Risk Factors Comparison 2024-02-22 to 2023-02-22 Form: 10-K

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Our operations are subject to a number of risks and uncertainties, including those described below. You should carefully consider the risks described below before making an investment decision. The risks and uncertainties described below are not necessarily organized in order of priority or probability. If any of the following risks actually occurs, our business, financial condition or results of operations could be materially adversely affected. In that case, the trading price of our Common Stock could decline substantially. This Annual Report also contains forward- looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward- looking statements as a result of a number of factors, including the risks described below and elsewhere in this Annual Report. GOVERNMENT AND REGULATION Because we are a multinational company conducting ~~a~~ complex business in many markets worldwide, we are subject to legal and operational risks related to a broad array of local legal and regulatory requirements which could adversely affect our operations. Operating outside of the U. S. creates difficulties associated with our international operations, as well as complying with local legal and regulatory requirements. We operate financial transaction processing networks that offer new products and services to customers, and the laws and regulations in the markets in which we operate evolve and are subject to rapid change. Although we have knowledgeable local staff in countries in which we deem it appropriate, we cannot assure you that we will continue to be found to be operating in compliance with all applicable customs, currency exchange control, data protection, anti-money laundering, sanctions, employment, transfer pricing and other laws or regulations to which we may be subject. We also cannot assure you that these laws will not be modified in ways that may adversely affect our business. For our epay Segment, as we continue to expand our electronic payment product and service offerings, certain of those products and / or services may become regulated by state, federal or foreign laws, rules and regulations. New payment product and / or service offerings may trigger payment regulation within the jurisdiction in which we are offering such payment products and services which may require licensure for epay and / or our partner entities distributing or processing such products. If such products become more highly regulated and ultimately require licensure, our epay business may be adversely affected. Further, if regulations regarding the expiration of gift vouchers change in the countries where we offer them, the revenue epay recognizes from unredeemed vouchers may be negatively affected. Our money transfer services are subject to regulation by the U. S. states in which we operate, by the U. S. federal government and the governments of the other countries in which we operate. Changes in the laws, rules and regulations of these governmental entities, and our ability to obtain or retain required licensure, could have a material adverse impact on our results of operations, financial condition **,** and cash flow. Additionally, the evolving regulatory environment may change the competitive landscape across various jurisdictions and adversely affect our financial results. If governments implement new laws or regulations, or organizations such as Visa ® and Mastercard ® issue new rules, that effectively limit our ability to provide DCC or set fees and / or foreign currency exchange spreads, then our business, financial condition and results of operations could be materially and adversely affected. In addition, changes in regulatory interpretations or practices could increase the risk of regulatory enforcement actions, fines and penalties and such changes may be replicated across multiple jurisdictions. We conduct a significant portion of our business in Central and Eastern European countries, and we have subsidiaries in the Middle East, Asia Pacific, Africa and South America, where the risk of continued political, economic and regulatory change that could impact our operating results is greater than in the U. S. or Western Europe. We have subsidiaries in Central and Eastern Europe, the Middle East, Asia Pacific, Africa **,** and South America. We expect to continue to expand our operations to other countries in these regions. Some of these countries have undergone significant political, economic and social change in recent years and the risk of new, unforeseen changes in these countries remains greater than in the U. S. or Western Europe. Recent changes to the political climate in certain Eastern European **and Middle Eastern** countries ~~increases~~ **increase** the risk that a potential military conflict may adversely impact our operations in that region and disrupt our ATM network. In particular, changes in laws or regulations or in the interpretation of existing laws or regulations, whether caused by a change in government or otherwise, could materially adversely affect our business, growth, financial condition or results of operations. For example, currently there are no limitations in any of the countries in which we have subsidiaries on the repatriation of profits from these countries, but foreign currency exchange control restrictions, taxes or limitations may be imposed or tightened in the future with regard to repatriation of earnings and investments from these countries. If exchange control restrictions, taxes or limitations are imposed or tightened, our ability to receive dividends or other payments from affected subsidiaries could be reduced, which may have a material adverse effect on us. As discussed under" Liquidity and Capital Resources" in Item 7- Management' s Discussion and Analysis of Financial Condition and Results of Operations, under existing U. S. tax laws, repatriation of certain assets to the U. S. could have adverse tax consequences. In addition, corporate, contract, property, insolvency, competition, securities and other laws and regulations in many of the countries in which we operate have been, and continue to be, substantially revised. Therefore, the interpretation and procedural safeguards of the new legal and regulatory systems are in the process of being developed and defined, and existing laws and regulations may be applied inconsistently. Also, in some circumstances, it may not be possible to obtain the legal remedies provided for under these laws and regulations in a reasonably timely manner, if at all. We conduct business in many international markets with complex and evolving tax rules, including value added tax rules, which ~~subjects~~ **subject** us to international tax compliance risks which could adversely affect our operating results. While we obtain advice from legal and tax advisors as necessary to help assure compliance with tax and regulatory matters, most tax jurisdictions that we operate in have complex and subjective rules regarding the valuation of intercompany services, cross- border payments between affiliated companies and the related effects on income tax, value added tax (" VAT "), transfer tax and share registration tax. Our foreign subsidiaries frequently undergo VAT reviews, and from time to time undergo comprehensive tax reviews and may be required to make additional tax payments should the review result in different interpretations, allocations or valuations of our products and services. Additionally, as a result of economic downturns, tax receipts have decreased and / or government spending has increased in many of the countries in which we operate. Consequently, governments may increase tax rates or implement new taxes in order to compensate for gaps between tax revenues and expenditures. Governments may prohibit or restrict the use of certain legal structures designed to minimize taxes. Any such tax increases, whether borne by us or our customers, could negatively impact our operating results or the demand for our products and services **. The European Union (" EU") member states formally adopted the EU' s Pillar Two Directive, which was established by the Organization for Economic Co- operation and Development, and which generally provides for a 15 percent minimum effective tax rate for multinational enterprises, in every jurisdiction in which they operate. While we do not anticipate that the Pillar Two Directive will have a material impact on our tax provision or effective tax rate, we continue to monitor evolving tax legislation in the jurisdictions in which we operate** . We could be adversely affected by violations of the U. S. Foreign Corrupt Practices Act or other similar anti- corruption laws. Our operations in countries outside the United States are subject to anti- corruption laws and regulations, including restrictions imposed by the FCPA. The FCPA and similar anti- corruption laws in other jurisdictions, such as the U. K. Bribery Act, generally prohibit companies and their intermediaries from making improper payments to government officials or employees of commercial enterprises for the purpose of obtaining or retaining business. We operate in many parts of the world that have experienced corruption to some degree and, in certain circumstances, strict compliance with anti- corruption laws may conflict with local customs and practices. Our employees and agents interact with government officials on our behalf, including as necessary to obtain licenses and other regulatory approvals necessary to operate our business, import or export equipment, employ expatriates **,** and resolve tax disputes. We also have a number of contracts with foreign governments or entities owned or controlled by foreign governments. These interactions and contracts create a risk of violation of the FCPA or other similar laws. Although we have implemented policies and procedures designed to ensure compliance with local laws and regulations as well as U. S. laws and regulations, including the FCPA, there can be no assurance that all of our employees, consultants, contractors and agents will abide by our policies. If we are found to be liable for violations of the FCPA or similar anti- corruption laws in other jurisdictions, either due to our own or others' acts or inadvertence, we could suffer from criminal or civil penalties which could have a material and adverse effect on our results of operations, financial condition **,** and cash flows. Our operating results in the money transfer business may be harmed if there are adverse changes in worker immigration patterns, our ability to expand our share of the existing electronic market and to expand into new markets and our ability to continue complying with regulations issued by the OFAC, BSA, FINCEN, USA PATRIOT Act regulations, the Dodd- Frank Act or any other existing or future regulations that impact any aspect of our money transfer business. Our money transfer business primarily focuses on workers who migrate to foreign countries in search of employment and then send a portion of their earnings to family members in their home countries. Changes in U. S. and foreign government policies or enforcement, including changes that have been, or may be, implemented by the U. S. President or Congress, toward immigration may have a negative effect on immigration in the U. S. and other countries, which could also have an adverse impact on our money transfer revenues. Both U. S. and foreign regulators have become increasingly aggressive in the enforcement of the various regulatory regimes applicable to our businesses and the imposition of fines and penalties in the event of violations. Our ability to continue complying with the requirements of OFAC, BSA, FINCEN, the USA PATRIOT Act, the Dodd- Frank Act **,** and other regulations (both U. S. and foreign) is important to our success in achieving growth and an inability to do this could have an adverse impact on our revenues and earnings. Anti- money laundering, sanctions, and consumer protection regulations require us to be responsible for the compliance by agents with such regulations. Although we have training and compliance programs in place, we cannot be certain our agents will comply with such regulations and we may be held responsible for their failure to comply, resulting in fines and penalties. Future growth and profitability depend upon expansion within the markets in which we currently operate and the development of new markets for our money transfer services. Our expansion into new markets is dependent upon our ability to successfully apply our existing technology or to develop new applications to satisfy market demand. We may not have adequate financial and technological resources to expand our distribution channels and product applications to satisfy these demands, which may have an adverse impact on our ability to achieve **the** expected growth in revenues and earnings **. Expectations relating to environmental, social and governance considerations and related reporting obligations expose us to potential liabilities, increased costs, reputational harm, and other adverse effects on our business. Many governments, regulators, investors, employees, customers, and other stakeholders are increasingly focused on environmental, social and governance considerations relating to businesses, including climate change and greenhouse gas emissions, human and civil rights, and diversity, equity and inclusion. In addition, we make statements about our goals and initiatives through our various non- financial reports, information provided on our website, press statements and other communications. Responding to these environmental, social and governance considerations and implementation of these goals and initiatives involves risks and uncertainties, requires investments, and depends in part on third- party performance or data that is outside our control. We cannot guarantee that we will achieve our environmental, social and governance goals and initiatives. In addition, some stakeholders may disagree with our goals and initiatives. Any failure, or perceived failure, by us to achieve our goals, further our initiatives, adhere to our public statements, comply with federal, state, or international environmental, social and governance laws and regulations, or meet evolving and varied stakeholder expectations and standards could result in legal and regulatory proceedings against us and materially adversely affect our business, reputation, results of operations, financial condition and stock price. Our business, results of operations and financial condition could be adversely impacted by unfavorable results of legal proceedings or government investigations. We are subject to various claims, legal proceedings and government investigations that have**

arisen in the ordinary course of business and have not yet been fully resolved, and new matters may arise in the future. In addition, agreements entered into by us sometimes include indemnification provisions which can subject us to costs and damages in the event of a claim against an indemnified third party. The number of claims, legal proceedings and government investigations involving us, and the alleged magnitude of such claims, proceedings, and government investigations, has generally increased over time and may continue to increase. In recognition of these considerations, we may enter into agreements or other arrangements to settle litigation and resolve such challenges. There can be no assurance such agreements can be obtained on acceptable terms or that litigation will not occur. These agreements can also significantly increase our cost of sales and operating expenses and require us to change its business practices and limit our ability to offer certain products and services. The outcome of litigation or government investigations is inherently uncertain. If one or more legal matters were resolved against us or an indemnified third party in a reporting period for amounts above management' s expectations, our results of operations and financial condition for that reporting period could be materially adversely affected. Further, such an outcome can result in significant compensatory, punitive or trebled monetary damages, disgorgement of revenue or profits, remedial corporate measures or injunctive relief against us, and has from time to time required, and can in the future require, us to change our business practices and limit our ability to offer certain products and services, all of which could materially adversely affect the Company' s business, reputation, results of operations and financial condition. While we maintain insurance coverage for certain types of claims, such insurance coverage may be insufficient to cover all losses or all types of claims that may arise . SUPPLY CHAIN AND THIRD PARTIES Because we typically enter into short- term contracts with content providers and retailers, our epay business is subject to the risk of non- renewal of those contracts, or renewal under less favorable terms. Our contracts with content providers to distribute and process content, including prepaid mobile airtime top- up services, typically have terms of less than three years. Our contracts with content providers are not exclusive, so these providers may enter into contracts with other service providers. In addition, our service contracts with major retailers typically have terms of one to three years. The cancellation or non- renewal of one or more of our significant content provider or retail contracts, or of a large enough group of our contracts with smaller retailers, could have a material adverse effect on our business, financial condition **,** and results of operations. The renewal of contracts under less favorable payment terms, margins or other terms could have a material adverse impact on our working capital requirements and / or results from operations. In addition, our contracts generally permit content providers to reduce our margin or commission at any time. Commission and margin revenue or fee reductions by any of the content providers could also have a material adverse effect on our business, financial condition **,** or results of operations. **Our** ~~The prepaid marketplace is currently experiencing high growth in the differentiation of product offerings. While our~~ epay business is focused on expanding and differentiating its suite of prepaid **digital** product offerings on a global basis, there can be no assurance that we will be able to enter into relationships on favorable terms with additional content providers or renew or expand current relationships and contracts on favorable terms. **The** ~~Inability~~ **inability** to continue to grow our suite of electronic content and electronic payment product offerings could have a material adverse effect on our business, financial condition **,** and results of operations. The stability and growth of our EFT Processing Segment may be adversely affected if we are unable to maintain our current card acceptance and ATM management agreements with banks and international card organizations, and to secure new arrangements for card acceptance and ATM management. The stability and future growth of our EFT Processing Segment depends in part on our ability to sign card acceptance and ATM management agreements with banks and international card organizations. Card acceptance agreements allow our ATMs to accept credit and debit cards issued by banks and international card organizations. ATM management agreements generate service income from our management of ATMs for banks. These agreements have expiration dates, and banks and international card organizations are generally not obligated to renew them. Our existing contracts generally have terms of five to seven years and a number of them expire or are up for renewal each year. In some cases, banks may terminate their contracts prior to the expiration of their terms. We cannot assure you that we will be able to continue to sign or maintain these agreements on terms and conditions acceptable to us or that international card organizations will continue to permit our ATMs to accept their credit and debit cards. The inability to continue to sign or maintain these agreements, or to continue to accept the credit and debit cards of local banks and international card organizations at our ATMs in the future, could have a material adverse effect on our business, growth, financial condition **,** or results of operations. In some cases, we are dependent upon international card organizations and national transaction processing switches to provide assistance in obtaining settlement from card issuers of funds relating to transactions on our ATMs, and any failure by them to provide the required cooperation could result in our inability to obtain settlement of funds relating to transactions. Our ATMs dispense cash relating to transactions on credit and debit cards issued by banks. We have in place arrangements for the settlement to us of all of those transactions, but in some cases, we do not have a direct relationship with the card- issuing bank and rely for settlement on the application of rules that are administered by international card associations (such as Visa ® or Mastercard ®) or national transaction processing switching networks. If a bankcard issuer fails to settle transactions in accordance with those rules, we are dependent upon cooperation from such associations or switching networks to enforce our right of settlement against such associations. Failure by such organizations or switches to provide the required cooperation could result in our inability to obtain **a** settlement of funds relating to transactions and adversely affect our business. Moreover, international card associations and issuers of their cards (and, in the case of Visa, member banks) have the ability to change or apply their rules in ways that could negatively impact our business. As an example, DCC is not permitted on certain cards in certain geographic territories, and the scope of such restrictions could be extended. Any such change or application of the rules of international card associations could materially and adversely affect our business. We could incur substantial losses if one of the third **-** party depository institutions or financial institutions we use in our operations were to fail. As part of our business operations, we maintain cash balances at third party depository institutions. We could incur substantial losses if a financial institution in which we have significant deposits fails. Our money transfer business involves transferring funds internationally and is dependent upon foreign and domestic financial institutions, including our competitors, to execute funds transfers and foreign currency transactions. Changes to existing regulations of financial institution operations, such as those designed to combat terrorism or money laundering, could require us to alter our operating procedures in a manner that increases our cost of doing business or to terminate certain product offerings. In addition, as a result of existing regulations and / or changes to those regulations, financial institutions could decide to cease providing the services on which we depend, requiring us to terminate certain product offerings. We are required under certain national laws and the rules of financial transaction switching networks in many of our markets to have sponsors to operate ATMs and switch ATM transactions. Our failure to secure sponsor arrangements in any of our markets that require bank sponsors could prevent us from doing business in that market. Under the laws of some countries, only a licensed financial institution may operate ATMs. Because we are not a licensed financial institution outside of the E. U. we are required to have a sponsor bank to conduct ATM operations in those countries. In addition, in all of our non- E. U. markets, the rules governing national transaction switching networks owned or operated by banks, and other international financial transaction switching networks operated by organizations such as Citibank, Visa ® and Mastercard ®, require any company sending transactions through these switches to be a bank or a technical service processor that is approved and monitored by a bank. As a result, the operation of our ATM network in many of our markets depends on our ability to secure these sponsor arrangements with financial institutions. To date, we have been successful in reaching contractual arrangements that have permitted us to operate in all of our target markets. However, we cannot assure you that we will continue to be successful in reaching these arrangements, and it is possible that our current arrangements will not continue to be renewed. If we are unable to secure sponsor arrangements in any market, we could be prevented from doing business in that market. We rely on third party financial institutions to provide us with a portion of the cash required to operate our ATM networks in certain countries. If these institutions were unable or unwilling to provide us with the cash necessary to operate our ATM networks, we would be required to locate additional alternative sources of cash to operate these networks. In our EFT Processing Segment, we primarily rely on third party financial institutions in certain countries in Europe and Asia Pacific to provide us with the cash required to operate our ATM networks. Under our agreements with these providers, we pay fees or interest, which is generally variable and could increase, based on the total amount of cash we are using from such provider at a given time, as well as other costs such as bank fees and cash transportation costs. As of December 31, ~~2022~~ **2023** , the amount of cash used in our ATM networks under these supply agreements was approximately $ ~~319~~ **576** . ~~8~~ **2** million. Before the cash is disbursed to ATM customers, beneficial ownership of the cash is generally retained by the cash providers, and we have no access or proprietary rights to the cash. Our existing agreements with cash providers are generally multi- year agreements that expire at various times. However, each provider may have the right to demand the return of all or any portion of its cash at any time upon the occurrence of certain events beyond our control, including certain bankruptcy events affecting us or our subsidiaries, or a breach of the terms of our cash provider agreements. If any of our cash supply providers were to demand return of their cash or terminate their agreements with us and remove their cash from our ATM devices, or if they fail to provide us with the cash our operations require, our ability to operate the ATM networks to which the provider supplies cash would be jeopardized, and we would need to locate additional alternative sources of cash, including, potentially the increased use of our own cash. Under those circumstances, the terms and conditions of the new or renewed agreements could potentially be less favorable to us, which would negatively impact our results of operations. Furthermore, restrictions on our access to cash to supply our ATMs could severely restrict our ability to keep our ATMs operating, which could subject us to performance penalties under our contracts with our customers. We have encountered difficulty in obtaining cash supply arrangements in certain of our markets, including Greece, and directly provide cash for our ATM transactions in those markets. While the amounts involved are currently well within our capabilities given our cash flows and available financing, any failure to renew a major cash supply arrangement could require that we commit significant financial resources to the supply of cash to our ATM networks, which could adversely impact our results of operations. If we are unable to maintain our money transfer agent and correspondent networks, our business may be adversely affected. Our consumer- to- consumer money transfer **-** based revenues are primarily generated through the use of our agent and correspondent networks. If agents or correspondents decide to leave our network or if we are unable to sign new agents or correspondents, our revenue and profit growth rates may be adversely affected. Our agents and correspondents are also subject to a wide variety of laws and regulations that vary significantly, depending on the legal jurisdiction. Changes in these laws and regulations could adversely affect our ability to maintain the networks or the cost of providing money transfer services. In addition, agents may generate fewer transactions or less revenue due to various factors, including increased competition. Because our agents and correspondents are third parties that may sell products and provide services in addition to our money transfer services, they may encounter business difficulties unrelated to the provision of our services, which may cause the agents or correspondents to reduce their number of locations or hours of operation, or cease doing business altogether. CORPORATE GROWTH STRATEGIES Our business may suffer from risks related to acquisitions and potential future acquisitions. A substantial portion of our growth has been due to acquisitions, and we continue to evaluate and engage in discussions concerning potential acquisition opportunities, some of which could be material. We cannot assure you that we will be able to successfully integrate, or otherwise realize anticipated benefits from, our recent acquisitions or any future acquisitions. Failure to successfully integrate or otherwise realize the anticipated benefits of these acquisitions could adversely impact our long- term competitiveness and profitability. The integration of any future acquisitions will involve a number of risks that could harm our financial condition, results of operations and competitive position. In particular: