization expense for 2025 and 2024. There is no future intangible asset amortization expense.

Note 10 — Pension and Other Benefits

Pension Benefits

Our Pension Plan is a frozen, non-contributory funded plan under which no new service or compensation credits are accrued by the plan participants. Cash accumulation accounts continue to be credited with interest credits until participants withdraw their money from the Pension Plan. We fund at least the minimum required contribution each year plus additional discretionary amounts as available and necessary to minimize expenses of the plan. On August 1, 2023, the Board of Directors terminated the Pension Plan effective December 31, 2023. The termination and settlement process, which preserves retirement benefits due to participants but changes the ultimate payor of such benefits, was completed in the fourth quarter of 2024.

Supplemental Executive Retirement Plans

We have obligations under various legacy SERPs, which are unfunded non-qualified defined benefit pension plans providing postretirement income to their participants. As of December 31, 2025, all benefit accruals under the SERPs are frozen with the exception of one plan for which service is frozen but, future pay increases are reflected for active participants. We fund the SERPs as benefits are paid.

The Pension Plan and SERPs are collectively referred to as our "Pension."

Postretirement Benefits Other Than Pensions

We have unfunded Postretirement Benefits that provide medical and life insurance for participants. We amended the Postretirement Benefits to close it to new participants as of December 31, 2009. Effective July 1, 2011, the Postretirement Benefits were amended to eliminate eligibility for participants eligible for Medicare coverage. As a result of this plan amendment, we no longer receive the Medicare retiree drug subsidy. We make contributions to the Postretirement Benefits as benefits are paid.

Actuarial Valuation Assumptions

The measurement date for our Pension and Postretirement Benefits is December 31. The following table is a summary of the weighted-average actuarial assumptions used in calculating net periodic benefit expense and the benefit obligation as of and for the years ended December 31:

	Pension Plan		SERPs		Postretirement Benefits	
	2025	2024	2025	2024	2025	2024
Net periodic benefit expense (income):						
Discount rate for benefit obligation	— %	5.00 %	5.59 %	4.96 %	5.59 %	5.04 %
Discount rate for interest cost	— %	4.78 %	5.30 %	4.89 %	5.30 %	4.89 %
Expected return on plan assets	— %	4.78 %	— %	— %	— %	— %
Cash balance interest crediting rate	— %	2.31 %	— %	— %	— %	— %
Rate of compensation increase	N/A	— %	— %	5.75 %	— %	— %
Medical trend rate:						
Pre-65 initial healthcare cost trend rate	— %	— %	— %	— %	7.54 %	7.54 %
Post-65 initial healthcare cost trend rate	— %	— %	— %	— %	7.77 %	7.77 %
Pre and post-65 ultimate healthcare cost trend rate	— %	— %	— %	— %	4.50 %	4.50 %
Year ultimate healthcare cost trend rate is reached for pre/ post-65, respectively	N/A	N/A	N/A	N/A	2035	2033
Benefit obligation:						
Discount rate	— %	— %	5.31 %	5.59 %	5.31 %	5.59 %
Cash balance interest crediting rate		— %		—	—	—
Rate of compensation increase	N/A	N/A	5.75 %	5.75 %	—	—
Medical trend rate:						
Pre-65 initial healthcare cost trend rate	— %	— %	— %	— %	7.24 %	7.24 %
Post-65 initial healthcare cost trend rate	— %	— %	— %	— %	7.50 %	7.50 %
Pre and post-65 ultimate healthcare cost trend rate	— %	— %	— %	— %	4.50 %	4.50 %
Year ultimate healthcare cost trend rate is reached for pre/ post-65	— %	— %	— %	— %	2035	2034

Plan Financial Information — Net periodic benefit expense for the Pension includes the following components for the years ended December 31:

	Pension		Benefits	
	2025	2024	2025	2024
Interest cost	$ 2.2	$ 2.7	$ —	$ —
Expected return on plan assets	—	(0.4)	—	—
Amortization of net actuarial loss	—	—	—	—
Settlement gain	—	0.6	—	—
Net periodic benefit expense	$ 2.2	$ 2.9	$ —	$ —

Net periodic benefit expense for the Pension and Postretirement Benefits is recorded within "Other non-operating expense" in the Consolidated Statements of Operations. Settlement charge, amortization of net actuarial loss and prior service cost were reclassified out of the components of "Accumulated other comprehensive loss".

The following tables are a summary of the amounts recognized in other comprehensive income and net periodic benefit expense for the years ended December 31:

	Pension	Postretirement Benefits
2025		
Net actuarial gain	$ 1.0	$ —
Total recognized in other comprehensive loss	1.0	—
Total recognized in net periodic benefit expense	2.2	—
Total recognized in other comprehensive loss and net periodic benefit expense	$ 3.2	$ —
2024		
Net actuarial gain	$ (2.4)	$ —
Settlement charge	(0.5)	—
Total recognized in other comprehensive loss	(2.9)	—
Total recognized in net periodic benefit expense	2.9	—
Total recognized in other comprehensive loss and net periodic benefit expense	$ —	$ —

The following table is a summary of the unfunded status of the Pension and Postretirement Benefits, which is recorded within "Pension and other postretirement benefits" on the Consolidated Balance Sheets and changes to the benefit obligation and plan assets as of and for the years ended December 31:

	Pension		Postretirement Benefits		Total	
	2025	2024	2025	2024	2025	2024
Change in benefit obligation:						
Benefit obligation at the beginning of the year	$ 42.9	$ 86.5	$ 0.5	$ 0.5	$ 43.4	$ 87.0
Settlement impact	—	(37.1)	—	—	—	(37.1)
Interest cost	2.2	2.7	—	—	2.2	2.7
Actuarial loss (gain)	1.6	(2.5)	—	—	1.6	(2.5)
Benefits paid	(4.4)	(6.7)	(0.1)	—	(4.5)	(6.7)
Benefit obligation at the end of the year	42.3	42.9	0.4	0.5	42.7	43.4
Change in plan assets:						
Fair value of plan assets at the beginning of the year	—	34.5	—	—	—	34.5
Settlement impact	—	(37.1)	—	—	—	(37.1)
Actual return on plan assets	—	—	—	—	—	—
Employer contributions	4.4	9.3	0.1	—	4.5	9.3
Benefits paid	(4.4)	(6.7)	(0.1)	—	(4.5)	(6.7)
Fair value of plan assets at the end of the year	—	—	—	—	—	—
Unfunded status at the end of the year	$ 42.3	$ 42.9	$ 0.4	$ 0.5	$ 42.7	$ 43.4

In 2025, the net actuarial loss of $1.6 million affecting the benefit obligation of the Pension was due to the decrease in discount rate and there was no actuarial loss affecting the benefit obligation of the Postretirement Benefits.

In 2024, the net actuarial gain of $2.5 million affecting the benefit obligation of the Pension was due to the increase in discount rate and there was no actuarial loss affecting the benefit obligation of the Postretirement Benefits.

The unfunded status of the SERPs was $42.3 million and $42.9 million as of December 31, 2025 and 2024, respectively.

The following table summarizes the components recognized in "Accumulated other comprehensive loss" in the shareholders' equity section of the Consolidated Balance Sheets relating to the Pension and Postretirement Benefits as of December 31:

	Pension		Postretirement Benefits		Total	
	2025	2024	2025	2024	2025	2024
Accumulated other comprehensive loss:						
Net actuarial (gain) loss, net of tax	$ (0.3)	$ (1.2)	$ —	$ —	$ (0.3)	$ (1.2)

The following table summarizes the accumulated benefit obligation for the Pension and Postretirement Benefits fair value of plan assets as of December 31:

	Pension		Postretirement Benefits	
	2025	2024	2025	2024
Accumulated benefit obligation	$ 42.3	$ 42.9	$ 0.4	$ 0.5
Fair value of plan assets	$ —	$ —	$ —	$ —

The following table summarizes the estimated future benefit payments for the Pension and Postretirement Benefits for the years ended December 31:

	2026	2027	2028	2029	2030	2031-2035
Pension	$ 4.4	$ 4.3	$ 3.8	$ 3.7	$ 3.6	$ 15.6
Postretirement benefits	$ —	$ —	$ —	$ —	$ —	$ 0.1

We will continue to make contributions to the SERPs and the Postretirement Benefits to the extent benefits are paid. Aggregate benefits paid for the unfunded plans are expected to be $4.4 million in 2026.

Employee Savings Plan — We have an employee savings plan that qualifies under Section 401(k) of the Internal Revenue Code of 1986, as amended. Contributions to, and costs of, the 401(k) defined contribution plan totaled $4.1 million and $4.8 million in 2025 and 2024, respectively.

International Benefit Plans — Our international subsidiaries have certain defined contribution plans. Contributions to, and costs related to, international plans were $2.2 million and $2.0 million for 2025 and 2024, respectively.

Note 11 — Accumulated Other Comprehensive Loss

Accumulated Other Comprehensive Loss — The following table details the components and changes of "Accumulated other comprehensive loss" for the years ended December 31:

	Net Unrealized Gains on Securities Classified as Available-for-sale, Net of Tax	Cumulative non-U.S. dollar Translation Adjustments, Net of Tax	Pension and Postretirement Benefits Adjustment, Net of Tax	Total
December 31, 2023	$ (0.2)	$ (35.7)	$ (30.0)	$ (65.9)
Other comprehensive income before reclassification	1.0	(8.7)	18.1	10.4
Amounts reclassified from accumulated other comprehensive loss	—	—	0.5	0.5
Net current year other comprehensive income	1.0	(8.7)	18.6	10.9
Other adjustment	—	—	—	—
December 31, 2024	0.8	(44.4)	(11.4)	(55.0)
Other comprehensive income before reclassification	—	15.0	(1.3)	13.7
Amounts reclassified from accumulated other comprehensive loss	—	—	—	—
Net current year other comprehensive income	—	15.0	(1.3)	13.7
December 31, 2025	$ 0.8	$ (29.4)	$ (12.7)	$ (41.3)

Note 12 — Equity-Based Compensation

Following the acquisition of the Company by MDP, our parent, Mobius Holdco, LP ("Parent Partnership"), established a new equity plan granting certain employees Class B units in the Parent Partnership (the “2023 Class B Awards”). The 2023 Class B Awards provide for a number of Class B units, as set forth in each participant’s award agreement, and includes a participation threshold to be achieved by the Parent Partnership Class A shares prior to any distribution to the holders of the Class B Units. The 2023 Class B Awards are intended for tax purposes to qualify as “profit interests” under IRS Revenue Procedure 93-27 and IRS Revenue Procedure 2001-43 and we will account for the 2023 Class B Awards under the guidance contained within the ASC Topic 718, *Compensation - Stock Compensation,* and will measure the awards at fair value as of the date of grant and expensed using the straight-line method over the vesting or service periods. The 2023 Class B Awards contain both time vesting and performance vesting criteria, but also require a sale of the Parent Partnership prior to any distribution to the Class B Unit holders (a “Liquidity Event”).

To estimate the grant date fair values for the 2023 Class B Awards the Company utilized a Monte Carlo simulation. The more significant inputs to the Monte Carlo simulation included:

- Expected time to a Liquidity Event;
- Implied equity value for the Class A Shares;
- Volatility assumption;
- Marketability discount; and
- Risk free rate.

The calculated fair value of equity-based awards is recognized as compensation cost using the straight-line method over the vesting or service period in the financial statements. Equity-based compensation is recognized only for those equity-based awards expected to vest, with forfeitures estimated at the date of grant and evaluated and adjusted periodically to reflect our historical experience and future expectations. Any change in the forfeiture assumption will be accounted for as a change in estimate, with the cumulative effect of the change on periods previously reported being reflected in the financial statements of the period in which the change is made.

We recognized equity-based compensation expense of $6.0 million and $8.1 million for the years ended December 31, 2025 and 2024, respectively.

Note 13 — Income Taxes

The Company’s operations are included in the consolidated federal income tax return of MoneyGram. The consolidated federal income tax return of MoneyGram includes the income of the Company and income or loss activity of the other members of the tax filing group. Federal income tax expense is allocated to members of the group by applying ASC 740 to each member as if it were a separate taxpayer. As a subsidiary of MoneyGram, the Company is responsible for reporting its taxable income or loss and paying the applicable tax to or receiving the applicable refund from MoneyGram. In addition, all state and foreign tax expenses are allocated to the Company.

As the operating entity of the tax filing group, generally all cash tax payments are funded by, and refunds deposited to, the accounts of MoneyGram Payment Systems, Inc. and its subsidiaries. Any activity between the other members of the tax filing group are recorded through intercompany accounts.

The following table is a summary of the components of income before income taxes for the years ended December 31:

	2025	2024
U.S.	$ 26.2	$ 53.5
Foreign	8.5	12.7
Income before income taxes	$ 34.7	$ 66.2

Foreign income consists of income from the Company's international subsidiaries. Most of the Company's wholly-owned subsidiaries recognize revenue based solely on services agreements with the primary U.S. operating subsidiary. The following table is a summary of the income tax (benefit) expense for the years ended December 31:

	2025	2024
Current:		
Federal	$ (3.9)	$ 15.3
State	0.2	0.4
Foreign	5.2	4.8
Current income tax expense	1.5	20.5
Deferred:		
Federal	1.1	(28.3)
State	(0.8)	2.8
Foreign	0.1	0.9
Deferred income tax benefit	0.4	(24.6)
Income tax (benefit) expense	$ 1.9	$ (4.1)

As of December 31, 2025 and 2024, the Company had tax payable of $5.6 million and $7.5 million, respectively and tax receivable of $1.6 million and $4.3 million, respectively. Tax payable and tax receivable are recorded within "Accounts payable and other liabilities" and "Other assets", respectively, on the Consolidated Balance Sheets.

The following table is a reconciliation of the expected federal income tax (benefit) expense at statutory rates to the actual income tax expense for the years ended in December 31:

	2025	2024
Income tax expense at statutory federal income tax rate	$ 7.3	$ 13.9
Tax effect of:		
State income tax, net of federal income tax effect	(0.8)	(0.4)
Valuation allowances	1.4	0.6
International taxes	(1.0)	2.2
Other net permanent differences	0.3	4.4
U.S. general business credits	(0.3)	(5.4)
Change in unrecognized tax benefits	—	1.6
Equity-based compensation	0.4	0.6
U.S. taxation of foreign earnings	(5.4)	(2.8)
Other	—	(18.8)
Income tax (benefit) expense	$ 1.9	$ (4.1)

The following table is a summary of the Company's deferred tax assets and liabilities as of December 31:

	2025	2024
Deferred tax assets:		
Basis difference in revalued investments	$ 41.3	$ 41.5
Tax loss carryovers	15.5	17.7
Tax credit carryovers	5.7	4.5
Postretirement benefits and other employee benefits	10.9	10.5
Bad debt and other reserves	3.4	3.8
Lease liabilities	5.0	6.0
Depreciation & amortization	33.9	38.9
Interest expense carryovers	0.8	2.3
Other	0.6	0.7
Valuation allowances	(56.3)	(57.7)
Total deferred tax assets	60.8	68.2
Deferred tax liability:		
Depreciation and amortization and other	(61.3)	(67.5)
Lease right-of-use assets	(4.3)	(5.4)
Total deferred tax liability	(65.6)	(72.9)
Net deferred tax liability	$ (4.8)	$ (4.7)

The Company offsets deferred tax asset positions with deferred tax liability positions based on right to offset in each respective tax jurisdiction. As of December 31, 2025, net deferred tax asset positions of $4.1 million were included within "Other assets" and net deferred tax liability positions of $8.9 million were included within "Accounts payable and other liabilities" on the Consolidated Balance Sheets. As of December 31, 2024, net deferred tax asset positions of $3.8 million were reflected within "Other assets" and net deferred tax liability positions of $8.5 million were included within "Accounts payable and other liabilities" on the Consolidated Balance Sheets. The valuation allowances as of December 31, 2025, primarily relate to basis differences in revalued investments, capital loss carryovers, state tax credit carryovers and certain foreign tax loss carryovers. The valuation allowances as of December 31, 2024 primarily relate to basis differences in revalued investments, capital loss carryovers, U.S. tax credit carryovers, U.S. interest expense carryovers and certain state and foreign tax loss carryovers. The net $1.4 million decrease in our valuation allowances reflects a $3.2 million net decrease with corresponding adjustments to the respective deferred tax asset, $1.4 million increase through earnings, and a $0.4 million increase through other comprehensive loss.

The following table is a summary of the amounts and expiration dates of tax loss carry-forwards (not tax effected) and credit carry-forwards as of December 31, 2025:

	Expiration Date	Amount
U.S. capital loss carry-forwards	2027 - 2028	$ 34.8
U.S. tax credit carry-forwards	2028 - 2044	$ 5.7

Unrecognized tax benefits are recorded within "Accounts payable and other liabilities" on the Consolidated Balance Sheets. The following table is a reconciliation of unrecognized tax benefits for the years ended December 31:

	2025	2024
Beginning balance	$ 9.2	$ 7.7
Additions based on tax positions related to prior years	0.1	0.2
Additions based on tax positions related to current year	—	1.3
Reductions for tax positions of prior years and other	(0.1)	—
Ending balance	$ 9.2	$ 9.2

As of December 31, 2025 and 2024, the liability for unrecognized tax benefits was $9.2 million, exclusive of interest and penalties. For 2025 and 2024, the net amount of unrecognized tax benefits that if recognized would impact the effective tax rate was $9.2 million. The Company accrues interest and penalties for unrecognized tax benefits through "Income tax (benefit) expense" in the Consolidated Statements of Operations. As of December 31, 2025 and 2024, the Company had a liability of $0.1 million, accrued for interest and penalties within "Accounts payable and other liabilities."

With limited exception, we are no longer subject to U.S. federal income tax audits for years through 2021, state and local income tax audits for years through 2020 and non-U.S. income tax audits for years through 2018. However, to the extent allowed by law, the tax authorities may have the right to examine prior periods where net operating losses, tax credits or interest expense limitations were generated and carried forward which could impact the open years if and when those carry-forwards are utilized.

The Organization for Economic Cooperation and Development ("OECD") released Global Anti-Base Erosion Model Rules ("Pillar Two") designed to implement a global minimum tax of 15% applied on a country-by-country basis for companies with global revenues and profits above certain thresholds. Pillar Two legislation has been enacted in certain jurisdictions where we operate. The legislation, where enacted, became effective for us in 2024, although it did not have a material impact to our income tax provision.

Note 14 — Commitments and Contingencies

Legal Proceedings

The matters below are subject to uncertainties and outcomes that are not predictable. We accrue for these matters when resulting losses become probable and can be reasonably estimated. Our accrual for probable and estimatable losses was $4.0 million as of December 31, 2025. We maintain insurance coverage for many claims and litigation matters, although such coverage may not be sufficient to cover all related costs.

Litigation Commenced Against the Company

Data Breach Litigation

In 2024, several putative class action lawsuits were filed in federal court in the United States and one in British Columbia, Canada. The lawsuits related to our cyber incident in September 2024 and sought class status of individuals whose personally identifiable information was potentially compromised. Following consolidation of the cases in the United States in the Northern District of Texas, plaintiffs voluntarily dismissed their case and the lawsuit was terminated on June 27, 2025. We continue to work with regulatory authorities to fulfill all information requests and reporting obligations related to the cyber incident.

On August 14, 2025, a class action lawsuit was filed in the Superior Court of California against us seeking redress under the California Consumer Privacy Act. This lawsuit related to the cyber incident described above. The lawsuit sought to certify a class of individuals residing in California whose personally identifiable information was potentially compromised. In September 2025, we filed a notice to remove the case to federal court and in October 2025, plaintiffs filed a motion to remand the case back to the Superior Court of California. On December 15, 2025, the U.S. District Court for the Northern District of California granted plaintiffs' motion to remand the case back to the Marin County Superior Court finding the required amount in controversy for federal court actions was not met. On January 15, 2026, the parties met and conferred about MoneyGram's intention to file a dispositive motion, following which we agreed to allow plaintiffs to file an amended complaint. The parties filed a Stipulation and Proposed Order to Amend Complaint on January 20, 2026.

On January 21, 2026, we sent correspondence to plaintiffs' counsel advising them that, if plaintiffs did not withdraw the lawsuit within 21 days, we intended to file a Notice of Motion for Sanctions Pursuant to CCP Section 128.5 and a Notice of Motion for Sanctions Pursuant to CCP Section 128.7 seeking sanctions against plaintiffs' counsel based on our belief that plaintiffs' counsel continued to litigate these claims based on a factually inaccurate and meritless complaint for an improper purpose. On February 4, 2026, the parties filed a Stipulation and Proposed Order to Dismiss Entire Action Without Prejudice with the Marin County Superior Court based on plaintiffs lacking standing given that none of the plaintiffs had personal information, as defined in the California Privacy Act, accessed, acquired, disclosed or otherwise compromised. The Court signed the order on February 9, 2026 and the case was dismissed.

We plan to vigorously defend against the lawsuit in British Columbia, Canada. We are unable to predict the outcome, or the possibility of loss, if any, related to this matter.

Other Matters — We are involved in various other claims and litigation that arise from time to time in the ordinary course of business. Management does not believe that any of these matters is likely to have a material adverse impact on our financial condition, results of operations or cash flows.

Government Investigations

CFPB

Following a 2019 exam by the CFPB, we undertook remedial action in response to the CFPB's findings. The Company and the CFPB attempted to settle following notice that the CFPB intended to take legal action based on four alleged violations under various federal statutes. When those negotiations were unsuccessful, in April 2022, the CFPB and the New York State Office of the Attorney General ("NYAG") filed a complaint in July 2022 in the United States District Court for the Southern District of New York (the "SDNY Court") against the Company and MPSI alleging various violations under federal and New York state law. Throughout 2022, the parties took various procedural steps related to the litigation. Following resolution of a matter unrelated to us in which the constitutionality of the CFPB was questioned, the case became active again in 2024 and, in April 2025, the CFPB filed a motion asking the SDNY Court to allow it to withdraw from the litigation. On April 21, 2025, the SDNY Court dismissed with prejudice the counts brought by the CFPB, which removed the CFPB from the lawsuit. Following discussions with the NYAG in April and May 2025, the Company and the NYAG fully settled the remaining counts in the litigation for $250,000 and certain therapeutic remedies related to our compliance program.

Other Matters

We are involved in various other government inquiries and matters that arise from time to time in the ordinary course of business. Management does not believe that any of these other matters is likely to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

Note 15 — Revenue Recognition

The following table is a summary of our revenue streams disaggregated by services and products for each segment and timing of revenue recognition for such services and products excluding other revenue for the years ended December 31:

	2025	2024
GFT revenue		
Money transfer fee revenue	$ 1,056.8	$ 1,186.8
Bill payment services fee revenue	36.1	36.3
Other revenue	46.0	41.1
Total GFT fee and other revenue	$ 1,138.9	$ 1,264.2
FPP revenue		
Money order fee revenue	5.5	4.5
Official check outsourcing services fee revenue	6.2	6.2
Other revenue	18.4	21.4
Total FPP fee and other revenue	30.1	32.1
Total fee and other revenue	1,169.0	1,296.3
Investment revenue	74.5	99.8
Total revenue	$ 1,243.5	$ 1,396.1
Timing of revenue recognition:		
Services and products transferred at a point in time	$ 1,098.4	$ 1,227.6
Products transferred over time	6.2	6.2
Total revenue from services and products	1,104.6	1,233.8
Investment revenue	74.5	99.8
Other revenue	64.4	62.5
Total revenue	$ 1,243.5	$ 1,396.1

See Note 2 — *Summary of Significant Accounting Policies* for our accounting policies on revenue recognition. Due to the short-term nature of our services and products, the amount of contract assets and liabilities on the Consolidated Balance Sheets as of December 31, 2025 and 2024 is negligible. Assets for unsettled money transfers, money orders and consumer payments are included within "Settlement assets" with a corresponding liability recorded within "Payment service obligations" on the Consolidated Balance Sheets. For more information on these assets and liabilities see Note 2 — *Summary of Significant Accounting Policies*.

Note 16 — Leases

Our leases consist primarily of operating leases for buildings, equipment and vehicles. Finance leases are immaterial. The ROU asset and the lease liability are calculated based on the remaining minimum rental payments under current leasing standards for existing operating leases. The reduction in the carrying amount of the ROU asset and changes in the lease liability are presented within "Operating activities" on the Consolidated Statements of Cash Flows. We elected the package of practical expedients, which did not require us to reassess our prior conclusions about lease identification, lease classification and initial direct costs under the new standard. We did not elect the use of the hindsight practical expedient or the practical expedient pertaining to land easements, as the latter was not applicable to us. We also elected the short-term lease recognition exemption for all leases that qualify. Accordingly, for qualifying leases, we did not recognize ROU assets or lease liabilities. We elected the practical expedient to not separate lease and non-lease components for our real estate and vehicle leases.

Our various noncancellable operating leases for buildings, equipment and vehicles terminate through 2030. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. As of

December 31, 2025 and 2024, the leases had a weighted-average remaining lease term of 4.5 years and 5.2 years, respectively. As most of our leases do not provide an implicit rate, we utilized the portfolio approach in determining the discount rate. The portfolios were grouped based on lease type and geographical location. We considered the most relevant major interest rate in the specific geographical location such as the Prime Rate in the U.S. and U.K. or the collateralized interest rate for non-financial institutions of the European Central Bank. These rates were then adjusted for our specific credit ratings or economic conditions and lease terms of the specific portfolio. As of December 31, 2025 and 2024, the weighted-average discount rate was 7.2% and 6.2%, respectively.

We recognize rent expense for operating leases under the straight-line method over the term of the lease where differences between the monthly cash payments and the lease expense are offset to the ROU asset on the Consolidated Balance Sheets. Lease expense for buildings and equipment is included within "Occupancy, equipment and supplies" on the Consolidated Statements of Operations, while lease expense for our vehicles is included within "Compensation and benefits." Some of our building leases include rent expense that is associated with an index or a rate. Subsequent changes from the original index or rate would be treated as variable lease expense. Furthermore, future changes to the non-lease components of our real estate and vehicle leases will be treated as variable lease expenses.

The following table is a summary of our lease expense for its operating leases for the years ended December 31:

	2025	2024
Buildings, equipment and vehicle leases	$ 9.0	$ 9.0
Short-term and variable lease cost	0.4	0.4
Total lease cost	$ 9.4	$ 9.4

Supplemental cash flow information related to leases was as follows for the years ended December 31:

	2025	2024
Cash paid for amounts included in the measurement of operating lease liabilities	$ 8.2	$ 8.9
ROU assets obtained in exchange for lease obligations	$ —	$ —

Maturities of operating lease liabilities as of December 31, 2025 were as follows:

	Future Minimum Lease Payments
2026	$ 7.4
2027	5.5
2028	5.4
2029	5.2
2030	4.7
Thereafter	—
Total	28.2
Less: present value discount	(4.2)
Lease liability - operating	$ 24.0

Note 17 — Subsequent Events

Management evaluated all of our activity and concluded that as of March 31, 2026, no subsequent events have occurred that would require recognition in the Consolidated Financial Statements or disclosure in the Notes to the Consolidated Financial Statements.

MONEYGRAM PAYMENT SYSTEMS, INC. AND SUBSIDIARIES
(A Wholly Owned Subsidiary of MoneyGram Payment Systems Worldwide, Inc., a Wholly Owned Subsidiary of MoneyGram International, Inc.)

SCHEDULE OF NET WORTH
FOR THE YEARS ENDED December 31, 2025 and 2024

December 31, 2023 Equity (net worth)	$ 614.5
Net income	70.3
Dividend to parent	(97.5)
Equity-based compensation activity	3.0
Other comprehensive income	10.9
Other adjustments	2.4
Change in equity	(10.9)
December 31, 2024 Equity (net worth)	603.6
Net income	32.8
Dividend to parent	(91.2)
Equity-based compensation activity	1.6
Other comprehensive income	13.7
Other adjustments	—
Change in equity	(43.1)
December 31, 2025 Equity (net worth)	$ 560.5

See accompanying Independent Auditors' Report.