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

FORM 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended: December 31, 2019

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File Number 001-31648

EURONET WORLDWIDE, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**74-2806888**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

3500 College Boulevard		
Leawood,	**Kansas**	**66211**
(Address of principal executive offices)		**(Zip Code)**

(913) 327-4200
(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock	**EEFT**	Nasdaq Global Select Market
1.375% Senior Notes due 2026	**EEFT26**	Nasdaq Global Market

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

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

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

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

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

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

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

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

As of June 28, 2019, the aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately $8.8 billion. The aggregate market value was determined based on the closing price of the Common Stock on June 28, 2019.

As of February 28, 2020, the registrant had 53,519,855 shares of Common Stock outstanding.

Documents Incorporated By Reference

Portions of the registrant's Proxy Statement for its 2020 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission no later than 120 days after December 31, 2019, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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Part I

Item 1. Business

References in this report to "we," "our," "us," the "Company" and "Euronet" refer to Euronet Worldwide, Inc. and its subsidiaries unless the context indicates otherwise.

Business Overview

General Overview

Euronet is a leading electronic payments provider. We offer payment and transaction processing and distribution solutions to financial institutions, retailers, service providers and individual consumers. Our primary product offerings include comprehensive automated teller machine ("ATM"), point-of-sale ("POS"), card outsourcing, card issuing and merchant acquiring services; software solutions and cloud based payment solutions; electronic distribution of prepaid mobile airtime and other electronic payment products; foreign exchange services and global money transfer services.

Core Business Segments

We operate in the following three segments as of December 31, 2019:

The Electronic Fund Transfer ("EFT") Processing Segment processes transactions for a network of 46,070 ATMs and approximately 330,000 POS terminals across Europe, the Middle East and Asia Pacific. We provide comprehensive electronic payment solutions consisting of ATM cash withdrawal and deposit services, ATM network participation, outsourced ATM and POS management solutions, credit and debit card outsourcing, and card issuing and merchant acquiring services. In addition to our core business, we offer a variety of value added services, including ATM and POS dynamic currency conversion, domestic and international ATM surcharge, advertising, customer relationship management ("CRM"), mobile top-up, bill payment, fraud management, foreign remittance payout, cardless payout, banknote recycling solutions and tax-refund services. Through this segment, we also offer a suite of integrated electronic financial transaction software solutions for electronic payment and transaction delivery systems. In 2019, the EFT Processing Segment accounted for approximately 32% of Euronet's consolidated revenues.

The epay Segment provides distribution and processing of prepaid mobile airtime and other electronic content and payment processing services for various prepaid products, cards and services throughout our worldwide distribution network. We operate a network that includes approximately 728,000 POS terminals that enable electronic processing of prepaid mobile airtime "top-up" services and other digital media content in Europe, the Middle East, Asia Pacific, the United States and South America. We also provide vouchers and physical gift fulfillment services in Europe, gift card distribution and processing services in most of our markets and digital code distribution in a growing number of markets. In 2019, the epay Segment accounted for approximately 28% of Euronet's consolidated revenues.

The Money Transfer Segment provides global consumer-to-consumer money transfer services, primarily under the brand names Ria, AFEX, and IME, and global account-to-account money transfer services under the brand name xe. We offer services under the brand names Ria and IME through a network of sending agents, Company-owned stores (primarily in North America, Europe and Malaysia) and our websites (riamoneytransfer.com and online.imeremit.com), disbursing money transfers through a worldwide correspondent network that includes approximately 397,000 locations. xe is a provider of foreign currency exchange information on its currency data websites (www.xe.com and www.x-rates.com). We offer global account-to-account money transfer services through our websites (www.xe.com and https://transferxe.com) and xe customer service representatives. In addition to money transfers, we offer customers bill payment services (primarily in the U.S.), payment alternatives such as money orders, comprehensive check cashing services for a wide variety of issued checks, along with competitive foreign currency exchange services and mobile top-up. Through xe, we offer cash management solutions and foreign currency risk management services to small-and-medium sized businesses. We are one of the largest global money transfer companies measured by revenues and transaction volumes. In 2019, the Money Transfer Segment accounted for approximately 40% of Euronet's consolidated revenues.

Euronet conducts business globally, serving customers in approximately 170 countries. We have 13 transaction processing centers, six in Europe, five in Asia Pacific and two in North America. We also maintain 66 business offices that are located in 41 countries. Our corporate offices are located in Leawood, Kansas, USA.

Historical Perspective

Euronet was established in 1994 as Euronet Bank Access Kft., a Hungarian limited liability company. Operations began in 1995 when we established a processing center in Budapest, Hungary and installed our first ATMs in Hungary, followed by Poland and Germany in 1996. Euronet was reorganized in March 1997 in connection with its initial public offering, and at that time, our operating entities became wholly owned subsidiaries of Euronet Services, Inc., a Delaware corporation. We changed our name from Euronet Services, Inc. to Euronet Worldwide, Inc. in August 2001.

Initially, most of Euronet's resources were devoted to establishing and expanding the ATM network and ATM management services business in Europe. In December 1998, we acquired Arkansas Systems, Inc. (now known as "Euronet USA"), a U.S.-based company that produces electronic payment and transaction delivery systems software for retail banks internationally, which resulted in significant ongoing savings in third-party licensing, services and maintenance costs. By the end of 1998, we were doing business in Hungary, Poland, Germany, the Czech Republic and Croatia. From 1998 until 2005, we developed networks in India, Slovakia, Serbia and Bulgaria.

In 2005, we expanded our product offerings of the EFT Processing Segment through the acquisition of Instreamline S.A., a Greek company that provides credit card and POS outsourcing services in addition to debit card and transaction gateway switching services in Greece and the Balkan region. In 2007, we combined our EFT and Software segments as both businesses are strategically aligned due to the fact that our software segment primarily supports our EFT service offerings and processing centers. In 2009 Euronet, through one of its group companies, was granted authorization as an e-money institution in the United Kingdom ("U.K.") under the E-Money Directive of the European Union ("E.U."). In 2011, the Second E-Money Directive ("2EMD") came into effect. 2EMD enables authorized e-money institutions to provide payment services and issue e-money throughout the European Economic Area ("EEA") under a single regulatory framework. As a result of 2EMD, Euronet, through one of its group companies, obtained relevant memberships of Visa and Mastercard during 2011. By obtaining the status as an authorized e-money institution together with its principal memberships of Visa and Mastercard, Euronet has been able to expand its Independent ATM Deployment ("IAD") networks across Europe. In 2018, Euronet, through one of its group companies, was reauthorized by the U.K. Financial Conduct Authority to provide payment services under the Second Payment Services Directive (“PSD2”) as well as continue to provide e-money serves under the 2EMD. By the end of 2019, Euronet's IAD network of ATMs had expanded to include 29 countries. Our product portfolio for the EFT Processing Segment operates in 86 countries.

In 2003, Euronet added a complementary business line through the acquisition of epay Limited (“epay”), which had offices in the U.K. and Australia. Through subsequent acquisitions between 2003 and 2011, the epay Segment continued to expand in Europe (Germany, Romania, Spain and the U.K.), the U.S., the Middle East, Asia and Brazil, and established new offices in New Zealand, Poland, India and Italy. We believe the epay Segment is the world's leading international network for distribution and processing of prepaid mobile airtime ("top-up") as well as other electronic payment products and services.

In 2007, we established the Money Transfer Segment after completing the acquisition of Los Angeles-based Ria, one of the largest global money transfer companies measured by revenues and transaction volumes. Established in 1987, Ria originates and terminates transactions through a network of sending agents and Company-owned stores located around the world. In November 2009, Ria obtained a payment services license under the E.U.'s Payment Services Directive ("PSD") from the U.K. Financial Services Authority, (now the Financial Conduct Authority), which allowed Ria to operate under one license and one regulator for all EEA Member States ("Member States"). Ria also obtained payment services licenses in Spain and France. The licenses also facilitated expansion into new markets through the sales of money transfers through agents in countries where the use of agents was not previously permitted. Ria became reauthorized under PSD2 in 2018. In 2014, Euronet added a complementary product to the money transfer portfolio through the acquisition of HiFX, which offered account-to-account international payment services to high-income individuals and small-and-medium sized businesses. In 2015, we completed the acquisition of IME (M) Sdn Bhd ("IME") which provided Euronet with immediate entry into the Asian and Middle East money transfer send markets. In 2015, we also added a complementary business line through the acquisition of xe Corporation ("xe"), which provides currency-related data and international payment services. In addition to expanding its money transfer network, the segment expanded its product portfolio to offer complementary non-money transfer products such as bill payment and check cashing, and prepaid services in conjunction with the epay Segment.

In October 2016, the Company completed the acquisition of YourCash Europe Limited and its subsidiaries (“YourCash”). YourCash is a company incorporated in England that owns and operates primarily merchant filled ATMs in the United Kingdom, the Netherlands, and Ireland.

In March 2018, the Company completed the acquisition of Innova Tax Free Group S.L. and its subsidiaries (“Innova”). Innova is a company incorporated in Spain and offers tax refunds services to consumers in Spain, Portugal, United Kingdom, France, Italy and Germany. In May 2018, the Company acquired Easycash Ireland Limited (“Easycash”). Easycash owns and operates a network of ATMs in the Republic of Ireland.

In November 2019, the company completed the acquisition of a small ATM outsourcing network.

Business Segment Overview

For a discussion of operating results by segment, please see Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations, and Note 16, Business Segment Information, to the Consolidated Financial Statements.

EFT Processing Segment

Overview

Our EFT Processing Segment provides comprehensive electronic payment solutions consisting of ATM cash withdrawal and deposit services, ATM network participation, outsourced ATM and POS management solutions, credit and debit card outsourcing; card issuing and merchant acquiring services. In addition to our core business, we offer a variety of value added services, including ATM and POS dynamic currency conversion, domestic and international surcharge, advertising, CRM, prepaid mobile top-up, bill payment, money transfer, fraud management, foreign remittance payout, cardless payout, banknote recycling solutions and tax-refund services. We provide these services either through our Euronet-owned ATMs and POS terminals, through contracts under which we operate ATMs and POS terminals on behalf of our customers or, for certain services, as stand-alone products. Through this segment, we also offer a suite of integrated electronic financial transaction software solutions for electronic payment and transaction delivery systems.

The primary sources of revenues generated by our ATM network are recurring monthly management fees, transaction-based fees, surcharges and margins earned on dynamic currency conversion transactions. We receive fixed monthly fees under many of our outsourced management contracts. The EFT Processing Segment also generates revenues from POS operations and merchant management, card network management for credit, debit, prepaid and loyalty cards, prepaid mobile airtime recharge and other electronic content on ATMs and ATM advertising. We primarily service financial institutions in the developing markets of Central, Eastern and Southern Europe (Hungary, Poland, the Czech Republic, Croatia, Romania, Serbia, Greece and Ukraine), the Middle East and Asia Pacific (India, China, Malaysia, Pakistan and the Philippines), as well as several developed countries in Western Europe. As of December 31, 2019, we operated 46,070 ATMs compared to 40,354 at December 31, 2018. The increase was largely due to the expansion of our ATM networks in Asia Pacific and Europe.

We monitor the number of transactions made by cardholders on our network. These include cash withdrawals, balance inquiries, deposits, prepaid mobile airtime recharge purchases, dynamic currency conversion transactions and certain denied (unauthorized) transactions. We do not bill certain transactions on our network to financial institutions, and we have excluded these transactions for reporting purposes. The number of transactions processed over our networks has increased over the last five years at a compound annual growth rate (“CAGR”) of approximately 19.1% as indicated in the following table:

(in millions)	2015	2016	2017	2018	2019
EFT Processing Segment transactions per year	1,523	1,885	2,352	2,721	3,052

Our processing centers for the EFT Processing Segment are located in Martinsreid, Germany; Budapest, Hungary; Mumbai, India; Beijing, China; and Karachi, Pakistan. Our processing centers run two types of proprietary transaction switching software: our legacy ITM software, which we have used and sold to banks since 1998 through our Software Solutions unit, and a new, innovative switching software package named “REN” which is hosted in Germany and India. The processing centers operates 24 hours a day, seven days a week. We have been progressively transitioning all of our networks to REN.

EFT Processing Products and Services

Outsourced Management Solutions

Euronet offers outsourced management solutions to financial institutions, merchants, mobile phone operators and other organizations using our processing centers' electronic financial transaction processing software. Our outsourced management solutions include management of existing ATM networks, development of new ATM networks, management of POS networks, management of automated deposit terminals, management of credit and debit card databases and other financial processing services. These solutions include 24-hour monitoring of each ATM's status and cash condition, managing the cash levels in each ATM, coordinating the cash delivery and providing automatic dispatches for necessary service calls. We also provide real-time transaction authorization, advanced monitoring, network gateway access, network switching, 24-hour customer service, maintenance, cash settlement and reconciliation, forecasting and reporting. Since our infrastructure can support a significant increase in transactions, any new outsourced management solutions agreements should provide additional revenue with lower incremental cost.

Our outsourced management solutions agreements generally provide for fixed monthly management fees and, in most cases, fees payable for each transaction. The transaction fees under these agreements are generally lower than those under card acceptance agreements.

Euronet-Branded ATM Transaction Processing

Our Euronet-branded ATM networks, also known as IAD networks, are primarily managed by a processing center that uses our internally developed software solutions. The ATMs in our IAD networks are able to process transactions for holders of credit and debit cards issued by or bearing the logos of financial institutions and international card organizations such as American Express®, Visa®, Mastercard®, Diners Club International®, Discover® and UnionPay International©, as well as international ATM networks such as PULSE®. This is accomplished through our agreements and relationships with these institutions, international credit and debit card issuers and international card associations.

When a bank cardholder conducts a transaction on a Euronet-owned ATM or automated deposit terminal, we receive a fee from the cardholder's bank for that transaction. The bank pays us this fee either directly or indirectly through a central switching and settlement network. When paid indirectly, this fee is referred to as the “interchange fee.” All of the banks in a shared ATM and POS switching system establish the amount of the interchange fee by agreement. We receive transaction processing fees for successful transactions and, in certain circumstances, for transactions that are not completed because they fail to receive authorization. The fees paid to us by the card issuers are independent of any fees charged by the card issuers to cardholders in connection with the ATM transactions. In some cases, we may also charge a direct access fee or surcharge to cardholders at the ATM. The direct access fee is added to the amount of the cash withdrawal and debited from the cardholder's account.

We generally receive fees or earn margin from our customers for six types of ATM transactions:

- Cash withdrawals;
- Cash deposits;
- Balance inquiries;
- Transactions not completed because the relevant card issuer does not give authorization;
- Dynamic currency conversion; and
- Prepaid telecommunication recharges and other electronic content.

Card Acceptance or Sponsorship Agreements

Our agreements with financial institutions and international card organizations generally provide that all credit and debit cards issued by the financial institution or organization may be used at all ATMs that we operate in a given market. In most markets, we operate under sponsorship by our own e-money licensed entity, Euronet 360 Finance Limited ("E360"). In some markets, we have agreements with a financial institution under which we are designated as a service provider (which we refer to as “sponsorship agreements”) for the acceptance of domestic cards and/or cards bearing international logos, such as Visa and Mastercard. These card acceptance or sponsorship agreements allow us to receive transaction authorization directly from the card issuing institution or international card organizations on a stand-in basis. Our agreements generally provide for a term of three to seven years and renew automatically unless either party provides notice of non-renewal prior to the termination date. In some cases, the agreements are terminable by either party upon six months' notice. We are generally able to connect a financial institution to our network within 30 to 90 days of signing a card acceptance agreement. The financial institution provides the cash needed to complete transactions on the ATM, but we do provide a significant portion of the cash to our IAD network to fund ATM transactions ourselves. Euronet is generally liable for the cash in the ATM networks.

Under our card acceptance agreements, the ATM transaction fees we charge vary depending on the type of transaction and the number of transactions attributable to a particular card issuer. Our agreements generally provide for payment in local currency, though transaction fees are sometimes denominated in euros or U.S. dollars. Transaction fees are billed to financial institutions and card organizations with payment terms typically no longer than one month.

Dynamic Currency Conversion

We offer dynamic currency conversion ("DCC") over our IAD networks, ATM networks that we operate on an outsourced basis for banks, and over banks' ATM networks or POS devices as a stand-alone service. DCC is a feature of the underlying ATM or POS transaction that is offered to customers completing transactions using a foreign debit or credit card issued in a country with a currency other than the currency where the ATM or POS is located. The customer is offered a choice between completing the transaction in the local currency or in the customer's home currency via a DCC transaction. If a cardholder chooses to perform a DCC transaction, the acquirer or processor performs the foreign exchange conversion at the time that the funds are delivered at an ATM or transactions completed through the POS terminal, which results in a pre-defined amount of the customer's home currency being charged to their card. Alternatively, the customer may have the transaction converted by the card issuing bank, in which the amount of local currency is communicated to the card issuing bank and the card issuing bank makes the conversion to the customer's home currency.

When a customer chooses DCC at an ATM or POS device and Euronet acts as the acquirer or processor, we receive all or a portion of the foreign exchange margin on the conversion of the transaction. On our IAD ATMs, Euronet receives the entire foreign exchange margin. If Euronet is not the acquirer or processor of the transaction, we share the DCC revenue with the sponsor bank. On ATMs or POS devices that are operated for banks, or where we offer DCC as a stand-alone service to banks or merchants, we share the foreign exchange margin. The foreign exchange margin on a DCC transaction increases the amount Euronet earns from the underlying ATM or POS transaction and supports deployment of additional ATMs in new locations.

Other Products and Services

Our network of owned or operated ATMs allows for the sale of financial and other products or services at a low incremental cost. We have developed value added services in addition to basic cash withdrawal and balance inquiry transactions. These value added services include mobile top-up, fraud management, bill payment, domestic and international surcharge, CRM, foreign remittance payout, cardless payout, banknote recycling, electronic content, ticket and voucher, and advertising. We are committed to the ongoing development of innovative new products and services to offer our EFT processing customers.

Euronet offers multinational merchants a Single European Payments Area ("SEPA")-compliant cross-border transaction processing solution. SEPA is an area in which all electronic payments can be made and received in euros, whether between or within national boundaries, under the same basic conditions, rights and obligations, regardless of the location. This single, centralized acquiring platform enables merchants to benefit from cost savings and faster, more efficient payments transfer. Although many European countries are not members of the eurozone, our platform can serve merchants in these countries as well, through our multi-currency functionality.

Software Solutions

We also offer a suite of integrated software solutions for electronic payments and transaction delivery systems. We generate revenues for our software products from licensing, professional services and maintenance fees for software and sales of related hardware, primarily to financial institutions around the world.

Our software products are an integral part of the EFT Processing Segment product lines, and our investment in research, development, delivery and customer support reflects our ongoing commitment to an expanded customer base both internally and externally. Our proprietary software is used by our processing centers in the EFT Processing Segment, resulting in cost savings and added value compared to third-party license and maintenance options. Our proprietary software consists of our legacy ITM software, which we have used and sold to banks since 1998 through our Software Solutions unit, and an innovative switching software package named REN that we released in 2017.

We currently operate REN in our processing center to process payments for our own networks in Europe and we are progressively transitioning all our networks globally to REN. The private cloud architecture of REN allows us to simultaneously deploy REN across multiple physical locations. While we currently only operate REN for our internal resources, REN is scalable and will allow us to offer payment and digital solutions to third parties. In addition to payments processing, REN also supports other digital elements, including card issuing for physical and virtual cards, loyalty services, Know Your Customer compliance, real time settlement, inventory management, risk and fraud management and other services. REN will be used as a platform to connect Euronet assets to offer digital payment solutions.

EFT Processing Segment Strategy

The EFT Processing Segment maintains a strategy to expand the network of ATMs and POS terminals into developed and developing markets that have the greatest potential for growth. In addition, we follow a supporting strategy to increase the penetration of value added (or complementary) services across our existing customer base, including DCC, surcharge, cardless payment, banknote recycling solutions, tax refund services, advertising, fraud management, bill payment, mobile top-up, CRM and foreign remittance payout.

We continually strive to make our own ATM networks more efficient by eliminating underperforming ATMs and installing ATMs in more desirable locations. We make selective additions to our own ATM network if we see market demand and profit opportunities. In tourist locations, we also shut down ATMs during the winter season when tourist activity is low.

In recent years, the need for “all-in” services has increased. Banks, particularly smaller banks, are increasingly looking for integrated ATM, POS and card issuing processing and management services. Euronet is well positioned for this opportunity as it can offer a full end-to-end solution to the potential partners.

Additional growth opportunities are driven through financial institutions that are receptive to outsourcing the operation of their ATM, POS and card networks. The operation of these devices requires expensive hardware and software and specialized personnel. These resources are available to us, and we offer them to our customers under outsourcing contracts. The expansion and enhancement of our outsourced management solutions in new and existing markets will remain an important business opportunity for Euronet. Increasing the number of non-owned ATMs and POS terminals that we operate under management services agreements and continued development of our credit and debit card outsourcing business could provide continued growth while minimizing our capital investment.

Complementary services offered by our epay Segment, where we provide prepaid mobile top-up services through POS terminals, strengthens the EFT Processing Segment's line of services. We plan to continue to expand our technology and business methods into other markets where we operate and further leverage our relationships with mobile phone operators and financial institutions to facilitate that expansion.

Seasonality

Our EFT Processing business experiences its heaviest demand for cash withdrawals and DCC during the third quarter of the fiscal year, coinciding with the tourism season. It is also impacted by seasonality during the fourth quarter and first quarter of each year due to higher transaction levels during the holiday season and lower levels after the holiday season. This seasonality is increased due to our practice of "winterizing" ATMs in tourist locations that experience significantly higher traffic during the summer. Winterizing involves shutting down the ATMs during the slower winter months and results in lower overall transaction volumes in the EFT Processing Segment during those months. As we have expanded our IAD network in tourist locations, the financial impact of winterization has increased, because we continue to bear the expense of winterized ATMs even though they do not generate transactions during the winter months.

Significant Customers and Government Contracts

No individual customer of the EFT Processing Segment makes up greater than 10% of total consolidated revenues. In India, we have contracts with government-owned banks to provide certain ATM driving and transaction switching services and mobile airtime recharge services. Additionally, certain government-owned banks are members of our shared ATM network in India. In Croatia, we lease land and other property for certain ATM sites from companies that are majority-owned by the government. In Pakistan, we have a contract with a government-owned bank to provide software support services.

Competition

Our principal EFT Processing Segment competitors include ATM networks owned by financial institutions and national switches consisting of consortiums of local banks that provide outsourcing and transaction services to financial institutions and independent ATM deployers in a particular country. Additionally, large, well-financed companies that operate ATMs offer ATM network and outsourcing services, and those that provide card outsourcing, POS processing and merchant acquiring services also compete with us in various markets. Small local operators have also recently begun offering their services, particularly in the IAD market. None of these competitors has a dominant market share in any of our markets. Competitive advantages in our

EFT Processing Segment include breadth of service offering, network availability and response time, price to both the financial institution and to its customers, ATM location and access to other networks.

epay Segment

Overview

We currently offer prepaid mobile airtime top-up services and other electronic content and payment processing services for various prepaid products, cards and services on a network of approximately 728,000 POS terminals across approximately 339,000 retailer locations in Europe, the Middle East, Asia Pacific, the United States and South America. Our processing centers for the epay Segment are located in Billericay, U.K.; Martinsried, Germany; Hamburg, Germany; Milan, Italy; Buena Park, California, USA; and Kansas City, Missouri, USA.

Since 2003, we have expanded our prepaid business in new and existing markets by drawing upon our depth of experience to build and expand relationships with content providers, mobile phone operators and retailers. We offer a wide range of products across our retail networks, including prepaid mobile airtime, prepaid debit cards, prepaid gift cards, prepaid electronic content such as music, games and software, prepaid vouchers, transport payments, lottery payments, prepaid long distance and bill payment processing assistance through partnerships with various licensed money transmitters.

Sources of Revenues

The epay Segment generates commissions and processing fees from the distribution of electronic content and from telecommunications service providers for the sale and distribution of prepaid mobile airtime. In 2019, of the total revenues and gross profit for the epay Segment, approximately 63% of total revenues and approximately 72% of gross profit was from electronic content other than prepaid mobile airtime (digital media products).

Customers purchase digital media prepaid content as a gift or for self-use. Content is generally purchased in two ways:

- Directly online from the content provider using an online payment method; or
- Through physical retail stores, online retailers or other electronic channels, including payment wallets, online banking, mobile applications and other sources.

Customers using mobile phones generally pay for usage in one of two ways:

- Through “postpaid” accounts, where usage is billed at the end of each billing period; or
- Through “prepaid” accounts, where customers pay in advance by crediting their accounts prior to usage.

Although mobile phone operators in the U.S. and certain European countries have provided service principally through postpaid accounts, the norm in many other countries in Europe and the rest of the world is to offer wireless service on a prepaid basis.

Prepaid mobile phone credits are generally distributed using personal identification numbers ("PINs"). We distribute PINs in two ways. First, we establish an electronic connection to the mobile operator and the retailer. When the sale to a customer is initiated, the terminal requests the PIN from the mobile operator via our transaction processing platform. These transactions obtain the PIN directly from the mobile operator. The customer pays the retailer and the retailer becomes obligated to make settlement to us of the principal amount of the mobile airtime sold. We maintain systems that know the amount of mobile top-up sold by the retailer which allows us in turn to bill that retailer for the mobile top-up sold.

Second, we purchase PINs from the mobile operator which are electronically sent to our processing platform. We establish an electronic connection with the POS terminals in retailer locations and our processing platform provides the terminal with a PIN when the mobile top-up is purchased. We maintain systems that monitor transaction levels at each terminal. As sales of prepaid mobile airtime to customers are completed, the inventory on the platform is reduced by the PIN purchased. The customer payment and settlement with the retailer are the same as described above.

We expand our distribution networks by signing new contracts with retailers, and in some markets, by acquiring existing networks. We continue to focus on growing our distribution network through independent sales organizations that contract directly with retailers in their network to distribute prepaid mobile airtime or other digital media content from the retailers' POS terminals. We continue to increase our focus on direct relationships with chains of supermarkets, convenience stores, gas stations, and other larger scale retailers, where we can negotiate agreements with the retailers on multi-year bases.

In addition to the sale of traditional mobile top-up volume described above, we have expanded distribution into digital media products and other value-added services. We have leveraged our existing technology infrastructure to sell digital media products, which have been sold through our traditional retailer network and new retailer networks such as electronic channels. In the U.S., most prepaid digital media content is purchased for gifting; in markets outside the U.S., consumers generally purchase prepaid digital media content for self-use.

epay Products and Services

Prepaid Mobile Airtime Transaction Processing

We process prepaid mobile airtime top-up transactions on our POS network across Europe, the Middle East, Asia Pacific, North America and South America for two types of clients: distributors and retailers. Both types of client transactions start with a consumer in a retail store. The retailer uses a specially programmed POS terminal in the store, the retailer's electronic cash register (ECR) system, or web-based POS device that is connected to our network to buy prepaid mobile airtime. The consumer will select a predefined amount of mobile airtime from the carrier of choice, and the retailer enters the selection into the POS terminal. The consumer will pay that amount to the retailer (in cash or other payment methods accepted by the retailer). The POS device then transmits the selected transaction to our processing center. Using the electronic connection we maintain with the mobile phone operator or drawing from our inventory of PINs, the purchased amount of mobile airtime will be either credited to the consumer's account or delivered via a PIN printed by the terminal and given to the consumer. In the case of PINs printed by the terminal, the consumer must then call the mobile phone operator's toll-free number to activate the purchased airtime to the consumer's mobile account.

One difference in our relationships with various retailers and distributors is the way in which we charge for our services. For distributors and certain very large retailers, we charge a processing fee. However, the majority of our transactions occur with smaller retailers. With these clients, we receive a commission or discount on each transaction that is withheld from the payments made to the mobile phone operator, and we share that commission/discount with the retailers.

Closed Loop Gift Cards

Closed loop (private-branded) gift cards are generally described as merchant-specific prepaid cards, used for purchases exclusively at a particular merchant's locations. We distribute closed loop gift cards in various categories, including dining, retail, and digital media, such as music, games and software. Generally, the gift card is activated when a consumer loads funds (with cash, debit or credit card payment) or purchases a preloaded value gift card at a retail store location or online.

Open Loop Gift Cards

Open loop (network-branded) gift cards are prepaid gift cards associated with an electronic payment network (such as Visa or Mastercard) and are honored at multiple, unaffiliated locations (wherever cards from these networks are generally accepted). They are not merchant-specific. We distribute and issue single-use, non-reloadable open loop gift cards carrying the Visa brand in our retail channels. After the consumer purchases the preloaded value gift card at a retail store location or online, the consumer must call the toll-free number on the back of the card to activate it.

Open Loop Reloadable

We distribute Visa and Mastercard issued debit cards provided by Green Dot, NetSpend and other card issuers. We also manage and distribute a proprietary debit card that allows a retailer to issue its own reloadable store-branded card. Open loop reloadable cards have features similar to a bank checking account, including direct deposit, purchasing capability wherever a credit card is accepted, bill payment and ATM access. Fees are charged to consumers for the initial load and reload transactions, monthly account maintenance and other transactions.

Other Products and Services

Our POS network is used for the distribution of other products and services, including games and software, bill payment, lottery tickets and transportation products. Through our Cadooz subsidiary, we also distribute vouchers and physical gifts into the business-to-business ("B2B") channel principally for the purposes of employee and customer incentives and rewards. In certain locations, the terminals used for prepaid services can also be used for electronic funds transfer to process credit and debit card payments for retail merchandise. We provide promotion and advertising for content providers of their prepaid content throughout our retail distribution network. We also provide card production and processing services to some of our prepaid gift card partners and telecom content providers.

Retailer and Distributor Contracts

We provide our prepaid services through POS terminals or web-based POS devices installed in retail outlets or, in the case of major retailers, through direct connections between their ECR systems and our processing centers. In markets where we operate proprietary technology (the U.K., Germany, Australia, Poland, Ireland, New Zealand, Spain, Greece, India, Italy, Brazil and the U.S.), we generally own and maintain the POS terminals. In certain countries in Europe, the terminals are sold to the retailers or to distributors who service the retailer. Our agreements with major retailers for the POS services typically have one to three-year terms. These agreements include terms regarding the connection of our networks to the respective retailer's registers or payment terminals or the maintenance of POS terminals, and obligations concerning settlement and liability for transactions processed. Generally, our agreements with individual or small retailers have shorter terms and provide that either party can terminate the agreement upon three to six months' notice.

In Germany, distributors are key intermediaries in the sale of mobile top-up. As a result, our business in Germany is substantially concentrated in, and dependent upon, relationships with our major distributors. The termination of any of our agreements with major distributors could materially and adversely affect our prepaid business in Germany. However, we have been establishing agreements with independent German retailers in order to diversify our exposure to such distributors.

The number of transactions processed on our POS network over the last five years are indicated in the table below:

(in millions)	2015	2016	2017	2018	2019
epay processing transactions per year	1,335	1,294	1,186	1,149	1,542

The loss of a high-volume, low-margin customer in the Middle East in 2017 contributed to a decline in processing transactions in 2017 and 2018. The addition of a high-volume, low-margin market in India contributed to an overall increase in processing transactions in 2019.

epay Segment Strategy

Mobile top-up transactions are declining in many developed markets and transaction fees for mobile transactions are being compressed by the mobile operators. epay's strategy is to defend margins in developing markets by providing value added services to mobile operators and to decrease our reliance on mobile top-up by increasing distribution of other electronic content. New product initiatives focus on products such as gift card malls, prepaid debit cards, transport and electronic content, including music, software and games. Strategic execution behind new products includes the development of relationships with global consumer product brands. This strategy leverages the global scale of the epay business allowing global brands to be sold in many or all of the countries in which we have a presence. Examples of global brands we distribute include iTunes, Google Play, Sony, and Microsoft.

Telecommunications companies and other content providers have a substantial opportunity to increase revenues by diversifying the products and services currently offered to their retailers. epay is deploying additional content through its POS network to retailers and distributors all over the world. The reach, capabilities and quality of the epay network are appealing as a global distribution channel. We are one of the largest worldwide multi-country operators, and believe we have a distinct competitive advantage from the existing relationships that we maintain with prepaid content providers and retailers.

Seasonality

As the product mix continues to change, the epay business is impacted by seasonality during the fourth quarter and first quarter of each year due to the higher transaction levels during the holiday season and lower levels following the holiday season.

Significant Customers and Government Contracts

No individual customer of our epay Segment makes up greater than 10% of total consolidated revenues. epay has a contract for the technology and distribution infrastructure for six state-owned lotteries in Germany. In addition, epay has contracts with the state of Florida's (USA) Turnpike partners and Transurban Limited, the largest manager of toll road networks in Australia, Cubic supporting New South Wales Transport ticketing in Australia and with New Zealand Transport Authority, which operates all toll roads in New Zealand. In Germany, Cadooz has a contract with Deutsche Bahn, which is majority owned by the German state. We also have a contract for the distribution of mobile airtime with a Saudi company, which is majority owned by the Saudi government. There are no other government contracts in the epay Segment.

Competition

We face competition in the prepaid business in all of our markets. We compete with a few multinational companies that operate in several of our markets. In other markets, our competition is from smaller, local companies. The mobile operators in all of our markets have retail distribution networks, and in some markets, on-line distribution of their own through which they offer top-up services for their own products.

We believe our size and market share are competitive advantages in many markets. In addition, we believe our processing platforms are a competitive advantage. We have extremely flexible technical platforms that enable us to tailor POS solutions to individual retailers and mobile operator and digital media content provider requirements where appropriate. Our platforms are also able to provide value added services other than processing which makes us a more valuable partner to the content providers and retailers. We have introduced new digital products into the marketplace such as digital payment for online media subscriptions. Many of these products are not offered by our competitors and in many countries, these are new products. We are capitalizing on being the first to market for these products.

The principal competitive factors in the epay Segment include price (that is, the level of commission paid to retailers for each transaction), breadth of products and up-time offered on the system. Major retailers with high volumes are able to demand a larger share of the commission, which increases the amount of competition among service providers. We are seeing signs that some mobile operators are expanding their distribution networks to provide top-up services on-line or via mobile devices, which provides other alternatives for consumers to use.

Money Transfer Segment

Overview

We provide global money transfer services primarily under the brand names Ria, IME, and xe. Ria and IME provide consumer-to-consumer money transfer services through a global network of more than 397,000 locations and our website riamoneytransfer.com and online.imeremit.com. Most of our money transfers are originated through sending agents in approximately 34 countries, with money transfer delivery completed in 160 countries. The initiation of a consumer money transfer occurs through retail agents, Company-owned stores or online, while the delivery of money transfers can occur with bank correspondents, retailer agents or from certain ATMs. Our websites allow consumers to send funds online, using a bank account or credit or debit card, for pay-out directly to a bank account or for cash pickup.

In addition, we provide global account-to-account money transfer services under the brand name xe. We offer money transfer services via our websites (www.xe.com and https://transferxe.com) and through customer service representatives. xe also provides foreign currency exchange information on its currency data websites (www.xe.com and www.x-rates.com). Through xe, we offer cash management solutions and foreign currency risk management services to small-and-medium sized businesses.

We monitor the number of transactions made through our money transfer networks. The number of transactions processed on our network has increased over the last five years at a CAGR of approximately 13.7% as indicated in the following table:

(in millions)	2015	2016	2017	2018	2019
Money transfer transactions per year	68.7	82.3	92.2	107.6	114.5

Our sending agent network includes a variety of agents, including Walmart, large/medium size regional retailers, convenience stores, bodegas, multi-service shops and phone centers, which are predominantly found in areas with a large immigrant population. Each Ria money transfer transaction is processed using Euronet's proprietary software system and checked for security, completeness and compliance with federal and state regulations at every step of the process. Senders can track the progress of their transfers through Ria's customer service representatives, and funds are delivered quickly to their beneficiaries via our extensive payout network, which includes large banks and non-bank financial institutions, post offices and large retailers. Our processing centers for the Money Transfer Segment are located in Buena Park, California, USA; Bracknell, U.K.; Auckland, New Zealand; Kansas City, Missouri, USA; and Kuala Lumpur, Malaysia. We mainly operate Ria call centers in Buena Park, California; Antiguo Cuscatlán, El Salvador; Kuala Lumpur, Malaysia; Dakar, Senegal; Mumbai, India and Madrid, Spain and provide multi-lingual customer service for both our agents and consumers. Additionally, we operate a call center for xe in Sydney, Australia.

We are one of the largest global money transfer companies measured by revenues and transaction volumes. Our Money Transfer Segment processed approximately $54 billion in money transfers in 2019.

Money Transfer Products and Services

Money transfer products and services are sold primarily through three channels at agent locations, Company-owned stores and on internet enabled devices at riamoneytransfer.com, online.imeremit.com, xe.com, and https://transferxe.com (online transactions).

In an online transaction, customers send funds, using a bank account or credit or debit card, for pay-out at most of our agent locations around the world or directly to a bank account.

Through our TeleRia service, customers connect to our call center from a telephone available at an agent location and a representative collects the information over the telephone and enters it directly into our secure proprietary system. As soon as the data capture is complete, our central system automatically faxes a confirmation receipt to the agent location for the customer to review and sign and the customer pays the agent the money to be transferred, together with a fee. The agent then faxes the signed receipt back to Ria to complete the transaction.

Through our Walmart-2-Walmart Money Transfer Service, which allows customers to transfer money to and from Walmart stores in the U.S., our Ria business executes the transfers with Walmart serving as both the sending agent and payout correspondent. Ria earns a significantly lower margin from these transactions than its traditional money transfers; however, the arrangement adds a significant number of transactions to Ria’s business. The agreement with Walmart establishes Ria as the only party through which Walmart will sell U.S. domestic money transfers branded with Walmart marks. The agreement had an initial term expiring in April 2017 and was renewed for an additional three-year period until April 2020. Thereafter, it will automatically renew for one year terms unless either party provides notice to the contrary. The agreement imposes certain obligations on each party, the most significant being service level requirements by Ria and money transfer compliance requirements by Walmart. Any violation of these requirements by Ria could result in an obligation to indemnify Walmart or termination of the contract by Walmart. However, the agreement allows the parties to resolve disputes by mutual agreement without termination of the agreement.

In addition to money transfers, Ria also offers customers bill payment services, payment alternatives such as money orders, comprehensive check cashing services for a wide variety of issued checks, along with competitive foreign currency exchange services and mobile top-up. These services are all offered through our Company-owned stores while select services are offered through our agents in certain markets.

Ria money orders are widely recognized and exchanged throughout the United States. Our check cashing services cover payroll and personal checks, cashier checks, tax refund checks, government checks, insurance drafts and money orders. Our bill payment services offer timely posting of customer bills for over 8,000 companies, including electric and gas utilities and telephone/wireless companies. Bill payment services are offered primarily in the U.S.

xe offers account-to-account international payment service to high-income individuals and small-and-medium sized businesses, complementing our existing consumer-to-consumer money transfer business. xe has a multi-channel platform which allows customers to make transfers, track payments and manage their international payment activity online or through a customer service representative. xe offers cash management solutions and foreign currency risk management services to small-and-medium sized businesses. xe also offers foreign currency exchange subscriptions and advertising on its websites.

Sources of Revenues

Revenues in the Money Transfer Segment are derived through the charging of a transaction fee, as well as a margin earned from purchasing foreign currency at wholesale exchange rates and selling the foreign currency to customers at retail exchange rates. Sending agents and receiving agents for consumer-to-consumer products each earn fees for cash collection and distribution services. Euronet recognizes these fees as direct operating costs at the time of sale.

Money Transfer Segment Strategy

The Money Transfer Segment's strategy is to increase the volume of money transfers processed by leveraging our existing banking and merchant/retailer relationships to expand our agent and correspondent networks in existing corridors. In addition, we pursue expansion into high-potential money transfer corridors from the U.S. and internationally beyond the traditional U.S. to Mexico corridor. Further, we expect to continue to take advantage of cross-selling opportunities with our epay and EFT Processing Segments by providing prepaid services through our stores and agents and offering our money transfer services at select prepaid retail locations and ATMs we operate in key markets. We will continue to make investments in our systems to support this growth. Additionally, we are expanding our xe business into new markets.

Seasonality

Our money transfer business is significantly impacted by seasonality that varies by region. In most of our markets, we experience increased money transfer transaction levels during the month of May and in the fourth quarter of each year, coinciding with various holidays. Additionally, in the U.S. to Mexico corridor, we usually experience our heaviest volume during the May through October time frame, coinciding with the increase in worker migration patterns and various holidays, and our lowest volumes during the first quarter.

Significant Customers and Government Contracts

No individual customer of our Money Transfer Segment makes up greater than 10% of total consolidated revenues. The Money Transfer Segment maintains correspondent relationships with a number of financial institutions whose ownership includes governments of the correspondents' countries of origin. Those countries include Armenia, Bangladesh, Benin, Bhutan, Bosnia-Herzegovina, Burundi, China, Costa Rica, Cote d'Ivoire, Cuba, Djibouti, Dominican Republic, Ecuador, Egypt, Eritrea, Ethiopia, Fiji, Gabon, Ghana, Guatemala, Mali, Mauritania, Mexico, Pakistan, Philippines, Poland, Romania, Saudi Arabia, Senegal, Tunisia, Uganda, Ukraine, Vietnam, Burkina Faso, El Salvador, Gambia, Georgia, Guinea, Guinea Bissau, Honduras, India, Kenya, Kyrgyzstan, Liberia, Mauritius, Moldova, Morocco, Myanmar, Niger, Nigeria, Rwanda, Sri Lanka, Suriname, Tanzania, Thailand, Turkey, Yemen and Zambia.

Competition

Our primary competitors in the money transfer and bill payment business include other large money transfer companies and electronic money transmitters, together with hundreds of smaller registered and unregistered money transmitters, as well as certain major national and regional banks, financial institutions and independent sales organizations. Our competition includes The Western Union Company, the leading competitor with revenue approximately two times greater than our revenue. The Western Union Company has a significant competitive advantage due to its greater resources and access to capital for expansion. This may allow them to offer better pricing terms to customers, agents or correspondents, which may result in a loss of our current or potential customers or could force us to lower our prices. In addition to traditional money payment services, new technologies are emerging that compete with traditional money payment services, such as stored-value cards, debit networks and web-based services and digital currencies. Our continued growth also depends upon our ability to compete effectively with these alternative technologies.

Employees

We had approximately 7,700, 7,100 and 6,600 employees as of December 31, 2019, 2018, and 2017, respectively. We believe our future success will depend in part on our ability to continue to recruit, retain and motivate qualified management, technical and administrative employees. Currently, no union represents any of our employees, except in one of our Spanish subsidiaries. We experienced no work stoppages or strikes by our workforce in 2019 and we consider relations with our employees to be good.

Government Regulation

As discussed below, many of our business activities are subject to regulation in our current markets. In the Money Transfer Segment, we are subject to a wide variety of laws and regulations of the U.S., individual U.S. states and foreign governments. These include international, federal and state anti-money laundering laws and regulations, money transfer and payment instrument licensing laws, escheat laws, laws covering consumer privacy, data protection and information security and consumer disclosure and consumer protection laws. Our operations have also been subject to increasingly strict requirements intended to help prevent and detect a variety of illegal financial activity, including money laundering, terrorist financing, unauthorized access to personal customer data and other illegal activities. The more significant of these laws and regulations are discussed below. Noncompliance with these laws and requirements could result in the loss or suspension of licenses or registrations required to provide money transfer services through retail agents, Company owned stores or online. For more discussion, see Item 1A - Risk Factors.

Any further expansion of our activity into areas that are qualified as “financial activity” under local legislation may subject us to licensing and we may be required to comply with various conditions to obtain such licenses. Moreover, the interpretations of bank regulatory authorities as to the activity we currently conduct might change in the future. We monitor our business for compliance with applicable laws or regulations regarding financial activities.

Certain of our European product offerings, including in particular, our money transfer services, merchant acquiring and bill payment products, are regulated services requiring a license under the PSD2, which replaced PSD effective January 13, 2018. Key changes made by PSD2 to PSD include: extension of PSD rules on transparency to additional transactions not previously covered by PSD; enhanced cooperation and information exchange between authorities in the context of authorization and supervision of payment institutions and electronic money institutions; and increased obligations around the management of operational and security risk, increased obligations relating to complaints handling and additional requirements regarding payment security.

PSD2 requires a license to perform certain defined "payment services" in a European country, which may be extended throughout the Member States through passporting. Conditions for obtaining the license include minimum capital requirements, establishment of procedures for safeguarding of funds, and certain governance and reporting requirements. In addition, certain obligations relating to internal controls and the conduct of business, in particular, consumer disclosure requirements and certain rules regarding the timing and settlement of payments, must be met. We have payment institution licenses in the U.K., France, Germany, and Spain and are complying with these requirements. To date, we have passported our U.K., German and Spanish payment services authorizations to several Member States and our Spanish authorization to several host Member States. Additionally, in the U.K., we have obtained an e-money license under the 2EMD. The e-money license allows Euronet to issue e-money and provide the same payment services as a PSD2 licensee. The e-money license imposes certain requirements similar to those of the payment services license, including minimum capital requirements, consumer disclosure and internal controls and can be passported to Member States. Our e-money license holder is currently operating in over twenty-one Member States.

Money Transfer and Payment Instrument Licensing

Licensing requirements in the U.S. are generally driven by the various state banking departments regulating the businesses of money transfers and issuances of payment instruments. Typical requirements include the meeting of minimum net worth requirements, maintaining permissible investments (e.g., cash, agent receivables, and government-backed securities) at levels commensurate with outstanding payment obligations and the filing of a security instrument (typically in the form of a surety bond) to offset the risk of default of trustee obligations by the license holder. We are required by many state regulators to submit ongoing reports of licensed activity, most often on a quarterly or monthly basis, that address changes to agent and branch locations, operating and financial performance, permissible investments and outstanding transmission liabilities. These periodic reports are utilized by the regulator to monitor ongoing compliance with state licensing laws. A number of major state regulators also conduct periodic examinations of license holders and their authorized delegates, generally with a frequency of every one to two years. Examinations are most often comprehensive in nature, addressing both the safety and soundness and overall compliance by the license holder with regard to state and federal regulations. Such examinations are typically performed on-site at the license holder's headquarters or operations center; however, certain states may choose to perform examinations off-site as well.

Money transmitters, issuers of payment instruments and their agents are required to comply with U.S. federal, state and/or foreign anti-money laundering laws and regulations. In summary, our Money Transfer Segment, as well as our agent network, is subject to regulations issued by the different state and foreign national regulators who license us, the Office of Foreign Assets

Control (“OFAC”), the Bank Secrecy Act as amended by the USA PATRIOT (“BSA”), the Financial Crimes Enforcement Network (“FINCEN”), as well as any existing or future regulations that impact any aspect of our money transfer business.

A similar set of regulations applies to our money transfer businesses in most of the foreign countries in which we originate transactions. These laws and regulations include monetary limits for money transfers into or out of a country, rules regarding the foreign currency exchange rates offered, as well as other limitations or rules for which we must maintain compliance.

Regulatory bodies in the U.S. and abroad may impose additional rules on the conduct of our Money Transfer Segment that could have a significant impact on our operations and our agent network. In this regard, the U.S. federal government has implemented U.S. federal regulations for electronic money transfers, including the Electronic Fund Transfer Act, which provides consumer protections for international remittance transfers. The Consumer Financial Protection Bureau ("CFPB"), adopted a rule that provides additional protections for consumers who transmit money internationally, including disclosure requirements, cancellation rights and error resolution procedures for consumer complaints. Under U.S. federal law, it is unlawful for any provider of consumer financial products or services to engage in unfair, deceptive or abusive acts or practices (collectively, "UDAAPs"). The CFPB has rule making and enforcement authority to prevent UDAAPs in connection with transactions for consumer financial products or services. The CFPB audits our compliance with these rules, and we may be subject to fines or penalties for violations of any of such rules.

Escheat Regulations

Our Money Transfer Segment is subject to the unclaimed or abandoned property (i.e., “escheat”) regulations of the United States and certain foreign countries in which we operate. These laws require us to turn over property held by Euronet on behalf of others remaining unclaimed after specified periods of time (i.e., “dormancy” or “escheat” periods). Such abandoned property is generally attributable to the failure of beneficiary parties to claim money transfers or the failure to negotiate money orders, a form of payment instrument. We have policies and programs in place to help us monitor the required information relating to each money transfer or payment instrument for possible eventual reporting to the jurisdiction from which the order was originally received. In the U.S., reporting of unclaimed property by money service companies is performed annually, generally with a due date of on or before November 1. State banking department regulators will typically include a review of Euronet escheat procedures and related filings as part of their examination protocol.

Privacy and Information Security Regulations

Our Money Transfer Segment operations involve the collection and storage of certain types of personal customer data that are subject to privacy and security laws in the U.S. and abroad. In the United States, we are subject to the Gramm-Leach-Bliley Act (“GLBA”) and various state laws including California Consumer Privacy Act ("CCPA"), which requires that financial institutions have in place policies regarding the collection, processing, storage and disclosure of information considered nonpublic personal information. Laws in other countries include the E.U.'s General Data Protection Regulation (2016/679) ("GDPR"), which became effective from May 25, 2018, as well as the laws of other countries.

The GDPR establishes stringent requirements for the collection and processing of personal information of individuals within the E.U. The GDPR establishes certain rights of individuals regarding personal information processed by companies as well as requirements for information security, and imposes significant fines that may be revenue-based for violation of its requirements. Any failure on our part to meet the requirements of the GDPR could result in the imposition of fines and penalties that could affect our financial results.

We comply with the GLBA and state privacy provisions. In October 2015, the European Court of Justice invalidated the European Commission’s decision of 2000 regarding the transfer of personal data from the E.U. to the United States (known as the "Safe Harbor Decision"). Despite the October 2015 ruling of the European Court of Justice, we believe we remain in compliance with E.U. regulations regarding the transfer of personal data to the United States and other jurisdictions.

Recently, as identity theft has been on the rise, there has been increased public attention to concerns about information security and consumer privacy, accompanied by laws and regulations addressing the issue. We believe we are compliant with these laws and regulations; however, this is a rapidly evolving area and there can be no assurance that we will continue to meet the existing and new regulations, which could have a material, adverse impact on our Money Transfer Segment business.

Anti-corruption and Bribery

We are subject to the Foreign Corrupt Practices Act ("FCPA"), which prohibits U.S. and other business entities from making improper payments to foreign government officials, political parties or political party officials. We are also subject to the applicable anti-corruption laws in the jurisdictions in which we operate, such as the U.K. Bribery Act, thus potentially exposing us to liability and potential penalties in multiple jurisdictions. The anti-corruption provisions of the FCPA are enforced by the United States Department of Justice. In addition, the Securities and Exchange Commission ("SEC") requires strict compliance with certain accounting and internal control standards set forth under the FCPA. Because our services are offered in many countries throughout the world, we face a higher risk associated with FCPA, the U.K. Bribery Act and other similar laws than many other companies and we have policies and procedures in place to address compliance with the FCPA, the U.K. Bribery Act and other similar laws. Any determination that we have violated these laws could have an adverse effect on our business, financial position and results of operations. Failure to comply with our policies and procedures or the FCPA and other laws can expose Euronet and/or individual employees to potentially severe criminal and civil penalties. Such penalties could have a material adverse effect on our business, financial condition and results of operations.

Money Transfer Compliance Policies and Programs

We have developed risk-based policies and programs to comply with existing and new laws, regulations and other requirements outlined above, including having dedicated compliance personnel, training programs, automated monitoring systems and support functions for our offices and agents. To assist in managing and monitoring our money laundering and terrorist financing risks, we continue to have our compliance programs, in many countries, independently examined on an annual basis. In addition, we continue to enhance our anti-money laundering, counter-terrorist financing compliance policy, procedures and monitoring systems, as well as our consumer protection policies and procedures.

Intellectual Property

Each of our three operating segments utilizes intellectual property which is protected in varying degrees by a combination of trademark, patent and copyright laws, as well as trade secret protection, license and confidentiality agreements.

The brand names of “Ria,” “Ria Financial Services,” “Ria Envia,” “xe,” "AFEX," "IME," derivations of those brand names and certain other brand names are material to our Money Transfer Segment and are registered trademarks and/or service marks in most of the markets in which our Money Transfer Segment operates. Consumer perception of these brand names is important to the growth prospects of our money transfer business. We also hold a U.S. patent on a card-based money transfer and bill payment system that allows transactions to be initiated primarily through POS terminals and integrated cash register systems.

With respect to our EFT Processing Segment, we have registered or applied for registration of our trademarks, including the names “Euronet” and “Bankomat” and/or our blue diamond logo, as well as other trade names in most markets in which these trademarks are used. Certain trademark authorities have notified us that they consider these trademarks to be generic and, therefore, not protected by trademark laws. This determination does not affect our ability to use the Euronet trademark in those markets, but it would prevent us from stopping other parties from using it in competition with Euronet. We have registered the “Euronet” trademark in the class of ATM machines in Germany, the U.K. and certain other Western European countries. We have filed pending applications and/or obtained patents for a number of our new software products and our processing technology, including certain top-up services.

With respect to our epay Segment, we have filed trademark applications for the “epay” brand in the U.S., U.K., the E.U. through a Community Trademark application, Brazil, India, Australia and New Zealand. The epay trademark has issued to registration in the U.S., U.K., the E.U., Australia, New Zealand and Brazil. The trademark application in India is still pending. We cannot be certain that we are entitled to use the epay trademark in any markets other than those in which we have registered the trademark. We have filed patent applications for some of our POS top-up and certain other products in support of epay technology. Certain patents have been granted while others have been refused or are still pending. We also hold a patent license covering certain of epay's operations in the U.S.

Technology in the areas in which we operate is developing very rapidly, and we are aware that many other companies have filed patent applications for products, processes and services similar to those we provide. The procedures of the U.S. patent office make it impossible for us to predict whether our patent applications will be approved or will be granted priority dates that are earlier than other patents that have been filed for similar products or services. Moreover, many “process patents” have been filed in the U.S. over recent years covering processes that are in wide use in the money transfer, EFT and prepaid processing industries. If any of these patents are considered to cover technology that has been incorporated into our systems, we may be required to obtain additional licenses and pay royalties to the holders of such patents to continue to use the affected technology or be prohibited from continuing the offering of such services if licenses are not obtained. This could materially and adversely affect our business.

Information about our Executive Officers

The name, age, period of service and position held by each of our Executive Officers as of February 28, 2020 are as follows:

Name	Age	Served Since	Position Held
Michael J. Brown	63	July 1994	Chairman, Chief Executive Officer and President
Rick L. Weller	62	November 2002	Executive Vice President - Chief Financial Officer
Jeffrey B. Newman	65	December 1996	Executive Vice President - General Counsel
Kevin J. Caponecchi	53	July 2007	Executive Vice President - Chief Executive Officer, epay, Software and EFT Asia Pacific Division
Juan C. Bianchi	49	April 2007	Executive Vice President - Chief Executive Officer, Money Transfer Segment
Nikos Fountas	56	September 2009	Executive Vice President - Chief Executive Officer, EFT Europe, Middle East and Africa Division
Martin L. Bruckner	44	January 2014	Senior Vice President - Chief Technology Officer

MICHAEL J. BROWN, Chairman, Chief Executive Officer and President. Mr. Brown is one of the founders of Euronet and has served as our Chairman of the Board and Chief Executive Officer since 1996, and has served as President since December 2014. He also co-founded our predecessor company in 1994. Mr. Brown has been a Director of Euronet since our incorporation in December 1996 and previously served on the boards of Euronet's predecessor companies. In 1979, Mr. Brown founded Innovative Software, Inc., a computer software company that was merged in 1988 with Informix. Mr. Brown served as President and Chief Operating Officer of Informix from February 1988 to January 1989. He served as President of the Workstation Products Division of Informix from January 1989 until April 1990. In 1993, Mr. Brown was a founding investor of Visual Tools, Inc. Visual Tools, Inc. was acquired by Sybase Software in 1996. Mr. Brown received a B.S. in Electrical Engineering from the University of Missouri - Columbia in 1979 and a M.S. in Molecular and Cellular Biology at the University of Missouri - Kansas City in 1997.

RICK L. WELLER, Executive Vice President, Chief Financial Officer. Mr. Weller has been Executive Vice President and Chief Financial Officer of Euronet since he joined Euronet in November 2002. From January 2002 to October 2002, he was the sole proprietor of Pivotal Associates, a business development firm. From November 1999 to December 2001, Mr. Weller held the position of Chief Operating Officer of ionex telecommunications, inc., a local exchange company. He is a certified public accountant and received his B.S. in Accounting from the University of Central Missouri.

JEFFREY B. NEWMAN, Executive Vice President, General Counsel. Mr. Newman has been Executive Vice President and General Counsel of Euronet since January 2000. He joined Euronet in December 1996 as Vice President and General Counsel. Prior to this, he practiced law with the Washington, D.C. based law firm of Arent Fox Kintner Plotkin & Kahn and the Paris based law firm of Salans Hertzfeld & Heilbronn. He is a member of the District of Columbia, California and Paris, France bars. He received a B.A. in Political Science and French from Ohio University in 1976 and law degrees from Ohio State University and the University of Paris.

KEVIN J. CAPONECCHI, Executive Vice President, Chief Executive Officer, epay, Software and EFT Asia Pacific Division. Mr. Caponecchi joined Euronet in July 2007 and served as President until assuming his current role in December 2014. Prior to joining Euronet, Mr. Caponecchi served in various capacities with subsidiaries of General Electric Company for 17 years. From 2003 until June 2007, Mr. Caponecchi served as President of GE Global Signaling, a provider of products and services to freight, passenger and mass transit systems. From 1998 through 2002, Mr. Caponecchi served as General Manager - Technology for GE Consumer & Industrial, a provider of consumer appliances, lighting products and electrical products. Mr. Caponecchi holds degrees in physics from Franklin and Marshall College and industrial engineering from Columbia University.

JUAN C. BIANCHI, Executive Vice President - Chief Executive Officer, Money Transfer Segment. Mr. Bianchi joined Euronet subsequent to the acquisition of Ria in 2007. Prior to the acquisition, Mr. Bianchi served as the Chief Executive Officer of Ria and has spent his entire career at either Ria or AFEX Money Express, a money transfer company purchased by Ria's founders. Mr. Bianchi began his career at AFEX in Chile in 1992, joined AFEX USA's operations in 1996, and became chief operating officer of AFEX-Ria in 2003. Mr. Bianchi studied business at the Universidad Andres Bello in Chile and completed the Executive Program in Management at UCLA's John E. Anderson School of Business.

NIKOS FOUNTAS, Executive Vice President - Chief Executive Officer, EFT Europe, Middle East and Africa Division. Mr. Fountas has been Executive Vice President of the Company's EFT Processing Segment in Europe since December 2012. Mr. Fountas joined Euronet subsequent to the Company's 2005 acquisition of Instreamline S.A. (now Euronet Card Services) in Greece. He served as managing director of the Company's Greece EFT subsidiary, responsible for Euronet's European card processing and cross-border acquiring operations until September 2009. In September 2009, Mr. Fountas took over responsibilities as managing director of Euronet's Europe EFT Processing Segment. Prior to joining Euronet, Mr. Fountas spent over 20 years working in management and executive-level positions in the IT field for several companies, including IBM for 12 years. He has a degree in computer science (Honors) from York University in Canada and post graduate studies in business administration from Henley Management School and IBM Business Professional Institute.

MARTIN L. BRUCKNER, Senior Vice President - Chief Technology Officer. Mr. Bruckner has been Senior Vice President and Chief Technology Officer of Euronet since January 2014. Mr. Bruckner joined Euronet in 2007 as head of software development and IT operations for Transact GmbH. In 2009, he was promoted to Chief Technology Officer of Euronet's epay segment. Prior to joining Euronet, Mr. Bruckner established his own IT company called MLB Development GmbH, where he developed software systems for various European companies. Mr. Bruckner has more than 20 years of software development experience and published his first software product (BBS systems) at the age of 15. He received a Doctorate of Law from the University of Rostock and a law degree from the University of Bielefeld.

Availability of Reports, Certain Committee Charters and Other Information

Our Website addresses are www.euronetworldwide.com and www.eeft.com. We make available all SEC public filings, including our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports filed or furnished pursuant to Sections 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act") on our Websites free of charge as soon as reasonably practicable after these documents are electronically filed with, or furnished to, the SEC. The information on our Websites is not, and shall not be deemed to be, a part of this report or incorporated into any other filings we make with the SEC. In addition, our SEC filings are made available via the SEC's EDGAR filing system accessible at www.sec.gov.

The charters for our Audit, Compensation, and Corporate Governance and Nominating Committees, as well as the Code of Business Conduct & Ethics for our employees, including our Chief Executive Officer and Chief Financial Officer, are available on our Website at www.euronetworldwide.com in the “For Investors” section under "Document and Charters".

Item 1A. Risk Factors

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.

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:

- The integration plans for our acquisitions are based on benefits that involve assumptions as to future events, including our ability to successfully achieve anticipated synergies, leveraging our existing relationships, as well as general business and industry conditions, many of which are beyond our control and may not materialize. Unforeseen factors may offset components of our integration plans in whole or in part. As a result, our actual results may vary considerably, or be considerably delayed, compared to our estimates;

- The integration process could disrupt the activities of the businesses that are being combined. The combination of companies requires, among other things, coordination of administrative and other functions. In addition, the loss of key employees, customers or vendors of acquired businesses could materially and adversely impact the integration of the acquired businesses;

- The execution of our integration plans may divert the attention of our management from other key responsibilities;

- We may assume unanticipated liabilities and contingencies; or

- Our acquisition targets could fail to perform in accordance with our expectations at the time of purchase.

Future acquisitions may be effected through the issuance of our Common Stock or securities convertible into our Common Stock, which could substantially dilute the ownership percentage of our current stockholders. In addition, shares issued in connection with future acquisitions could be publicly tradable, which could result in a material decrease in the market price of our Common Stock.

A lack of business opportunities or financial or other resources may impede our ability to continue to expand at desired levels, and our failure to expand operations could have an adverse impact on our financial condition.

Certain factors on which our ability to expand each of our divisions is dependent are set forth at Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations - Opportunities and Challenges. If any of such factors impede our ability to expand our businesses, our financial results and condition could be materially and adversely affected.

We are subject to business cycles, seasonality and other outside factors that may negatively affect our business.

A recessionary economic environment in any of our markets or other outside factors could have a negative impact on banks, mobile phone operators, content providers, retailers and our individual customers and could reduce the level of transactions in all of our divisions, which would, in turn, negatively impact our financial results. If banks, mobile phone operators and content providers experience decreased demand for their products and services, or if the locations where we provide services decrease in number, we will process fewer transactions, resulting in lower revenues. In addition, a recessionary economic environment could reduce the level of transactions taking place on our networks, which will have a negative impact on our business.

Our experience is that the level of transactions on our networks is also subject to substantial seasonal variation. In the EFT Processing Segment, mostly in Europe, we usually experience our heaviest demand for dynamic currency conversion during the third quarter of the fiscal year, coinciding with the tourism season in Europe. As a result, our revenues earned in the third quarter of the year will usually be greater than other quarters of the fiscal year. Additionally, transaction levels have consistently been higher in the fourth quarter of the fiscal year due to increased use of ATMs, prepaid products and money transfer services during the holiday season. Generally, the level of transactions drops in the first quarter, during which transaction levels are generally the lowest we experience during the year, which reduces the level of revenues that we record. In the Money Transfer Segment, we experience increased transaction levels during the May through October timeframe, coinciding with certain holidays and the increase in worker migration patterns. As a result of these seasonal variations, our quarterly operating results may fluctuate materially and could lead to volatility in the price of our shares.

Additionally, economic or political instability, wars, civil unrest, terrorism, epidemics (including but not limited to, Coronavirus outbreak) and natural disasters may make money transfers to, from or within a particular country more difficult. The inability to timely complete money transfers could adversely affect our business.

The current U.S. presidential administration has proposed certain actions that could have an adverse effect on our money transfer business.

Our money transfer business relies on the free flow of funds along remittance corridors, and our largest corridor is the U.S. to Mexico. Our business benefits from free trade agreements such as the North American Free Trade Agreement ("NAFTA"). On September 30, 2018, the U.S. drafted a new free trade agreement with Canada and Mexico, which was signed on November 30, 2018. If the new USMCA Agreement is not approved by all three countries, then the U.S. administration may exercise its right to withdraw from NAFTA after a six month notice period. The U.S. and Mexico have approved the USMCA agreement. Any withdrawal from NAFTA or the adoption of other proposals that tax, restrict or otherwise limit remittances or transfers of money out of the U.S. could have a material adverse impact on our business.

A prolonged economic slowdown or lengthy or severe recession in the U.S. or elsewhere could harm our operations.

Concerns over slow economic growth, level of sovereign debt in many parts of the world, inflation levels, energy costs and geopolitical issues have contributed to increased volatility and diminished expectations for the world economy and the markets going forward. These factors, combined with volatile energy and commodity prices, reduced business and consumer confidence and slow recovery from high unemployment rates, have negatively impacted the world economy. A prolonged economic downturn or recession could materially impact our results from operations. A recessionary economic environment could have a negative impact on mobile phone operators, content providers, retailers and our other customers and could reduce the level of transactions processed on our networks, which would, in turn, negatively impact our financial results. If content providers and financial institutions experience decreased demand for their products and services, or if the locations where we provide services decrease in number, we will process fewer transactions, resulting in lower revenues.

Retaining the founder and key executives of our company, and of companies that we acquire, and finding and retaining qualified personnel is important to our continued success, and any inability to attract and retain such personnel could harm our operations.

The development and implementation of our strategy has depended in large part on the co-founder of our company, Michael J. Brown. The retention of Mr. Brown is important to our continued success. In addition, the success of the expansion of businesses that we acquire may depend in large part upon the retention of the founders or leaders of those businesses. Our success also depends in part on our ability to hire and retain highly skilled and qualified management, operating, marketing, financial and technical personnel. The competition for qualified personnel in the markets where we conduct our business is intense and, accordingly, we cannot assure you that we will be able to continue to hire or retain the required personnel.

Our officers and some of our key personnel have entered into service or employment agreements containing non-competition, non-disclosure and non-solicitation covenants, which grant incentive stock options and/or restricted stock with long-term vesting requirements. However, most of these contracts do not guarantee that these individuals will continue their employment with us. The loss of our key personnel could have a material adverse effect on our business, growth, financial condition or results of operations.

We have a moderate amount of debt and other contractual commitments, and while the cost of servicing those obligations is not expected to adversely affect our business, the risk could increase if we incur more debt. We may be required to prepay our obligations under the credit facility.

As of December 31, 2019, total liabilities were $3,078 million, of which $1,091 million represents long-term debt obligations, and total assets were $4,658 million. We may not have sufficient funds to satisfy all such obligations as a result of a variety of factors, some of which may be beyond our control. If the opportunity of a strategic acquisition arises or if we enter into new contracts that require the installation or servicing of infrastructure, such as processing centers, ATM machines or POS terminals on a faster pace than anticipated, we may be required to incur additional debt for these purposes and to fund our working capital needs, including ATM network cash, which we may not be able to obtain. The level of our indebtedness could have important consequences to investors, including the following:

- our ability to obtain any necessary financing in the future for working capital, capital expenditures, debt service requirements or other purposes may be limited or financing may be unavailable;

- a portion of our cash flows must be dedicated to the payment of principal and interest on our indebtedness and other obligations and will not be available for use in our business;

- our level of indebtedness could limit our flexibility in planning for, or reacting to, changes in our business and the markets in which we operate;

- our level of indebtedness will make us more vulnerable to changes in general economic conditions and/or a downturn in our business, thereby making it more difficult for us to satisfy our obligations; and

- because a portion of our debt bears interest at a variable rate of interest, our actual debt service obligations could increase as a result of adverse changes in interest rates.

If we fail to make required debt payments, or if we fail to comply with other covenants in our debt service agreements, we would be in default under the terms of these agreements. This default would permit the holders of the indebtedness to accelerate repayment of this debt and could cause defaults under other indebtedness that we have.

Restrictive covenants in our credit facilities may adversely affect us. Our credit facility contains two financial covenants that we must meet as defined in the agreement: (1) Consolidated Total Leverage Ratio, and (2) Consolidated Interest Coverage Ratio. To remain in compliance with our debt covenants, we may be required to increase Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"), repay debt, or both. We cannot assure you that we will have sufficient assets, liquidity or EBITDA to meet or avoid these obligations, which could have an adverse impact on our financial condition.

Our ability to secure additional financing for growth or to refinance any of our existing debt is also dependent upon the availability of credit in the marketplace, which has experienced severe disruptions in the past. If we are unable to secure additional financing or such financing is not available at acceptable terms, we may be unable to secure financing for growth or refinance our debt obligations, if necessary.

In the event that we need debt financing in the future, uncertainty in the credit markets could affect our ability to obtain debt financing on reasonable terms.

In the event we were to require additional debt financing in the future, uncertainty in the credit markets could materially impact our ability to obtain debt financing on reasonable terms. The inability to access debt financing on reasonable terms could materially impact our ability to make acquisitions, refinance existing debt or materially expand our business in the future.

Increases in interest rates will adversely impact our results of operations.

A portion of our existing indebtedness has variable interest rates. Increases in variable interest rates will increase the amount of interest expense that we pay for our borrowings and have a negative impact on our results of operations.

We may be required to recognize impairment charges related to long-lived assets and goodwill recorded in connection with our acquisitions, which would adversely impact our results of operations.

Our total assets include approximately $885.7 million, or 19% of total assets, in goodwill and acquired intangible assets recorded as a result of acquisitions. We assess our goodwill, intangible assets and other long-lived assets as and when required by accounting principles generally accepted in the U.S. to determine whether they are impaired. If operating results in any of our key markets, including Australia, Germany, Greece, Malaysia, India, New Zealand, the U.S., U.K., Poland and Romania, deteriorate or our plans do not progress as expected when we acquired these entities, or if capital markets depress our value or that of similar companies, we may be required to record additional impairment write-downs of goodwill, intangible assets or other long-lived assets. This could have a material adverse effect on our results of operations and financial condition.

The processes and systems we employ may be subject to patent protection by other parties, and any claims could adversely affect our business and results of operations.

In certain countries, including the U.S., patent protection legislation permits the protection of processes and systems. We employ processes and systems in various markets that have been used in the industry by other parties for many years, and which we or other companies that use the same or similar processes and systems consider to be in the public domain. However, we are aware that certain parties believe they hold valid patents that cover some of the processes and systems employed in our business lines in the U.S. and elsewhere. We believe the processes and systems we use have been in the public domain prior to the patents we are aware of. The question of whether a process or system is in the public domain is a legal determination, and if this issue is litigated we cannot be certain of the outcome of any such litigation. If a person were to assert that it holds a patent covering any of the processes or systems we use, we would be required to defend ourselves against such claim. If unsuccessful, we may be required to pay damages for past infringement, which could be trebled if the infringement was found to be willful. We may also be required to seek a license to continue to use the processes or systems. Such a license may require either a single payment or an ongoing license fee. No assurance can be given that we will be able to obtain a license which is reasonable in fee and scope. If a patent owner is unwilling to grant such a license, or we decide not to obtain such a license, we may be required to modify our processes and systems to avoid future infringement. Any such occurrences could materially and adversely affect one or more of our business lines in any affected markets and could result in our reconsidering the rate of expansion of business in those markets.

We conduct a significant portion of our business in Central and Eastern European countries, and we have subsidiaries in the Middle East, Asia Pacific 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 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. 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 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 services.

Uncertainties in the interpretation and application of the Tax Cuts and Jobs Act of 2017 could materially affect our tax obligations and effective tax rate.

The Tax Cuts and Jobs Act of 2017 (the "Act") was enacted on December 22, 2017, and it significantly affected U.S. tax law by, among other things, changing how the U.S. imposes income tax on multinational corporations. The Act contains several key tax provisions that affect us, including a one-time mandatory transition tax on previously undistributed foreign earnings, a reduction of the corporate income tax rate to 21% effective January 1, 2018, and new taxes on certain foreign sourced earnings, among others.

We are required to recognize the effect of the tax law changes in the period of enactment, including determining the transition tax, re-measuring our U.S. deferred tax assets and liabilities and reassessing the net realizability of our deferred tax assets and liabilities. Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act (“SAB 118”) allows us to record provisional amounts during a measurement period not to extend beyond one year of the enactment date. As of December 31, 2017, we recorded provisional estimates in our financial statements with respect to certain income tax effects of the Act for which the accounting is incomplete, but a reasonable estimate was able to be determined. During 2018, we continued to perform additional analysis on the application of the Act, taking into account any additional regulatory guidance that was issued by the applicable taxing authorities, which resulted in adjustments to our previously reported provisional estimates, some of which materially affected our tax obligations and our effective tax rate.

In addition, the Act requires complex computations not previously provided in U.S. tax law, and the application of accounting guidance for such items is currently uncertain in some respects. Further, compliance with the Act and the accounting for such provisions require accumulation of information not previously required or regularly produced. The U.S. Department of Treasury has broad authority to issue regulations and interpretative guidance that may significantly impact how the law is applied and thus impact our results of operations in the period issued.

Increases in taxes could negatively impact our operating results.

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. Additionally, 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.

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.

Because we are a multinational company conducting a complex business in many markets worldwide, we are subject to legal and operational risks related to staffing and management, as well as 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 staffing and managing 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, 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.

Our business may be adversely affected if recent developments to applicable data protection regulations in the European Union require us to cease the transfer of personal data from the European Union to the United States.

In October 2015, the European Court of Justice invalidated the European Commission’s decision regarding the transfer of personal data from the E.U. to the United States (known as the "Safe Harbor Decision"). Prior to the ruling of the European Court of Justice, the Safe Harbor Decision provided a mechanism that facilitated personal data transfers to the United States in compliance with the E.U.’s Directive on Data Protection. Our money transfer business relies on the transfer of E.U. citizens’ personal information to the United States to enable payment of money remittance transactions to beneficiaries through our correspondent network. Despite the October 2015 ruling of the European Court of Justice, we believe we remain in compliance with E.U. regulations regarding the transfer of personal data to the United States and other jurisdictions. If we are unable to transfer personal data from the E.U. to the United States or other countries where we operate, then it could affect the manner in which we provide our services or adversely affect our financial results.

Because we derive our revenues from a multitude of countries with different currencies, our business may be adversely affected by local inflation and foreign currency exchange rates and policies.

We report our results in U.S. dollars, although a majority of our income is realized in foreign currencies. As exchange rates among the U.S. dollar, the euro, and other currencies fluctuate, the impact of these fluctuations may have a material adverse effect on our results of operations or financial condition as reported in U.S. dollars.

A significant number of our ATMs are located in countries in the European Union that use the euro. From time to time, some of these countries, have considered leaving the European Union and adopting another currency. If such an event were to occur, the conversion of cash that we hold in banks and in our ATM network in that country from euros to another currency could have an adverse effect on our financial condition or results of operations, either from initial conversion or from subsequent changes in currency exchange rates. The magnitude of this risk increases when cash balances in our ATM network increase during the tourism season. While such currency change does not appear to be an immediate risk under current circumstances, the Company continues to monitor developments in this area and will attempt to mitigate any adverse effects where possible.

In November 2016, without advance warning, the Indian government announced that it would remove from circulation two of the most often used Indian banknotes, the Rs 500 and Rs 1000 banknotes. The government expected that the notes would rapidly be replaced with a new Rs 500 note and a new Rs 2000 note, retiring (or demonetizing) completely the Rs 1000 banknote. However, distribution of the new notes was delayed, and circulation of the new notes only commenced in February 2017. While the cash supply was restored during the first months of 2017, the shortage of cash in November and December 2016 adversely impacted Euronet's 2016 fourth quarter revenue earned from ATM cash withdrawals on the more than 12,000 ATMs Euronet owns or operates as well as revenue earned from money transfer remittance payout in India. The action by the Indian government was motivated by a desire to penalize Indians holding large quantities of money earned from illicit business. Any similar action by other governments in countries in which we do business could have an adverse effect on our business.

Our Money Transfer Segment is subject to foreign currency exchange risks because our customers deposit funds in one currency at our retail and agent locations worldwide or in an online account and we typically deliver funds denominated in a different, destination country currency. Although we use foreign currency derivative contracts to mitigate a portion of this risk, we cannot eliminate all of the exposure to the impact of changes in foreign currency exchange rates for the period between collection and disbursement of the money transfers.

We have various mechanisms in place to discourage takeover attempts, which may reduce or eliminate our stockholders' ability to sell their shares for a premium in a change of control transaction.

Various provisions of our certificate of incorporation and bylaws and of Delaware corporate law may discourage, delay or prevent a change in control or takeover attempt of our company by a third party which our management and board of directors opposes. Public stockholders who might desire to participate in such a transaction may not have the opportunity to do so. These anti-takeover provisions could substantially impede the ability of public stockholders to benefit from a change of control or change in our management and board of directors. These provisions include:

- preferred stock that could be issued by our board of directors to make it more difficult for a third party to acquire, or to discourage a third party from acquiring, a majority of our outstanding voting stock;
- classification of our directors into three classes with respect to the time for which they hold office;
- supermajority voting requirements to amend the provision in our certificate of incorporation providing for the classification of our directors into three such classes;
- non-cumulative voting for directors;
- control by our board of directors of the size of our board of directors;
- limitations on the ability of stockholders to call special meetings of stockholders;
- advance notice requirements for nominations of candidates for election to our board of directors or for proposing matters that can be acted upon by our stockholders at stockholder meetings. and
- an exclusive forum bylaw provision for all internal corporate claims.

We are authorized to issue up to a total of 90 million shares of Common Stock, potentially diluting equity ownership of current holders and the share price of our Common Stock.

We believe that it is necessary to maintain a sufficient number of available authorized shares of our Common Stock in order to provide us with the flexibility to issue Common Stock for business purposes that may arise as deemed advisable by our Board. These purposes could include, among other things, (i) to declare future stock dividends or stock splits, which may increase the liquidity of our shares; (ii) the sale of stock to obtain additional capital or to acquire other companies or businesses, which could enhance our growth strategy or allow us to reduce debt if needed; (iii) use in additional stock incentive programs and (iv) other bona fide purposes. Our Board of Directors may issue the available authorized shares of Common Stock without notice to, or further action by, our stockholders, unless stockholder approval is required by law or the rules of the NASDAQ Global Select Market. The issuance of additional shares of Common Stock may significantly dilute the equity ownership of the current holders of our Common Stock. Further, over the course of time, all of the issued shares have the potential to be publicly traded, perhaps in large blocks. This may result in dilution of the market price of the Common Stock.

An additional 8.7 million shares of Common Stock, representing approximately 16% of the shares outstanding as of December 31, 2019, could be added to our total Common Stock outstanding through the exercise of options or the issuance of additional shares of our Common Stock pursuant to existing convertible debt and other agreements. Once issued, these shares of Common Stock could be traded into the market and result in a decrease in the market price of our Common Stock.

As of December 31, 2019, we had 3.0 million and 0.5 million options and restricted stock awards outstanding, respectively, held by our directors, officers and employees, which entitle these holders to acquire an equal number of shares of our Common Stock. Of this amount, 1.7 million options are vested and exercisable as of December 31, 2019. Approximately 2.4 million additional shares of our Common Stock may be issued in connection with our stock incentive and employee stock purchase plans.

Accordingly, based on current trading prices of our Common Stock, approximately 2.1 million shares could potentially be added to our total current Common Stock outstanding through the exercise of options and the vesting of restricted stock awards, which could adversely impact the trading price for our stock.

Of the 3.5 million total options and restricted stock awards outstanding, an aggregate of 2.1 million options and restricted stock awards are held by persons who may be deemed to be our affiliates and who would be subject to Rule 144. Thus, upon exercise of their options or sale of shares for which restrictions have lapsed, these affiliates' shares would be subject to the trading restrictions imposed by Rule 144. The remainder of the common shares issuable under option and restricted stock award arrangements would be freely tradable in the public market. Over the course of time, all of the issued shares have the potential to be publicly traded, perhaps in large blocks.

Upon the occurrence of certain events, another 2.8 million shares of Common Stock could be issued upon conversion of the Company's convertible notes issued in March 2019; in certain situations, the number of shares issuable could be higher. While we have stated that we intend to settle any conversion of these notes by issuing cash for the principal value of the notes and issuing shares of Common Stock for the conversion value in excess of the principal, which would significantly reduce the number of shares issued upon conversion, if our financial condition significantly and adversely changes, we may not be able to settle as intended should the notes be converted.

Our competition in the EFT Processing Segment, epay Segment and Money Transfer Segment includes large, well-financed companies and financial institutions larger than us with earlier entry into the market. As a result, we may lack the financial resources and access to capital needed to capture increased market share.

EFT Processing Segment - Our principal EFT Processing competitors include ATM networks owned by banks and national switches consisting of consortiums of local banks that provide outsourcing and transaction services only to banks and independent ATM deployers in that country. Large, well-financed companies offer ATM network and outsourcing services that compete with us in various markets. In some cases, these companies also sell a broader range of card and processing services than we do, and are, in some cases, willing to discount ATM services to obtain large contracts covering a broad range of services. Competitive factors in our EFT Processing Segment include network availability and response time, breadth of service offering, price to both the bank and to its customers, ATM location and access to other networks.

epay Segment - We face competition in the epay business in all of our markets. A few multinational companies operate in several of our markets, and we therefore compete with them in a number of countries. In other markets, our competition is from smaller, local companies. Major retailers with high volumes are in a position to demand a larger share of commissions or to negotiate directly with the mobile phone operators, which may compress our margins. Additionally, certain of our content providers, including mobile phone operators have entered into direct contracts with retailers and/or have developed processing technology that diminishes or eliminates the need for intermediate processors and distributors.

Money Transfer Segment - Our primary competitors in the money transfer and bill payment business include other large money transfer companies and electronic money transmitters, as well as certain major national and regional banks, financial institutions and independent sales organizations. Our competitors include The Western Union Company and MoneyGram International Inc. The Western Union Company has a significant competitive advantage due to its greater resources and access to capital for expansion. This may allow them to offer better pricing terms to customers, which may result in a loss of our current or potential customers or could force us to lower our prices. Either of these actions could have an adverse impact on our revenues. In addition, our competitors may have the ability to devote more financial and operational resources than we can to the development of new technologies that provide improved functionality and features to their product and service offerings. If successful, their development efforts could render our product and service offerings less desirable, resulting in the loss of customers or a reduction in the price we could demand for our services. In addition to traditional money payment services, new technologies are emerging that may effectively compete with traditional money payment services, such as stored-value cards, debit networks, web-based services and digital currencies. Our continued growth depends upon our ability to compete effectively with these alternative technologies.

If processing fees and commissions in our epay business continue to decline, our financial results may be adversely affected.

Our epay Segment derives revenues based on processing fees and commissions from mobile phone operators and other content providers. Growth in our prepaid mobile business in any given market is driven by a number of factors, including the overall pace of growth in the prepaid mobile phone market which is impacted by competing postpaid services, our market share of the retail distribution capacity, the level of commission that is paid to the various intermediaries in the prepaid mobile airtime distribution chain, and the value provided to the retailers through the types of products offered and the level of integration with their systems. Also, competition among prepaid mobile distributors results in retailer churn and the reduction of commissions paid by prepaid content providers, although a portion of such reductions can be passed along to retailers. In recent years, processing fees and commissions per transaction have declined in most markets, and we expect that trend to continue. Additionally, the number of prepaid mobile top-up transactions we process has declined in certain markets. We have generally been able to mitigate these trends due to growth in the number of higher margin digital media product transactions, driven by acquisitions and organic growth. If we cannot continue to increase our transaction levels and per-transaction fees and commissions continue to decline, the combined impact of these factors could adversely impact our financial results.

Our epay and money transfer businesses may be susceptible to fraud and/or credit risks occurring at the retailer, correspondent and/or consumer level, which could adversely affect our results of operations.

In our epay Segment, we contract with retailers that accept payment on our behalf, which we then transfer to a trust or other operating account for payment to content providers. In the event a retailer does not transfer to us payments that it receives for prepaid content sales, whether as a result of fraud, insolvency, billing delays or otherwise, we are responsible to the content provider for the cost of the product sold. We can provide no assurance that retailer fraud or insolvency will not increase in the future or that any proceeds we receive under our credit enhancement or insurance policies will be adequate to cover losses resulting from retailer fraud, which could have a material adverse effect on our business, financial condition and results of operations.

With respect to our money transfer business, we conduct the majority of our business through our agent network, which provides money transfer services directly to consumers at retail locations. Our agents collect funds directly from consumers and in turn, we collect from the agents the proceeds due to us resulting from the money transfer transactions. In addition, we advance funds to our correspondent banks to pay out money transfers and they may hold our funds for several days or more pending payment to beneficiaries. Therefore, we have credit exposure to our agents and correspondents. Additionally, our Company-owned stores transact a significant amount of business in cash. Although we have safeguards in place, cash transactions have a higher exposure to fraud and theft than other types of transactions. The failure of agents owing us significant amounts to remit funds to us or to repay such amounts, or the loss of cash in our stores could have a material adverse effect on our business, financial condition and results of operations.

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. Many of those contracts may be canceled by either party upon three months' notice. 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, and our contracts with smaller retailers typically may be canceled by either party upon three to six months' notice. 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, commission terms 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 operators to reduce our fees at any time. Commission 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.

The growth and profitability of our epay business may be adversely affected by changes in state, federal or foreign laws, rules and regulations.

As we continue to expand our electronic payment product offerings, certain of those products may become regulated by state, federal or foreign laws, rules and regulations, including the U.S. CFPB. New product offerings may be considered to be money transfer related products which would require licensure for 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.

The growth in our epay business may be adversely affected if we are unable to expand and differentiate our offering of new electronic payment products.

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 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. Inability to continue to grow our suite of 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.

Our operating results depend, in part, on the volume of transactions on ATMs in our network and the fees we can collect from processing these transactions. We generally have little control over the ATM transaction fees established in the markets where we operate, and therefore, cannot control any potential reductions in these fees which may adversely affect our results of operations.

Transaction fees from banks, customers and international card organizations for transactions processed on our ATMs have historically accounted for a substantial portion of our revenues. These fees are set by agreement among all banks in a particular market. The future operating results of our ATM business depend on the following factors:

- the acceptance of our ATM processing and management services in our target markets;
- the maintenance of the level of transaction fees we receive;
- the continued use of our ATMs by credit and debit cardholders; and
- our ability to generate revenues from interchange fees and from other value added services, including dynamic currency conversion.

The amount of fees we receive per transaction is set in various ways in the markets in which we do business. We have card acceptance agreements or ATM management agreements with some banks under which fees are set. However, we derive a significant portion of our revenues in many markets from interchange fees, surcharges or cash withdrawal related services that are set by the central ATM processing switch or various card organizations. The banks that participate in these switches or the card organizations that enable the services or transactions set the interchange fee and/or establish the rules regarding the services allowed, and we are not in a position in any market to greatly influence these fees or rules, which may change over time. A significant decrease in the interchange fee, or limitations placed on our ability to offer value added services via our ATM network, in any market could adversely affect our results in that market.

Although we believe that the volume of transactions in developing countries may increase due to growth in the number of cards being issued by banks in these markets, we anticipate that transaction levels on any given ATM in developing markets will not increase significantly. We can attempt to improve the levels of transactions on our ATM network overall by acquiring good sites for our ATMs, eliminating poor locations, entering new, less-developed markets and adding new transactions, including new value added services, to the sets of transactions that are available on our ATMs. However, we may not be successful in materially increasing transaction levels through these measures. Per-transaction fees paid by international card organizations have declined in certain markets in the past and competitive factors have required us to reduce the transaction fees we charge customers. If we cannot continue to increase our transaction levels and per-transaction fees generally decline, our results would be adversely affected.

Tightening of regulations may adversely affect our results.

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.

In March 2018, the E.U. proposed additional regulations on cross border transactions within the E.U., including specific regulations on DCC. In December 2018, the European Commission, European Council and European Parliament agreed to legislation that requires disclosure of foreign exchange margins applicable to DCC transactions and eventual comparability between foreign exchange rates offered by DCC providers and bank card issuers. The new legislation comes into effect in April 2020. Such regulation could materially and adversely impact our financial results, by reducing the number of DCC transactions performed over our networks and the level of profit we generate from such transactions.

The E.U. has passed a regulation called the GDPR that establishes stringent requirements for the collection and processing of personal information of individuals within the E.U. The GDPR came into effect across the E.U. on May 25, 2018. The GDPR established stringent requirements for the collection and processing of personal information of individuals within the E.U., established certain rights of individuals regarding personal information processed by companies as well as requirements for information security and imposed significant fines that may be revenue-based for violation of its requirements. The GDPR applies to transfers of personal information from the E.U. to countries outside the E.U., including the U.S. Any failure on our part to meet the requirements of the GDPR could result in the imposition of fines and penalties that could materially and adversely affect our financial results.

Developments in payments could materially reduce our transaction levels and revenues.

Certain developments in the field of payments may reduce the need for ATMs, prepaid product POS terminals and money transfer agents. An example of this type of development is the use of near field technology in retail transactions, which if widely accepted in a market reduces the need for cash and can negatively impact the level of ATM transactions in that market. Advances in biometric payment solutions could have similar adverse impacts. These developments may reduce the transaction levels that we experience on our networks in the markets where they occur. Financial institutions, retailers and agents could elect to increase fees to their customers for using our services, which may cause a decline in the use of our services and have an adverse effect on our revenues. If transaction levels over our existing network of ATMs, POS terminals, agents and other distribution methods do not increase, growth in our revenues will depend primarily on increased capital investment for new sites and developing new markets, which reduces the margin we realize from our revenues.

The mobile phone industry is a rapidly evolving area, in which technological developments, in particular the development of new billing models (such as "all you can eat" plans) and distribution methods or services, may affect the demand for other services in a dramatic way. The development of any new models or technology that reduce the need or demand for prepaid mobile airtime could materially and adversely affect our business.

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 association fails to settle transactions in accordance with those rules, we are dependent upon cooperation from such organizations or switching networks to enforce our right of settlement against such banks or card associations. Failure by such organizations or switches to provide the required cooperation could result in our inability to obtain 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.

Because our business is highly dependent on the proper operation of our computer networks and telecommunications connections, significant technical disruptions to these systems would adversely affect our revenues and financial results.

Our business involves the operation and maintenance of sophisticated computer networks and telecommunications connections with financial institutions, mobile phone operators, other content providers, retailers and agents. This, in turn, requires the maintenance of computer equipment and infrastructure, including telecommunications and electrical systems, and the integration and enhancement of complex software applications. There are operational risks inherent in this type of business that can result in the temporary shutdown of part or all of our processing systems, such as failure of electrical supply, failure of computer hardware, security breaches and software errors. Transactions in the EFT Processing Segment are processed through our Budapest, Beijing, Mumbai and Karachi processing centers. Transactions in the epay Segment are processed through our London, Martinsried, Hamburg, Milan, Buena Park, California and Kansas City, Missouri processing centers. Transactions in our Money Transfer Segment are processed through our Buena Park, California, Kansas City, Missouri, Bracknell, Auckland, and Kuala Lumpur processing centers. Any operational problem in these centers may have a significant adverse impact on the operation of our networks. Even with disaster recovery procedures in place, these risks cannot be eliminated entirely, and any technical failure that prevents operation of our systems for a significant period of time will prevent us from processing transactions during that period of time and will directly and adversely affect our revenues and financial results.

We are subject to security breaches of our systems. Any such breach may cause us to incur financial losses, liability, harm to our reputation, litigation, regulatory enforcement actions and limitations on our ability to conduct our businesses.

We capture, transmit, handle and store sensitive information in conducting and managing electronic, financial and mobile transactions, such as card information, PIN numbers and personal information of various types. These businesses involve certain inherent security risks, in particular: the risk of electronic interception and theft of the information for use in fraudulent or other card transactions by persons outside the Company, including third party vendors or by our own employees; and the use of fraudulent cards on our network of owned or outsourced ATMs and POS devices. We incorporate industry-standard encryption technology and processing methodology into our systems and software, and maintain controls and procedures regarding access to our computer systems by employees and others, to maintain high levels of security. Although this technology and methodology decreases security risks, they cannot be eliminated entirely as criminal elements apply increasingly sophisticated technology to attempt to obtain unauthorized access to the information handled by ATM, money transfer and electronic financial transaction networks. In addition, the cost and timeframes required for implementation of new technology may result in a time lag between availability of such technology and our adoption of it. Further, our controls, procedures and technology may not be able to detect when there is a breach, causing a delay in our ability to mitigate it. As previously disclosed in our SEC filings, we were the subject of computer security breaches, and we cannot exclude the possibility of additional breaches in the future.

Any breach in our security systems could result in the perpetration of fraudulent financial transactions for which we may bear the liability. We are insured against various risks, including theft and negligence, but such insurance coverage is subject to deductibles, exclusions and limits that may leave us bearing some or all of any losses arising from security breaches.

We also collect, transfer and retain personal data as part of our money transfer business. These activities are subject to certain privacy laws and regulations in the U.S. and in other jurisdictions where our money transfer services are offered. We maintain technical and operational safeguards designed to comply with applicable legal requirements. Despite these safeguards, there remains a risk that these safeguards could be breached resulting in improper access to, and disclosure of, sensitive customer information. Breaches of our security policies or applicable legal requirements resulting in a compromise of customer data could expose us to regulatory enforcement action, subject us to litigation, limit our ability to provide money transfer services and/or cause harm to our reputation.

In addition to electronic fraud issues and breaches of our systems, the possible theft and vandalism of ATMs or cash in the ATMs present risks for our ATM business. We install ATMs at high-traffic sites and consequently our ATMs are exposed to theft and vandalism, and to a new form of attack whereby the security of the ATM is breached electronically by transmitting a command to the ATM to dispense cash without a card being present. We constantly monitor ATM security and take measures to protect our systems from such attacks and other breaches, but we cannot be certain that our measures will be effective against new, rapidly developing methods used by criminal elements. Although we are insured against such risks, deductibles, exclusions or limitations in such insurance may leave us bearing some or all of any losses arising from theft or vandalism of ATMs or loss of cash due to security breaches of our ATM networks. In addition, we have experienced increases in claims under our insurance, which has increased our insurance premiums.

We could incur substantial losses if one of the third party depository 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.

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, 2019, the amount of cash used in our ATM networks under these supply agreements was approximately $489 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.

Competition in our EFT Processing Segment has increased over the last several years, increasing the risk that certain of our long-term bank outsourcing contracts may be terminated or not renewed upon expiration.

The developing markets in which we have done business have matured over the years, resulting in increasing competition. In addition, as consolidation of financial institutions in Central and Eastern Europe continues, certain of our customers have established or are establishing internal ATM management and processing capabilities. As a result of these developments, negotiations regarding renewal of contracts have become increasingly challenging and in certain cases we have reduced fees to extend contracts beyond their original terms. In certain other cases, contracts have been, and in the future may be, terminated by financial institutions resulting in a substantial reduction in revenue. Contract termination payments, if any, may be inadequate to replace revenues and operating income associated with these contracts. Although we have historically considered the risk of non-renewal of major contracts to be relatively low because of complex interfaces and operational procedures established for those contracts, the risk of non-renewal or early termination is increasing.

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 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 expected growth in revenues and earnings.

Changes in state, federal or foreign laws, rules and regulations could impact the money transfer industry, making it more difficult for our customers to initiate money transfers which would harm our money transfer business.

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.

Changes in banking industry regulation and practice could make it more difficult for us and our agents to maintain depository accounts with banks, which would harm our business.

The banking industry, in light of increased regulatory oversight, is continually examining its business relationships with companies that offer money transfer services and with retail agents that collect and remit cash collected from end consumers. Certain major national and international banks have already withdrawn from providing service to money services businesses. Should our own banks decide to not offer depository services to companies engaged in processing money transfer transactions, or to retail agents that collect and remit cash from end customers, our ability to complete money transfers, and to administer and collect fees from money transfer transactions, could be adversely impacted.

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.

If consumer confidence in our money transfer business or brands declines, our business may be adversely affected.

Our money transfer business relies on customer confidence in our brands and our ability to provide efficient and reliable money transfer services. A decline in customer confidence in our business or brands, or in traditional money transfer providers as a means to transfer money, may adversely impact transaction volumes which would, in turn, be expected to adversely impact our business and possibly result in recording charges for the impairment of goodwill and/or other long-lived assets.

Our money transfer service offerings are dependent on financial institutions to provide such offerings, and any adverse change in such offerings would harm our money transfer business.

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.

The Dodd-Frank Act could have an adverse effect on our ability to hedge risks associated with our business.

The Dodd-Frank Act established federal oversight and regulation of the over-the-counter derivatives market and entities that participate in that market. The act requires the U.S. Commodity Futures Trade Commission ("CFTC") to institute broad new position limits for futures and options traded on regulated exchanges. As the law favors exchange trading and clearing, the Dodd-Frank Act also may require us to move certain derivatives transactions to exchanges where no trade credit is provided and also comply with margin requirements in connection with our derivatives activities that are not exchange traded, although the application of those provisions to us is uncertain at this time. The Dodd-Frank Act also requires many counterparties to our derivatives instruments to spin off some of their derivatives activities to a separate entity, which may not be as creditworthy as the current counterparty, or cause the entity to comply with the capital requirements, which could result in increased costs to counterparties such as us. The Dodd-Frank Act and any new regulations could (i) significantly increase the cost of derivative contracts (including requirements to post collateral, which could adversely affect our available liquidity); (ii) reduce the availability of derivatives to protect against risks we encounter; and (iii) reduce the liquidity of foreign currency related derivatives.

If we reduce our use of derivatives as a result of the legislation and regulations, our results of operations may become more volatile and our cash flows may be less predictable, which could adversely affect our ability to plan for and fund capital expenditures and working capital. Increased volatility may make us less attractive to certain types of investors. Any of these consequences could have a material adverse effect on our financial condition and results of operations.

The United Kingdom's departure from the European Union could adversely affect us.

On June 23, 2016, the U.K. held a referendum in which voters approved an exit from the E.U., commonly referred to as Brexit.
The Brexit withdrawal agreement (officially: Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community) is a treaty between the European Union (EU), the European Atomic Energy Community ("Euratom"), and the United Kingdom (UK), signed on 24 January 2020, setting the terms of the withdrawal of the latter from the former two (Brexit). The withdrawal agreement provides for a transition period until December 31, 2020, during which the U.K. remains in the single market, in order to ensure frictionless trade until a long-term relationship is agreed. However, as of February 2020, the withdrawal of the U.K. and Northern Ireland from the E.U. remains subject of negotiations yet to come. If no such agreement is reached by that date and the transition period is not extended, a no-deal Brexit would remain the default outcome in 2021. Although it remains unknown what the final terms will be, it is likely that there will be greater restrictions on the terms of trade and immigration between the U.K. and E.U. countries, and increased regulatory complexities.

xe adjusted operating income decreased compared to 2018 primarily due to lower revenues due to Brexit uncertainty.
Our EFT Processing Segment and our Money Transfer Segment operate subsidiaries that are licensed in the U.K. as payment institutions and as an e-money institution and have passported their licenses under the PSD2 and 2EMD, respectively, across the Member States. When the U.K. leaves the E.U. single market without an agreement or without an agreement to continue passporting rights, then U.K. payment and/or e-money institutions may lose their rights to continue providing services in the E.U. after December 31, 2020. These measures could potentially disrupt the markets we serve and cause us to use one of our other E.U. licenses or obtain new licenses in another E.U. member state to continue operating in the markets throughout the E.U.

If we are unable to shift business to one of our other E.U. licenses or obtain additional licenses by the date that the U.K. leaves the E.U., then we may have a disruption to the services that we provide in the E.U. under our U.K. licenses. Any disruption of our business following Brexit could have a material adverse effect on our business or financial results.

The COVID-19 pandemic could adversely affect us.

Our business is sensitive to the willingness of our customers to travel. A pandemic could cause disruptions in air and other forms of travel. As of the date of this filing, the COVID-19 (coronavirus) outbreak has resulted in several countries issuing travel warnings, although it has largely been concentrated in China, where the Company has a small presence. Our business is diversified across our segments and management does not believe that the disruptions would have a material adverse effect on our business, financial condition or results of operations. The extent to which our results are affected by the virus will largely depend on future developments which cannot be accurately predicted and are uncertain. This includes new information which may emerge concerning the severity of the virus and attempts to contain or treat the impact.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our executive offices are located in Leawood, Kansas. As of December 31, 2019, we also have 36 principal offices in Europe, 14 in Asia Pacific, 10 in North America, three in the Middle East, two in South America and one in Africa. Our office leases generally provide for initial terms ranging from two to twelve years.

Our processing centers for the EFT Processing Segment are located in Martinsreid, Germany; Budapest, Hungary; Mumbai, India; Beijing, China; and Karachi, Pakistan. Processing centers we operate for the epay Segment are located in Billericay, U.K.; Martinsried, Germany; Hamburg, Germany; Milan, Italy; Buena Park, California, USA; and Kansas City, Missouri, USA. Our processing centers for the Money Transfer Segment are located in Buena Park, California, USA; Bracknell, U.K.; Auckland, New Zealand; Kansas City, Missouri, USA; and Kuala Lumpur, Malaysia.

All of our processing centers are leased and have off-site real time backup processing centers that are capable of providing full or partial processing services in the event of failure of the primary processing centers.

Item 3. Legal Proceedings

The Company is, from time to time, a party to legal or regulatory proceedings arising in the ordinary course of its business.

The discussion regarding litigation in Part II, Item 8 - Financial Statements and Supplementary Data and Note 18, Litigation and Contingencies, to the Consolidated Financial Statements included elsewhere in this report is incorporated herein by reference.

Currently, there are no legal or regulatory proceedings that management believes, either individually or in the aggregate, would have a material adverse effect upon the Consolidated Financial Statements of the Company. In accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP"), we record a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These liabilities are reviewed at least quarterly and adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular case or proceeding.

Item 4. Mine Safety Disclosures

Not applicable.

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our Common Stock, $0.02 par value per share, is quoted on the NASDAQ Global Select Market under the symbol EEFT.

Dividends

Since our inception, no dividends have been paid on our Common Stock or Preferred Stock. We do not intend to distribute dividends for the foreseeable future.

Holders

At December 31, 2019, we had 44 stockholders of record of our Common Stock, and none of our Preferred Stock was outstanding. This figure does not include an estimate of the indeterminate number of beneficial holders whose shares may be held of record by brokerage firms and clearing agencies.

Private Placements and Issuances of Equity

During 2019, we did not issue any equity securities that were not registered under the Securities Act of 1933, which have not been previously reported in a Quarterly Report on Form 10-Q or a Current Report on Form 8-K.

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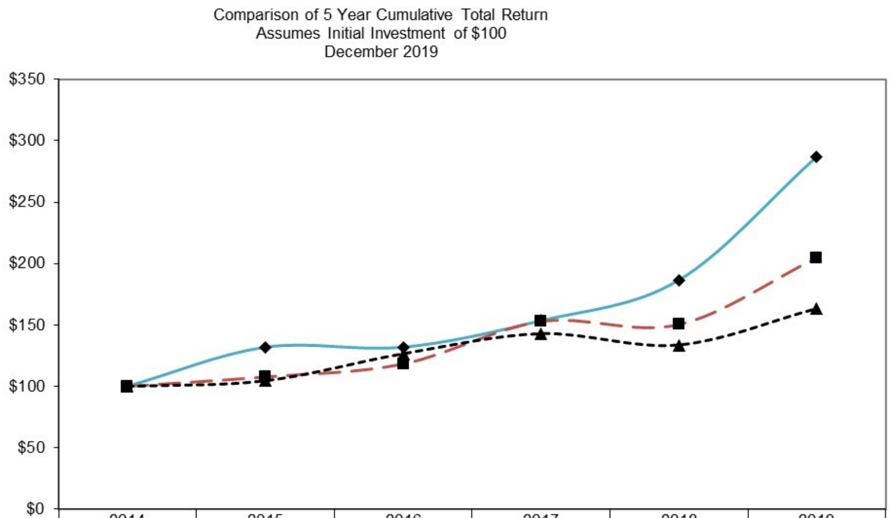
Stock Performance Graph

Set forth below is a graph comparing the total cumulative return on our Common Stock from December 31, 2014 through December 31, 2019 with the Total Returns Index for U.S. companies traded on the NASDAQ Global Select Market (the "Market Group") and an index group of peer companies, the Total Returns Index for U.S. NASDAQ Financial Stocks (the "Peer Group"). Returns are based on monthly changes in price and assume reinvested dividends. These calculations assume the value of an investment in the Common Stock, the Market Group and the Peer Group was $100 on December 31, 2014.

The following performance graph and related text are being furnished to and not filed with the SEC, and will not be deemed to be "soliciting material" or subject to Regulation 14A or 14C under the Exchange Act or to the liabilities of Section 18 of the Exchange Act and will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent we specifically incorporate such information by reference into such filing.



	2014	2015	2016	2017	2018	2019
Euronet Worldwide Inc.	100.00	131.93	131.93	153.50	186.49	287.00
NASDAQ Stock Market (US Companies)	100.00	107.71	118.26	152.92	150.42	204.72
NASDAQ Financial Index	100.00	104.57	126.46	142.85	133.65	163.17

NOTE: Index Data: Calculated (or Derived) based from CRSP NASDAQ Stock Market (U.S. Companies) and CRSP NASDAQ Financial Index, Center for Research in Security Prices (CRSP®), Graduate School of Business, The University of Chicago.

Equity Compensation Plan Information

The table below sets forth information with respect to shares of Common Stock that may be issued under our equity compensation plans as of December 31, 2019.

Plan category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options and Rights	(b) Weighted Average Exercise Price of Outstanding Options and Rights (1)	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))(2)
Equity compensation plans approved by security holders:			2,388,186
Stock option awards	3,015,775	$ 81.29	
Restricted stock unit awards	493,948	—	
Equity compensation plans not approved by security holders	—	—	—
Total	3,509,723	$ 81.29	2,388,186

(1) The weighted average exercise price in this column does not take into account the restricted stock unit awards.
(2) Included in this column is 0.2 million shares remaining under our employee stock purchase plan. During 2019, Euronet issued 16,713 shares to employees under the employee stock purchase plan.

Stock Repurchases

During the quarter ended December 31, 2019, the Company repurchased 217,829 shares at an average share price of $142.89.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Programs (in thousands) (1)
October 1 - October 31, 2019	217,829	$ 142.89	217,829	$ 249,124
November 1 - November 30, 2019	—	—	—	249,124
December 1 - December 31, 2019	—	—	—	249,124
Total	217,829	$ —	217,829	

(1) Amount remaining to be repurchased at the end of the period. The Board of Directors has authorized a stock repurchase program ("Repurchase Program") allowing Euronet to repurchase up to $375 million in value or 10.0 million shares of stock through March 31, 2020. Euronet has repurchased 245.9 million of stock under the Repurchase Program. On March 11, 2019, in connection with the issuance of the Convertible Notes, the Board of Directors authorized an additional repurchase program of $120 million in value of Euronet's common stock through March 11, 2021. On February 26, 2020, the Company put a repurchase program in place to repurchase up to $250 million in value, but not more than five million shares of common stock through February 28, 2022. Repurchases under either program may take place in the open market or in privately negotiated transactions, including derivative transactions, and may be made under a Rule 10b5-1 plan.

Item 6. Selected Financial Data

The following information should be read in conjunction with Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations and our Consolidated Financial Statements and accompanying notes contained in Item 8 - Financial Statements and Supplementary Data in this report. The historical results are not necessarily indicative of the results to be expected in any future period.

	Year Ended December 31,				
(dollar amounts in thousands, except per share amounts)	2019	2018	2017	2016	2015
Income statement data:					
Revenues	$ 2,750,109	$ 2,536,629	$ 2,252,422	$ 1,958,615	$ 1,772,262
Operating expenses (1)	2,163,171	2,072,694	1,891,395	1,628,313	1,497,396
Depreciation and amortization	111,744	106,021	95,030	80,529	70,025
Operating income (1)	475,194	357,914	265,997	249,773	204,841
Other expenses, net	(41,387)	(62,998)	(9,662)	(16,880)	(63,747)
Income from continuing operations before income taxes	433,807	294,916	256,335	232,893	141,094
Income tax expense	(87,112)	(62,785)	(99,395)	(58,795)	(42,602)
Income from continuing operations	$ 346,695	$ 232,131	$ 156,940	$ 174,098	$ 98,492
Earnings per share from continuing operations:					
Basic	$ 6.49	$ 4.52	$ 2.99	$ 3.34	$ 1.89
Diluted	$ 6.31	$ 4.26	$ 2.85	$ 3.23	$ 1.83
Balance sheet data (at period end):					
Assets	$ 4,657,666	$ 3,321,155	$ 3,140,029	$ 2,712,872	$ 2,192,714
Debt obligations, long-term portion	1,090,939	589,782	404,012	561,663	405,472
Finance lease obligations, long-term portion	8,054	8,199	9,753	6,969	4,147
Summary network data					
Number of operational ATMs at end of period	46,070	40,354	37,133	33,973	21,360
EFT processing transactions during the period (millions)	3,052	2,721	2,352	1,885	1,523
Number of operational prepaid processing POS terminals at end of period (rounded)	728,000	719,000	683,000	661,000	674,000
Prepaid processing transactions during the period (millions)	1,542	1,149	1,186	1,294	1,335
Money transfer transactions during the period (millions)	114.5	107.6	92.2	82.3	68.7

(1) The results of 2018 and 2017 include non-cash charges related to impairment of goodwill and acquired intangible assets of $7.0 million and $34.1 million, respectively.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the consolidated financial statements and accompanying notes included elsewhere in this Annual Report on Form 10-K. This section of this Form 10-K generally discusses 2019 and 2018 items and year-to-year comparisons between 2019 and 2018. Discussions of 2017 items and year-to-year comparisons between 2018 and 2017 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Company Overview, Geographic Locations and Principal Products and Services

Euronet is a leading electronic payments provider. We offer payment and transaction processing and distribution solutions to financial institutions, retailers, service providers and individual consumers. Our primary product offerings include comprehensive ATM, POS, card outsourcing, card issuing and merchant acquiring services, software solutions, electronic distribution of prepaid mobile airtime and other electronic payment products, foreign currency exchange services and global money transfer services. We operate in the following three segments:

- The EFT Processing Segment, which processes transactions for a network of 46,070 ATMs and approximately 330,000 POS terminals across Europe, the Middle East, Asia Pacific, and the United States. We provide comprehensive electronic payment solutions consisting of ATM cash withdrawal and deposit services, ATM network participation, outsourced ATM and POS management solutions, credit and debit card outsourcing, DCC, and other value added services. Through this segment, we also offer a suite of integrated electronic financial transaction software solutions for electronic payment and transaction delivery systems.
- The epay Segment, which provides distribution, processing and collection services for prepaid mobile airtime and other electronic content. We operate a network of approximately 728,000 POS terminals providing electronic processing of prepaid mobile airtime top-up services and other electronic content in Europe, the Middle East, Asia Pacific, the United States and South America. We also provide vouchers and physical gift fulfillment services in Europe.
- The Money Transfer Segment, which provides global consumer-to-consumer money transfer services, primarily under the brand names Ria, IME and xe and global account-to-account money transfer services under the brand name xe. We offer services under the brand names Ria and IME through a network of sending agents, Company-owned stores (primarily in North America, Europe and Malaysia) and our websites (riamoneytransfer.com and online.imeremit.com), disbursing money transfers through a worldwide correspondent network that includes approximately 397,000 locations. xe is a provider of foreign currency exchange information and offers money transfer services on its currency data websites (xe.com and x-rates.com). In addition to money transfers, we also offer customers bill payment services (primarily in the U.S.), payment alternatives such as money orders and prepaid debit cards, comprehensive check cashing services for a wide variety of issued checks, along with competitive foreign currency exchange services and prepaid mobile top-up. Through our xe brand, we offer cash management solutions and foreign currency risk management services to small-to-medium sized businesses.

We have six processing centers in Europe, five in Asia Pacific and two in North America. We have 36 principal offices in Europe, 14 in Asia Pacific, 10 in North America, three in the Middle East, two in South America and one in Africa. Our executive offices are located in Leawood, Kansas, USA. With approximately 74% of our revenues denominated in currencies other than the U.S. dollar, any significant changes in foreign currency exchange rates will likely have a significant impact on our results of operations (for a further discussion, see Item 1A - Risk Factors and Item 7A - Quantitative and Qualitative Disclosures About Market Risk).

Sources of Revenues and Cash Flow

Euronet earns revenues and income primarily from ATM management fees, transaction fees, commissions and foreign currency exchange margin. Each operating segment's sources of revenues are described below.

EFT Processing Segment — Revenues in the EFT Processing Segment, which represented approximately 32% of total consolidated revenues for the year ended December 31, 2019, are derived from fees charged for transactions made by cardholders on our proprietary network of ATMs, fixed management fees and transaction fees we charge to customers for operating ATMs and processing debit and credit cards under outsourcing and cross-border acquiring agreements, foreign currency exchange margin on DCC transactions, domestic and international surcharge, foreign currency dispensing and other value added services such as advertising, prepaid telecommunication recharges, bill payment, and money transfers provided over ATMs. Revenues in this segment are also derived from cardless payment, banknote recycling, tax refund services, license fees, professional services and maintenance fees for proprietary application software and sales of related hardware.

epay Segment — Revenues in the epay Segment, which represented approximately 28% of total consolidated revenues for the year ended December 31, 2019, are primarily derived from commissions or processing fees received from mobile phone operators for the processing and distribution of prepaid mobile airtime and commissions earned from the distribution of other electronic content, vouchers, and physical gifts. The proportion of epay Segment revenues earned from the distribution of prepaid mobile phone time as compared with other electronic products has decreased over time, and digital media content now produces approximately 63% of epay Segment revenues. Other electronic content offered by this segment includes digital content such as music, games and software, as well as, other products including prepaid long distance calling card plans, prepaid Internet plans, prepaid debit cards, gift cards, vouchers, transport payments, lottery payments, bill payment, and money transfer.

Money Transfer Segment — Revenues in the Money Transfer Segment, which represented approximately 40% of total consolidated revenues for the year ended December 31, 2019, are primarily derived from transaction fees, as well as the margin earned from purchasing foreign currency at wholesale exchange rates and selling the foreign currency to customers at retail exchange rates. We have a sending agent network in place comprised of agents, customer service representatives, Company-owned stores, primarily in North America, Europe and Malaysia, and Ria, and xe branded websites, along with a worldwide network of correspondent agents, consisting primarily of financial institutions in the transfer destination countries. Sending and correspondent agents each earn fees for cash collection and distribution services, which are recognized as direct operating costs at the time of sale.

The Company offers a money transfer product called Walmart-2-Walmart Money Transfer Service which allows customers to transfer money to and from Walmart stores in the U.S. Our Ria business executes the transfers with Walmart serving as both the sending agent and payout correspondent. Ria earns a lower margin from these transactions than its traditional money transfers; however, the arrangement has added a significant number of transactions to Ria's business. The agreement with Walmart establishes Ria as the only party through which Walmart will sell U.S. domestic money transfers branded with Walmart marks. The agreement is effective until April 2020. Thereafter, it will automatically renew for subsequent one year terms unless either party provides notice to the contrary. The agreement imposes certain obligations on each party, the most significant being service level requirements by Ria and money transfer compliance requirements by Walmart. Any violation of these requirements by Ria could result in an obligation to indemnify Walmart or termination of the contract by Walmart. However, the agreement allows the parties to resolve disputes by mutual agreement without termination of the agreement.

Corporate Services, Eliminations and Other — In addition to operating in our principal operating segments described above, our “Corporate Services, Eliminations and Other” category includes non-operating activity, certain inter-segment eliminations and the cost of providing corporate and other administrative services to the operating segments, including most share-based compensation expense. These services are not directly identifiable with our reportable operating segments.

Opportunities and Challenges

Our expansion plans and opportunities are focused on eight primary areas:

- increasing the number of ATMs and cash deposit terminals in our independent ATM networks;
- increasing transactions processed on our network of owned and operated ATMs and POS devices;
- signing new outsourced ATM and POS terminal management contracts;
- expanding value added services and other products offered by our EFT Processing Segment, including the sale of DCC, acquiring and other prepaid card services to banks and retailers;
- expanding our epay processing network and portfolio of digital content;
- expanding our money transfer services, cross-currency payments products and bill payment network;
- expanding our cash management solutions and foreign currency risk management services; and
- developing our credit and debit card outsourcing business.

EFT Processing Segment — The continued expansion and development of our EFT Processing Segment business will depend on various factors including, but not necessarily limited to, the following:

- the impact of competition by banks and other ATM operators and service providers in our current target markets;
- the demand for our ATM outsourcing services in our current target markets;

- our ability to develop products or services, including value added services, to drive increases in transactions and revenues;
- the expansion of our various business lines in markets where we operate and in new markets;
- our entry into additional card acceptance and ATM management agreements with banks;
- our ability to obtain required licenses in markets we intend to enter or expand services;
- our ability to enter into sponsorship agreements where our licenses are not applicable;
- our ability to enter into and renew ATM network cash supply agreements with financial institutions;
- the availability of financing for expansion;
- our ability to efficiently install ATMs contracted under newly awarded outsourcing agreements;
- our ability to renew existing contracts at profitable rates;
- our ability to maintain pricing at current levels or mitigate price reductions in certain markets;
- the impact of changes in rules imposed by international card organizations such as Visa and Mastercard on card transactions on ATMs, including reductions in ATM interchange fees, restrictions on the ability to apply direct access fees, the ability to offer DCC transactions on ATMs, and increases in fees charged on DCC transactions;
- the impact of changes in laws and regulations affecting the profitability of our services, including regulation of DCC transactions by the E.U.;
- the impact of overall market trends on ATM transactions in our current target markets:
- our ability to expand and sign additional customers for the cross-border merchant processing and acquiring business; and
- the continued development and implementation of our software products and their ability to interact with other leading products.

We consistently evaluate and add prospects to our list of potential ATM outsource customers. However, we cannot predict the increase or decrease in the number of ATMs we manage under outsourcing agreements because this depends largely on the willingness of banks to enter into outsourcing contracts with us. Due to the thorough internal reviews and extensive negotiations conducted by existing and prospective banking customers in choosing outsource vendors, the process of entering into or renewing outsourcing agreements can take several months. The process is further complicated by the legal and regulatory considerations of local countries. These agreements tend to cover large numbers of ATMs, so significant increases and decreases in our pool of managed ATMs could result from the acquisition or termination of one or more of these management contracts. Therefore, the timing of both current and new contract revenues is uncertain and unpredictable.

Software products are an integral part of our product lines, and our investment in research, development, delivery and customer support reflects our ongoing commitment to an expanded customer base.

epay Segment — The continued expansion and development of the epay Segment business will depend on various factors, including, but not necessarily limited to, the following:

- our ability to maintain and renew existing agreements, and to negotiate new agreements in additional markets with mobile operators, digital content providers, agent financial institutions and retailers;
- our ability to use existing expertise and relationships with mobile operators, digital content providers and retailers to our advantage;
- the continued use of third-party providers such as ourselves to supply electronic processing solutions for existing and additional digital content;
- the development of mobile phone networks in the markets in which we do business and the increase in the number of mobile phone users;
- the overall pace of growth in the prepaid mobile phone and digital content market, including consumer shifts between prepaid and postpaid services;
- our market share of the retail distribution capacity;
- the development of new technologies that may compete with POS distribution of prepaid mobile airtime and other products;

- the level of commission that is paid to the various intermediaries in the electronic payment distribution chain;
- our ability to fully recover monies collected by retailers;
- our ability to add new and differentiated products in addition to those offered by mobile operators;
- our ability to develop and effectively market additional value added services;
- our ability to take advantage of cross-selling opportunities with our EFT Processing and Money Transfer Segments, including providing money transfer services through our distribution network; and
- the availability of financing for further expansion.

In all of the markets in which we operate, we are experiencing significant competition which will impact the rate at which we may be able to grow organically. Competition among prepaid mobile airtime and electronic content distributors results in the increase of commissions paid to retailers and increases in retailer attrition rates. To grow, we must capture market share from other prepaid mobile airtime and electronic content distributors, offer a superior product offering and demonstrate the value of a global network. In certain markets in which we operate, many of the factors that may contribute to rapid growth (growth in electronic content, expansion of our network of retailers and access to products of mobile operators and other content providers) remain present.

Money Transfer Segment — The continued expansion and development of our Money Transfer Segment business will depend on various factors, including, but not necessarily limited to, the following:

- the continued growth in worker migration and employment opportunities;
- the mitigation of economic and political factors that have had an adverse impact on money transfer volumes, such as changes in the economic sectors in which immigrants work and the developments in immigration policies in the countries in which we operate;
- the continuation of the trend of increased use of electronic money transfer and bill payment services among high-income individuals, immigrant workers and the unbanked population in our markets;
- our ability to maintain our agent and correspondent networks;
- our ability to offer our products and services or develop new products and services at competitive prices to drive increases in transactions;
- the development of new technologies that may compete with our money transfer network, and our ability to acquire, develop and implement new technologies;
- the expansion of our services in markets where we operate and in new markets;
- our ability to strengthen our brands;
- our ability to fund working capital requirements;
- our ability to recover from agents funds collected from customers and our ability to recover advances made to correspondents;
- our ability to maintain compliance with the regulatory requirements of the jurisdictions in which we operate or plan to operate;
- our ability to take advantage of cross-selling opportunities with our epay Segment, including providing prepaid services through our stores and agents worldwide;
- our ability to leverage our banking and merchant/retailer relationships to expand money transfer corridors to Europe, Asia and Africa, including high growth corridors to Central and Eastern European countries;
- the availability of financing for further expansion;
- the ability to maintain banking relationships necessary for us to service our customers;
- our ability to successfully expand our agent network in Europe using our payment institution licenses under the Second Payment Services Directive ("PSD2") and using our various licenses in the United States; and
- our ability to provide additional value-added products under the xe brand.

The accounting policies of each segment are the same as those referenced in the summary of significant accounting policies (see Note 3, Summary of Significant Accounting Policies and Practices, to the Consolidated Financial Statements).

For all segments, our continued expansion may involve additional acquisitions that could divert our resources and management time and require integration of new assets with our existing networks and services. Our ability to effectively manage our growth has required us to expand our operating systems and employee base, particularly at the management level, which has added incremental operating costs. An inability to continue to effectively manage expansion could have a material adverse effect on our business, growth, financial condition or results of operations. Inadequate technology and resources would impair our ability to maintain current processing technology and efficiencies, as well as deliver new and innovative services to compete in the marketplace.

Segment Revenues and Operating Income For The Years Ended December 31, 2019 and 2018

	Revenues		Operating Income (Expense)	
(in thousands)	2019	2018	2019	2018
EFT Processing	$ 888,712	$ 753,651	$ 296,640	$ 197,245
epay	769,329	743,784	89,204	78,997
Money Transfer	1,096,226	1,042,962	134,790	122,526
Total	2,754,267	2,540,397	520,634	398,768
Corporate services, eliminations and other	(4,158)	(3,768)	(45,440)	(40,854)
Total	$ 2,750,109	$ 2,536,629	$ 475,194	$ 357,914

Summary

Our annual consolidated revenues increased by 8% for 2019 compared to 2018.

The increase in revenues for 2019 was primarily due to an increase in the number of ATMs under management, along with an increase in demand for DCC, domestic and international surcharge and other value added services in our EFT Processing Segment, growth in the number of money transfers processed by the core Ria business, and an increase in the number of transactions processed by our epay subsidiaries.

The increases in operating income for 2019 was primarily due to the increase in ATMs under management, along with the increase in demand for DCC, domestic and international surcharge and other value added services, the increase in the number of money transfer transactions processed, and the increase in the number of transactions processed for epay.

Net income attributable to Euronet for 2019 and 2018 was $346.7 million, or $6.31 per diluted share and $232.9 million, or $4.26 per diluted share, respectively.

Impact of changes in foreign currency exchange rates

Our revenues and local expenses are recorded in the functional currencies of our operating entities, and then are translated into U.S. dollars for reporting purposes; therefore, amounts we earn outside the U.S. are negatively impacted by a stronger U.S. dollar and positively impacted by a weaker U.S. dollar. Considering the results by country and the associated functional currency, our 2019 consolidated operating income was approximately 5% less due to changes in foreign currency exchange rates when compared to 2018. If significant, in our discussion we will refer to the impact of fluctuations in foreign currency exchange rates in our comparison of operating segment results.

To provide further perspective on the impact of foreign currency exchange rates, the following table shows the changes in values relative to the U.S. dollar during 2019 and 2018, of the currencies of the countries in which we have our most significant operations:

Currency	Average Translation Rate Year Ended December 31, 2019	Average Translation Rate Year Ended December 31, 2018	2019 Increase (Decrease) Percent
Australian dollar	$ 0.6954	$ 0.7476	(7)%
British pound	$ 1.2771	$ 1.3352	(4)%
euro	$ 1.1194	$ 1.1809	(5)%
Hungarian forint	$ 0.0034	$ 0.0037	(8)%
Indian rupee	$ 0.0142	$ 0.0147	(3)%
Malaysian ringgit	$ 0.2416	$ 0.2482	(3)%
New Zealand dollar	$ 0.6591	$ 0.6924	(5)%
Polish zloty	$ 0.2606	$ 0.2774	(6)%

Comparison of Operating Results For The Years Ended December 31, 2019 and 2018 - By Operating Segment

EFT Processing Segment

The following table summarizes the results of operations for our EFT Processing Segment for the years ended December 31, 2019 and 2018:

	Year Ended December 31,		Year-over-Year Change	
(dollar amounts in thousands)	2019	2018	Increase (Decrease) Amount	Increase Percent
Total revenues	$ 888,712	$ 753,651	$ 135,061	18 %
Operating expenses:				
Direct operating costs	397,132	366,977	30,155	8 %
Salaries and benefits	87,603	75,791	11,812	16 %
Selling, general and administrative	35,518	46,925	(11,407)	(24)%
Depreciation and amortization	71,819	66,713	5,106	8 %
Total operating expenses	592,072	556,406	35,666	6 %
Operating income	$ 296,640	$ 197,245	$ 99,395	50 %
Transactions processed (millions)	3,052	2,721	331	12 %
ATMs as of December 31	46,070	40,354	5,716	14 %
Average ATMs	44,756	40,094	4,662	12 %

Revenues

EFT Processing Segment total revenues for 2019 were $888.7 million, an increase of $135.1 million or 18% as compared to 2018. The increase in total revenues is primarily due to an increase in the number of ATMs under management and additional DCC and surcharge revenues. Foreign currency movements decreased total revenues for 2019 by approximately 45.4 million as compared to 2018.

Average monthly revenues per ATM were $1,655 for 2019 compared to $1,566 for 2018. Revenues per transaction were $0.29 for 2019 and $0.28 for 2018. The increases in average monthly revenues per ATM and revenues per transaction were attributable to the revenue growth from DCC, which earns higher revenues per transaction than other ATM or card based services, surcharges partially offset by the U.S. dollar strengthening against key foreign currencies.

Direct operating costs

EFT Processing Segment direct operating costs were $397.1 million for 2019, an increase of $30.2 million or 8% as compared to 2018. Direct operating costs in the EFT Processing Segment consist primarily of site rental fees, cash delivery costs, cash supply costs, maintenance, insurance, telecommunications, data center operations-related personnel, as well as the processing centers' facility-related costs and other processing center-related expenses and commissions paid to retail merchants, banks and card processors involved with POS DCC transactions. The increase in direct operating costs was primarily due to the increase in the number of ATMs under management. Foreign currency movements decreased direct operating costs for 2019 by approximately $22.0 million as compared to 2018.

Gross profit

Gross profit, which is calculated as revenues less direct operating costs, was $491.6 million for 2019 compared to $386.7 million for 2018. The increase in gross profit was primarily due to the growth in revenues from the increases in ATMs under management, DCC transactions and domestic and international surcharge. Gross profit as a percentage of revenues ("gross margin") was 55.3% and 51.3% for 2019 and 2018, respectively. The increase in gross margin was attributable to the increases in DCC transactions and domestic and international surcharge.

Salaries and benefits

Salaries and benefits increased $11.8 million or 16% for 2019 compared to 2018. The increase in salaries and benefits was primarily attributable to additional headcount to support an increase in the number of ATMs and POS devices under management. As a percentage of revenues, these costs decreased to 9.9% for 2019 from 10.1% for 2018.

Selling, general and administrative

Selling, general and administrative expenses for 2019 were $35.5 million, a decrease of $11.4 million or 24% as compared to 2018. As a percentage of revenues, these expenses decreased to 4.0% for 2019 from 6.2% for 2018. The decrease was primarily due to non-recurring VAT benefits.

Depreciation and amortization

Depreciation and amortization expense increased $5.1 million for 2019 compared to 2018. The increase was primarily attributable to the deployment of additional ATMs and software assets. As a percentage of revenues, depreciation and amortization expense decreased to 8.1% for 2019 from 8.9% for 2018. The decrease is primarily due to certain intangible assets becoming fully depreciated in 2019.

Operating income

EFT Processing Segment operating income for 2019 was $296.6 million, an increase of $99.4 million or 50% as compared to 2018. Operating income for 2019 increased primarily due to higher revenues from the additional number of ATMs under management, growth in revenues earned from DCC, surcharges and other value-added service transactions.

Operating income as a percentage of revenues ("operating margin") was 33.4% for 2019 compared to 26.2% for 2018. The increase in operating margin was primarily due to higher operating revenues partially offset by expenses incurred to support the increased revenues and additional ATMs under management. Operating income per transaction increased to $0.10 for 2019 from $0.07 for 2018.

epay Segment

The following table summarizes the results of operations for our epay Segment for the years ended December 31, 2019 and 2018:

	Year Ended December 31,		Year-over-Year Change	
(dollar amounts in thousands)	2019	2018	Increase (Decrease) Amount	Increase (Decrease) Percent
Total revenues	$ 769,329	$ 743,784	$ 25,545	3 %
Operating expenses:				
Direct operating costs	576,757	564,252	12,505	2 %
Salaries and benefits	61,540	57,748	3,792	7 %
Selling, general and administrative	35,054	35,749	(695)	(2)%
Depreciation and amortization	6,774	7,038	(264)	(4)%
Total operating expenses	680,125	664,787	15,338	2 %
Operating income	$ 89,204	$ 78,997	$ 10,207	13 %
Transactions processed (billions)	1.54	1.15	0.39	34 %

Revenues

epay Segment total revenues for 2019 were $769.3 million, an increase of $25.5 million or 3% as compared to 2018. The increase in total revenues was primarily due to an increase in the number of transactions processed. Foreign currency movements decreased total revenues by approximately $35.0 million as compared to 2018.

Revenues per transaction decreased to $0.50 for 2019 from $0.65 for 2018. The decrease in revenues per transaction was primarily driven by the increase in the number of mobile transactions processed in a region where we generally earn lower revenues per transaction.

Direct operating costs

epay Segment direct operating costs were $576.8 million for 2019, an increase of $12.5 million or 2% as compared to 2018. Direct operating costs in our epay Segment include the commissions we pay to retail merchants for the distribution and sale of prepaid mobile airtime and other prepaid products, expenses incurred to operate POS terminals and the cost of vouchers sold and physical gifts fulfilled. The increase in direct operating costs was primarily due to the increase in the number of transactions processed.

Gross profit

Gross profit was $192.6 million for 2019 compared to $179.5 million for 2018. The increase in gross profit was primarily due to growth in transactions processed. Gross margin increased to 25% for 2019 from 24.1% for 2018, due to overall growth of the business.

Salaries and benefits

Salaries and benefits increased $3.8 million or 7% for 2019 as compared to 2018. The increase was primarily due to higher headcount in an effort to grow the segment. As a percentage of revenues, salaries and benefits remained relatively flat at 8.0% for 2019 compared to 7.8% for 2018.

Selling, general and administrative

Selling, general and administrative expenses for 2019 were $35.1 million, a decrease of $0.7 million or 2% as compared to 2018. Selling, general and administrative expenses for 2019 decreased mainly due to cost control efforts. As a percentage of revenues, these expenses remained relatively flat at 4.6% for 2019 compared to 4.8% for 2018.

Depreciation and amortization

Depreciation and amortization expense primarily represents depreciation of POS terminals we install in retail stores and amortization of acquired intangible assets. Depreciation and amortization expense decreased $0.3 million or 4% in 2019 as compared to 2018. The decrease is primarily due to certain fixed assets becoming fully depreciated in 2019. As a percentage of revenues, these expenses remained flat at 0.9% for both 2019 and 2018.

Operating income

epay Segment operating income for 2019 was $89.2 million, an increase of $10.2 million or 13% as compared to 2018. Operating margin increased to 11.6% for 2019 from 10.6% for 2018. Operating income per transaction decreased to $0.06 for 2019 from $0.07 for 2018. The increases of operating income and margin were mainly due to an increase in the portion of lower-margin mobile transactions.

Money Transfer Segment

The following table summarizes the results of operations for our Money Transfer Segment for the years ended December 31, 2019 and 2018:

	Year Ended December 31,		Year-over-Year Change	
(dollar amounts in thousands)	2019	2018	Increase Amount	Increase Percent
Total revenues	$ 1,096,226	$ 1,042,962	$ 53,264	5%
Operating expenses:				
Direct operating costs	586,730	560,930	25,800	5%
Salaries and benefits	208,792	194,808	13,984	7%
Selling, general and administrative	133,068	125,647	7,421	6%
Goodwill and acquired intangible assets impairment	—	7,049	(7,049)	n/m
Depreciation and amortization	32,846	32,002	844	3%
Total operating expenses	961,436	920,436	41,000	4%
Operating income	$ 134,790	$ 122,526	$ 12,264	10%
Transactions processed (millions)	114.5	107.6	6.9	6%

n/m — Not meaningful.

Revenues

Money Transfer Segment total revenues were $1,096.2 million for 2019, an increase of $53.3 million or 5% as compared to 2018. The increase in revenues was primarily due to increases in the number of money transfers processed, driven by growth in our U.S. and foreign agent and correspondent payout networks. Revenues per transaction was essentially flat at $9.57 for 2019 as compared to $9.69 for 2018. Foreign currency movements decreased total revenues for 2019 by approximately $26.7 million as compared to 2018.

Direct operating costs

Money Transfer Segment direct operating costs were $586.7 million for 2019, an increase of $25.8 million or 5% as compared to 2018. Direct operating costs in the Money Transfer Segment primarily consist of commissions paid to agents who originate money transfers on our behalf and correspondent agents who disburse funds to the customers' destination beneficiaries, together with less significant costs, such as bank depository fees. The increase in direct operating costs in 2019 was primarily due to growth in the number of money transfer transactions processed in both the U.S. and foreign markets, partially offset by the impact of the U.S. dollar strengthening against key foreign currencies.

Gross profit

Gross profit was $509.5 million for 2019 compared to $482.0 million for 2018. The increase in gross profit was primarily due to growth in the number of money transfer transactions processed in both the U.S. and foreign markets. Gross margins remained flat at 46.5% for 2019 compared to 46.2% for 2018.

Salaries and benefits

Salaries and benefits increased $14.0 million or 7% for 2019 compared to 2018. The increase in salaries and benefits was primarily due to the expansion of our operations. As a percentage of revenues, salaries and benefits increased slightly to 19.0% for 2019 from 18.7% for 2018.

Selling, general and administrative

Selling, general and administrative expenses for 2019 were $133.1 million, an increase of $7.4 million or 6% as compared to 2018. The increase was primarily due to expenses incurred to support the growth of our money transfer services and the expansion of new products in both the U.S. and foreign markets. As a percentage of revenues, selling, general and administrative expenses remained flat at 12.1% for 2019 compared to 12.0% for 2018.

Acquired intangible assets impairment

Acquired intangible assets impairment charge for 2018 was $7.0 million due to the Company's decision to re-brand the HiFX trade name to xe. There was no impairment recorded in 2019.

Goodwill is not amortized but instead is at least annually tested for impairment as of October 1, or more frequently if events or circumstances indicate that the carrying amount of goodwill may be impaired. The Company first performed a qualitative review of all reporting units to determine that it was more likely than not that the fair value of each of the reporting units exceeded the carrying value. The Company determined that it was more likely than not that the fair value of the reporting units exceeded the carrying value except for one reporting unit. A quantitative impairment test was performed for the one reporting unit. When performing the quantitative impairment test, the fair value is estimated with the income method by using the discounted cash flows and use of the guideline public company method using market multiple valuation techniques.

As of October 1, 2019, the fair value of the reporting unit exceeded the carrying value indicating no impairment.

The estimates of fair value require significant judgment. We based our fair value estimates on assumptions that we believe to be reasonable but that are inherently uncertain, including estimates of future growth rates and operating margins and assumptions about the overall economic climate and the competitive environment for our business units. There can be no assurance that our estimates and assumptions made for purposes of our goodwill impairment testing as of the time of testing will prove to be accurate predictions of the future.

Depreciation and amortization

Depreciation and amortization expense increased $0.8 million for 2019 compared to 2018. Depreciation and amortization primarily represent amortization of acquired intangible assets and depreciation of money transfer terminals, computers and software, leasehold improvements and office equipment. For 2019, depreciation and amortization expense increased compared to 2018 primarily due to investments made to support the growth in the business. As a percentage of revenues, depreciation and amortization expense decreased to 3.0% for 2019 from 3.1% for 2018, primarily due to certain intangible assets becoming fully amortized in 2018.

Operating income

Money Transfer Segment operating income was $134.8 million for 2019, an increase of $12.3 million or 10% as compared to 2018. Operating income increased primarily due to the growth in the number of money transfers processed. Operating margin increased to 12.3% for 2019 from 11.7%. Operating income per transaction increased to $1.18 for 2019 from $1.14 for 2018. The increase was primarily due to the growth in the number of money transfers processed which did not require similar increases in support costs.

Corporate Services

The components of Corporate Services' operating expenses for 2019, and 2018 were as follows:

	Year Ended December 31,		Year-over-Year Change
(dollar amounts in thousands)	2019	2018	2019 Increase (Decrease) Percent
Salaries and benefits	$ 36,809	$ 32,085	15 %
Selling, general and administrative	8,326	8,501	(2)%
Depreciation and amortization	305	268	14 %
Total operating expenses	$ 45,440	$ 40,854	11 %

Corporate operating expenses

Overall, operating expenses for Corporate Services increased 11% for 2019 as compared to 2018. The increase is primarily attributable to the increase in salaries and benefits expenses mainly attributable to an increase in incentive compensation related to the Company's performance relative to its targets, partly offset by a decrease in selling, general and administrative expense primarily due to a decrease in professional services.

Other Expense, Net

	Year Ended December 31,		Year-over-Year Change
(dollar amounts in thousands)	2019	2018	2019 (Decrease) Increase Percent
Interest income	$ 1,969	$ 1,320	49 %
Interest expense	(36,237)	(37,573)	(4)%
(Loss) Income from unconsolidated affiliates	—	(117)	n/m
Other gains, net	(9,820)	27	n/m
Foreign currency exchange (loss) gain, net	2,701	(26,655)	n/m
Other expense, net	$ (41,387)	$ (62,998)	(34)%

n/m — Not meaningful.

Interest income

The Company received interest on cash balances held with banks. The increase is interest income in 2019 is primarily due to an increase in those balances.

Other gains, net

In 2019, the Company provided a notice of redemption on the outstanding Retired Convertible Notes. Prior to the redemption date, approximately $352.4 million principal amount of the Retired Convertible Notes was submitted for conversion for the remainder. The Company settled the principal amount with cash and issuing shares of Common Stock valued at $147.24 per share. In accordance with ASC 470, the Company recognized a loss of $9.8 million on the conversion and redemption of the debt, representing the difference between the fair value of the Retired Convertible Notes and the carrying value of the Retired Convertible Notes at the time of conversion.

Foreign currency exchange (loss) gain, net

Foreign currency exchange activity includes gains and losses on certain foreign currency exchange derivative contracts and the impact of remeasurement of assets and liabilities denominated in foreign currencies. Assets and liabilities denominated in currencies other than the local currency of each of our subsidiaries give rise to foreign currency exchange gains and losses. Foreign currency exchange gains and losses that result from remeasurement of these assets and liabilities are recorded in net income. The majority of our foreign currency exchange gains or losses are due to the remeasurement of intercompany loans which are not considered a long-term investment in nature and are in a currency other than the functional currency of one of the parties to the loan. For example, we make intercompany loans based in euros from our corporate division, which is comprised of U.S. dollar functional currency entities, to certain European entities that use the euro as the functional currency. As the U.S. dollar strengthens against the euro, foreign currency exchange losses are recognized by our corporate entities because the number of euros to be received in settlement of the loans decreases in U.S. dollar terms. Conversely, in this example, in periods where the U.S. dollar weakens, our corporate entities will record foreign currency exchange gains.
We recorded a net foreign currency exchange gain of $2.7 million in 2019 and a loss of $26.7 million in 2018. These realized and unrealized foreign currency exchange gains and losses primarily reflect the respective weakening and strengthening of the U.S. dollar against the currencies of the countries in which we operate.

Income Tax Expense

Our effective income tax rates as reported and as adjusted are calculated below:

	Year Ended December 31,	
(dollar amounts in thousands)	2019	2018
Income before income taxes	$ 433,807	$ 294,916
Income tax expense	(87,112)	(62,785)
Net income	$ 346,695	$ 232,131
Effective income tax rate	20.1%	21.3%
Income before income taxes	$ 433,807	$ 294,916
Adjust: Goodwill and acquired intangible assets impairment	—	(7,049)
Adjust: Other gains, net	(9,820)	27
Adjust: Foreign currency exchange (loss) gain, net	2,701	(26,655)
Income before income taxes, as adjusted	$ 440,926	$ 328,593
Income tax expense	$ (87,112)	$ (62,785)
Adjust: Income tax benefit (expense) attributable to 2017 U.S. tax reform	25,728	12,262
Adjust: Income tax benefit attributable to acquired intangible assets impairment	—	1,506
Adjust: Income tax benefit (expense) attributable to foreign currency exchange (loss) gain, net	10,990	8,743
Income tax expense, as adjusted	$ (123,830)	$ (85,296)
Effective income tax rate, as adjusted	28.1%	26.0%

We calculate our effective income tax rate by dividing income tax expense by pre-tax book income. Our effective income tax rates were 20.1%and 21.3% for the years ended December 31, 2019 and 2018, respectively. On December 22, 2017, the U.S. enacted into law what is informally called the Tax Cuts and Jobs Act of 2017 ("U.S. Tax Reform"). In 2017 we had a net provisional tax expense of $41.6 million resulting from U.S. Tax Reform. In the fourth quarter of 2018, we adjusted our accounting for the tax effects of U.S. Tax Reform. The net provisional tax expense was decreased in that period by approximately $12.3 million to $29.3 million. In the fourth quarter of 2019 after additional regulatory guidance was issued by applicable taxing authorities, the Company elected to claim U.S. tax credits for foreign tax paid on foreign source income, which reduced the net tax expense by $25.7 million for a total tax expense from U.S. Tax Reform of $3.6 million. See Note 13, Income Taxes, to the Consolidated Financial Statements for further information. The effective income tax rates were also significantly influenced by the impact of foreign currency exchange gains (losses). Excluding these items from pre-tax income, as well as the related tax effects for these items, our adjusted effective income tax rates were 28.1% and 26.0% for the years ended December 31, 2019 and 2018, respectively.

The effective income tax rate, as adjusted, for 2019 and 2018 was higher than the applicable statutory income tax rate of 21% primarily because of higher income tax rates in foreign countries where we have significant operations and the tax effects of the global intangible low-taxed income ("GILTI") provision of U.S. Tax Reform. The effective income tax rate, as adjusted, for 2019 is higher than 2018 as a result of substantially more foreign earnings of the Company being subject to higher foreign statutory income tax rates.

We determine income tax expense based upon enacted tax laws applicable in each of the taxing jurisdictions where we conduct business. Based on our interpretation of such laws, and considering the evidence of available facts and circumstances and baseline operating forecasts, we have accrued the estimated income tax effects of certain transactions, business ventures, contractual and organizational structures, and the estimated future reversal of timing differences. Should a taxing jurisdiction change its laws or dispute our conclusions, or should management become aware of new facts or other evidence that could alter our conclusions, the resulting impact to our estimates could have a material adverse effect on our results of operations and financial condition.

Income before income taxes, as adjusted, income tax expense, as adjusted and effective income tax rate, as adjusted, are non-U.S. GAAP financial measures that management believes are useful for understanding why our effective income tax rates are significantly different than would be expected. These non-U.S. GAAP measures are used by management to conduct and evaluate its business during its regular review of operating results for the periods presented.

Net (Income) Loss Attributable To Noncontrolling Interest

Net loss attributable to noncontrolling interests was $0.1 million for 2019 and $0.7 million for 2018. Noncontrolling interests represent the elimination of net income or loss attributable to the minority shareholders’ portion of the following consolidated subsidiaries that are not wholly owned:

Subsidiary	Percent Owned	Segment - Country
Movilcarga	95%	epay - Spain
Euronet China	85%	EFT - China
Euronet Pakistan	70%	EFT - Pakistan
Euronet Infinitium Solutions	65%	EFT - India

Net Income Attributable to Euronet

Net income attributable to Euronet was $346.7 million and $232.9 million for 2019 and 2018, respectively. Net income attributable to Euronet increased $113.9 million in 2019 compared to 2018. The increase in net income for 2019 was primarily due to an increase in operating income of $117.3 million, an increase of $29.4 million in net foreign currency exchange gain, a decrease in interest expense of $1.3 million, an increase in interest income of $0.6 million, and an increase in income from unconsolidated affiliates of $0.1 million. The increases were partly offset by an increase in income tax expense of $24.3 million, an increase in net loss attributable to early retirement of debt of $9.8 million, and a decrease of net loss attributable to noncontrolling interests of $0.7 million.

Translation Adjustment

Translation gains and losses are the result of translating our foreign entities' balance sheets from local functional currency to the U.S. dollar reporting currency prior to consolidation and are recorded in comprehensive income. As required by U.S. GAAP, during this translation process, asset and liability accounts are translated at current foreign currency exchange rates and equity accounts are translated at historical rates. Historical rates represent the rates in effect when the balances in our equity accounts were originally created. By using this mix of rates to convert the balance sheet from functional currency to U.S. dollars, differences between current and historical exchange rates generate this translation adjustment.

We recorded a net loss on translation adjustments of $13.9 million in 2019 and a loss of $56.7 million in 2018. During 2019 and 2018, the U.S. dollar strengthened compared to most currencies, resulting in translation losses which were recorded in comprehensive income.

Liquidity and Capital Resources

Working capital

As of December 31, 2019, we had working capital of $1,284.8 million, which is calculated as the difference between total current assets and total current liabilities, compared to working capital of $709.2 million as of December 31, 2018. The increase in working capital is primarily due to the issuance Convertible Notes and Senior Notes in 2019. Our ratio of current assets to current liabilities was 1.79 and 1.51 as of December 31, 2019 and December 31, 2018, respectively.

We require substantial working capital to finance operations. The Money Transfer Segment funds the payout of the majority of our consumer-to-consumer money transfer services before receiving the benefit of amounts collected from customers by agents. Working capital needs increase due to weekends and banking holidays. As a result, we may report more or less working capital for the Money Transfer Segment based solely upon the day on which the reporting period ends. The epay Segment produces positive working capital, but much of it is restricted in connection with the administration of its customer collection and vendor remittance activities. In our EFT Processing Segment, we obtain a significant portion of the cash required to operate our ATMs through various cash supply arrangements, the amount of which is not recorded on Euronet's Consolidated Balance Sheets. However, in certain countries, we fund the cash required to operate our ATM network from borrowings under the revolving credit facilities and cash flows from operations. As of December 31, 2019, we had approximately $665.6 million of our own cash in use or designated for use in our ATM network, which is recorded in ATM cash on Euronet's Consolidated Balance Sheet.

We had cash and cash equivalents of $1,817 million as of December 31, 2019, of which $1,504 million was held outside of the U.S. and is expected to be indefinitely reinvested for continued use in foreign operations. Repatriation of these assets to the U.S. could have negative tax consequences.

The following table identifies cash and cash equivalents provided by/(used in) our operating, investing and financing activities for the years ended December 31, 2019 and 2018 (in thousands):

	Year Ended December 31,	
Liquidity	**2019**	**2018**
Cash and cash equivalents and restricted cash provided by (used in):		
Operating activities	$ 504,488	$ 397,233
Investing activities	(229,027)	(132,283)
Financing activities	416,298	2,024
Effect of foreign currency exchange rate changes on cash and cash equivalents and restricted cash	(5,332)	(36,540)
Increase in cash and cash equivalents and restricted cash	$ 686,427	$ 230,434

Operating cash flow

Cash flows provided by operating activities were $504.5 million for 2019 compared to $397.2 million for 2018. The increase in operating cash flows was primarily due to improved operating results, partly offset by fluctuations in working capital mainly associated with the timing of the settlement processes with content providers in the epay Segment, with correspondents in the Money Transfer Segment, and with card organizations and banks in the EFT Processing Segment.

Investing activity cash flow

Cash flows used in investing activities were $229.0 million for 2019 compared to $132.3 million for 2018. The increase was primarily due to acquisitions and increased capital expenditures mainly related to our ATM network expansion. During 2019, we used $94.2 million for acquisitions. The Company completed four investments in 2019 and two investments in 2018. The acquisitions have been accounted for in accordance with U.S. GAAP and the results of operations have been included from the respective dates of acquisition. Purchases of property and equipment were $131.3 million and $112.5 million for 2019 and 2018, respectively. Cash used for software development and long-term assets totaled $7.3 million for 2019 and $8.5 million for 2018. Other investing activities consist mainly of proceeds from the sale of property and equipment of $3.7 million for 2019 and $1.6 million in 2018.

Financing activity cash flow

Cash flows provided by financing activities were $416.3 million for 2019 compared to $2.0 million for 2018. We generally borrow amounts under our revolving credit facility seasonally to fund our independent ATM network as well as several times each month to support the short-term cash needs of our Money Transfer segment in order to fund the correspondent network in advance of collecting remittance amounts from the agency network. These borrowings related to the Money Transfer Segment are repaid over a very short period of time, generally within a few days. Net borrowings on debt obligations were $500.2 million in 2019 compared to net repayments of $170.5 million for 2018. The increase in net borrowings as compared to 2018 was primarily the result of borrowing additional amounts under the revolving credit facility for ATM cash needs. Additionally, for 2019 and 2018, we paid $6.5 million and $6.1 million, respectively, for finance lease obligations. We used $74.5 million and $177.9 million for the repurchase of shares during 2019 and 2018, respectively. Of the $74.5 million repurchased shares, $70.9 million in value of Euronet Common Stock were under the Repurchase Program. Further, we received proceeds of $15.0 million and $18.6 million during 2019 and 2018, respectively, for the issuance of stock in connection with our Stock Incentive Plan.

Other sources of capital

Credit Facility — On October 17, 2018, the Company entered into a new $1.0 billion unsecured credit agreement (the "Credit Facility") that expires on October 17, 2023. The Credit Facility allows for borrowings in Australian Dollars, British Pounds Sterling, Canadian Dollars, Czech Koruna, Danish Krone, Euros, Hungarian Forints, Japanese Yen, New Zealand Dollars, Norwegian Krone, Polish Zlotys, Swedish Krona, Swiss Francs, and U.S. Dollars. The revolving credit facility contains a $200 million sublimit for the issuance of letters of credit, a $50 million sublimit for U.S. Dollar swingline loans, and a $90 million sublimit for certain foreign currencies swingline loans.

As of December 31, 2019, fees and interest on borrowings are based upon the Company's corporate credit rating (as defined in the credit agreement) and are based, in the case of letter of credit fees, on a margin, and in the case of interest, on a margin over the London InterBank Offered Rate ("LIBOR") or a margin over the base rate, as selected by us, with the applicable margin ranging from 1.125% to 2.0% (or 0.175% to 1.0% for base rate loans).

As of December 31, 2019, we had no borrowings and the outstanding stand-by letters of credit under the revolving credit facility were $53.0 million. The remaining $947.0 million under the revolving credit facility was available for borrowing. As of December 31, 2019, the weighted average interest rate under the revolving credit facility was 2.7%, excluding amortization of deferred financing costs.

Convertible debt — On March 18, 2019, we completed the sale of $525.0 million in principal amount of Convertible Senior Notes due 2049 (“Convertible Notes”), and retired $401.5 million Convertible Senior Notes that would have been due in 2044 ("Retired Notes"). The Retired Notes had an interest rate of 1.5% per annum payable semi-annually in April and October, and were convertible into shares of Euronet Common Stock

The Convertible Notes were issued pursuant to an indenture, dated as of March 18, 2019 (the “Indenture”), by and between the Company and U.S. Bank National Association, as trustee. The Convertible Notes have an interest rate of 0.75% per annum payable semi-annually in March and September, and are convertible into shares of Euronet Common Stock at a conversion price of approximately $188.73 per share if certain conditions are met (relating to the closing prices of Euronet Common Stock exceeding certain thresholds for specified periods). Holders of the Convertible Notes have the option to require the Company to repurchase for cash all or part of their Convertible Notes on each of March 15, 2025, 2029, 2034, 2039 and 2044 at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the relevant repurchase date. In connection with the issuance of the Convertible Notes, we recorded $12.8 million in debt issuance costs, which are being amortized through March 1, 2025.

Senior Notes—On May 22, 2019, the Company completed the sale of €600 million ($669.9 million) aggregate principal amount of Senior Notes that expire on May 2026 (the “Senior Notes”). The Senior Notes accrue interest at a rate of 1.375% per year, payable annually in arrears commencing May 22, 2020, until maturity or earlier redemption. As of December 31, 2019, the Company has outstanding €600 million ($673.4 million) principal amount of the Senior Notes. In addition, the Company may redeem some or all of these notes on or after February 22, 2026 at their principal amount plus any accrued and unpaid interest.

Other debt obligations — Certain of our subsidiaries have available credit lines and overdraft facilities to generally supplement short-term working capital requirements, when necessary. There were $6.2 million and $38.5 million outstanding under these other obligation arrangements as of December 31, 2019 and 2018, respectively. Short-term debt obligations at December 31, 2019 were primarily comprised of $6.2 million due in 2020 under these other obligation arrangements.

Other uses of capital

Capital expenditures and needs — Total capital expenditures for 2019 were $131.3 million. These capital expenditures were primarily for the purchase of ATMs to expand our IAD network in Europe, the purchase and installation of ATMs in key under-penetrated markets, the purchase of POS terminals for the epay and Money Transfer Segments, and office, data center and company store computer equipment and software. Total capital expenditures for 2020 are currently estimated to be approximately $145 million to $150 million.

At current and projected cash flow levels, we anticipate that cash generated from operations, together with cash on hand and amounts available under our revolving credit facility and other existing and potential future financing will be sufficient to meet our debt, leasing, and capital expenditure obligations. If our capital resources are not sufficient to meet these obligations, we will seek to refinance our debt and/or issue additional equity under terms acceptable to us. However, we can offer no assurances that we will be able to obtain favorable terms for the refinancing of any of our debt or other obligations or for the issuance of additional equity.

Share repurchase plan

The Company's Board of Directors has authorized a stock repurchase program ("Repurchase Program"), allowing Euronet to repurchase up to $375 million in value or 10.0 million shares of stock through March 31, 2020. On March 11, 2019, in connection with the issuance of the Convertible Notes, the Board of Directors authorized an additional repurchase program of $120 million in value of the Company's common stock through March 11, 2021. Repurchases under either program may take place in the open market or in privately negotiated transactions, including derivative transactions, and may be made under a Rule 10b5-1 plan. For the year end December 31, 2019, the Company repurchased 0.5 million shares under the Repurchase Program at a weighted average purchase price of $143.76 for a total value of $70.9 million. For the year ended December 31, 2018, the Company repurchased 2.0 million shares under the Repurchase Program at a weighted average purchase price of $86.10 for a total value of $175.0 million.

Inflation and functional currencies

Generally, the countries in which we operate have experienced low and stable inflation in recent years. Therefore, the local currency in each of these markets is the functional currency. Currently, we do not believe that inflation will have a significant effect on our results of operations or financial position. We continually review inflation and the functional currency in each of the countries where we operate.

Off Balance Sheet Arrangements

We have certain significant off balance sheet items described below, in the following section, “Contractual Obligations” and in Note 19, Commitments, to the Consolidated Financial Statements.

On occasion, we grant guarantees of the obligations of our subsidiaries and we sometimes enter into agreements with unaffiliated third parties that contain indemnification provisions, the terms of which may vary depending on the negotiated terms of each respective agreement. Our liability under such indemnification provisions may be subject to time and materiality limitations, monetary caps and other conditions and defenses. To date, we are not aware of any significant claims made by the indemnified parties or parties to whom we have provided guarantees on behalf of our subsidiaries and, accordingly, no liabilities have been recorded as of December 31, 2019.

Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2019:

	Payments due by period				
(in thousands)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt obligations, including interest	$ 1,278,106	$ 13,197	$ 26,395	$ 26,395	$ 1,212,119
Obligations under operating leases	392,525	125,231	154,609	69,580	43,105
Obligations under finance leases	14,585	6,322	7,665	598	—
Purchase obligations	14,168	8,646	2,733	1,867	922
Total	$ 1,699,384	$ 153,396	$ 191,402	$ 98,440	$ 1,256,146

The computation of interest for debt obligations with variable interest rates reflects interest rates in effect at December 31, 2019 and assumes no change in our revolving credit borrowings prior to the maturity date of our credit facility. For additional information on debt obligations, see Note 10, Debt Obligations, to the Consolidated Financial Statements.

For additional information on capital and operating lease obligations, see Note 12, Leases, to the Consolidated Financial Statements. Purchase obligations primarily consist of ATM maintenance and services as well as telecommunications services and professional fees.

Our total liability for uncertain tax positions under Accounting Standards Codification ("ASC") 740-10-25 and -30 was $44.5 million as of December 31, 2019. The application of ASC 740-10-25 and -30 requires significant judgment in assessing the outcome of future income tax examinations and their potential impact on the Company's estimated effective income tax rate and the value of deferred tax assets, such as those related to the Company's net operating loss carryforwards. It is reasonably possible that the balance of gross unrecognized tax benefits could significantly change within the next twelve months, as a result of the resolution of audit examinations and expirations of certain statutes of limitations and, accordingly, materially affect our consolidated financial statements. At this time, it is not possible to estimate the range of change due to the uncertainty of potential outcomes.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with U.S. GAAP which requires management to make estimates, judgments and assumptions that affect the amounts reported in the Consolidated Financial Statements and accompanying notes. Management considers an accounting policy and estimate to be critical if it requires the use of assumptions that were uncertain at the time the estimate was made and if changes in the estimate or selection of a different estimate could have a material effect on the Company’s financial condition and results of operations. Our most critical estimates and assumptions are used for computing income taxes, allocating the purchase price to assets acquired and liabilities assumed in acquisitions, and potential impairment of long-lived assets and goodwill. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ materially from these estimates. For a summary of all of the Company’s significant accounting policies, see Note 3, Summary of Significant Accounting Policies and Practices, to the accompanying Consolidated Financial Statements.

Accounting for income taxes

The deferred income tax effects of transactions reported in different periods for financial reporting and income tax return purposes are recorded under the asset and liability method prescribed under ASC Topic 740, *Income Taxes* (“ASC 740”). This method gives consideration to the future tax consequences of deferred income or expense items and immediately recognizes changes in income tax laws upon enactment. The statement of income effect is generally derived from changes in deferred income taxes, net of valuation allowances, on the balance sheet as measured by differences in the book and tax bases of our assets and liabilities.

We have significant tax loss carryforwards, and other temporary differences, which are recorded as deferred tax assets and liabilities. Deferred tax assets realizable in future periods are recorded net of a valuation allowance based on an assessment of each entity's, or group of entities', ability to generate sufficient taxable income within an appropriate period, in a specific tax jurisdiction.

In assessing the recognition of deferred tax assets, we consider whether it is more likely than not that some portion or all of the deferred tax assets will be realized. As more fully described in Note 13, Taxes, to the Consolidated Financial Statements, gross deferred tax assets were $278.6 million as of December 31, 2019, partially offset by a valuation allowance of $83.2 million. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. We make judgments and estimates on the scheduled reversal of deferred tax liabilities, historical and projected future taxable income in each country in which we operate, and tax planning strategies in making this assessment.

Based upon the level of historical taxable income and current projections for future taxable income over the periods in which the deferred tax assets are deductible, we believe it is more likely than not that we will realize the benefits of these deductible differences, net of the existing valuation allowance at December 31, 2019. If we have a history of generating taxable income in a certain country in which we operate, and baseline forecasts project continued taxable income in this country, we will reduce the valuation allowance for those deferred tax assets that we expect to realize.

Additionally, we follow the provisions of ASC 740-10-25 and -30 to account for uncertainty in income tax positions. Applying the standard requires substantial management judgment and use of estimates in determining whether the impact of a tax position is “more likely than not” of being sustained on audit by the relevant taxing authority. We consider many factors when evaluating and estimating our tax positions, which may require periodic adjustments and which may not accurately anticipate actual outcomes. It is reasonably possible that amounts reserved for potential exposure could change significantly as a result of the conclusion of tax examinations and, accordingly, materially affect our operating results.

Business combinations

In accordance with ASC Topic 805, *Business Combinations* (“ASC 805”), we allocate the acquisition purchase price of an acquired entity to the assets acquired, including identifiable intangibles, and liabilities assumed based on their estimated fair values at the date of acquisition. Management applies various valuation methodologies to these acquired assets and assumed liabilities which often involve a significant degree of judgment, particularly when liquid markets do not exist for the particular item being valued. Examples of such items include loans, deposits, identifiable intangible assets and certain other assets and liabilities acquired or assumed in business combinations. Management uses significant estimates and assumptions to value such items, including, projected cash flows and discount rates. For larger or more complex acquisitions, we generally obtain third-party valuations to assist us in estimating fair values. The use of different valuation techniques and assumptions could change the amounts and useful lives assigned to the assets and liabilities acquired and related amortization expense. During the measurement period, which is not to exceed one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

Goodwill and intangible assets

In accordance with ASC Topic 350, *Intangibles - Goodwill and Other* (“ASC 350”), we evaluate the carrying value of our indefinite-lived assets, including goodwill, at least annually or more frequently whenever events or changes in circumstances indicate that the asset may be impaired, or in the case of goodwill, that the fair value of the reporting unit may be less than its carrying amount. Impairment tests are performed annually during the fourth quarter and are performed at the reporting unit level. Our annual process for evaluating goodwill requires us to perform a qualitative assessment for all reporting units not subjected directly to the quantitative goodwill impairment test. The qualitative factors evaluated by the Company include: economic conditions of the local business environment, overall financial performance, sensitivity analysis from the most recent quantitative test, and other entity specific factors as deemed appropriate. If we determine a quantitative goodwill impairment test is appropriate, the test involves comparing the fair value of a reporting unit to its carrying amount, including goodwill, after any long-lived asset impairment charges. Generally, the fair value represents discounted projected future cash flows and market multiple of earnings. If the carrying amount of the reporting unit's goodwill exceeds the fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess. Determining the fair value of reporting units requires significant management judgment in estimating future cash flows and assessing potential market and economic conditions. It is reasonably possible that our operations will not perform as expected, or that estimates or assumptions could change, which may result in the recording of material non-cash impairment charges during the year in which these determinations take place.

Acquired finite-lived intangible assets are amortized over their estimated useful lives. We evaluate the recoverability of our intangible assets for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. The evaluation is performed at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Recoverability of these assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the assets are expected to generate. If such review indicates that the carrying amount of intangible assets is not recoverable, the carrying amount of such assets is reduced to fair value. In addition to the recoverability assessment, we routinely review the remaining estimated useful lives of our finite-lived intangible assets. If we reduce the estimated useful life assumption for any asset, the remaining unamortized balance would be amortized over the revised estimated useful life.

As of December 31, 2019, the Consolidated Balance Sheets includes goodwill of $743.8 million and acquired intangible assets, net of accumulated amortization, of $141.8 million. For the year ended December 31, 2019, no impairment of goodwill or acquired intangible assets has been identified.

Recently Issued Accounting Pronouncements

See Item 8 of Part II, "Financial Statements and Supplementary Data - Note 3 - Summary of Significant Accounting Policies and Practices.

Forward-Looking Statements

This document contains statements that constitute forward-looking statements within the meaning of section 27A of the Securities Act of 1933 and section 21E of the Securities Exchange Act of 1934 (“Exchange Act”). Generally, the words "believe," "expect," "anticipate," "intend," "estimate," "will" and similar expressions identify forward-looking statements. However, the absence of these words or similar expressions does not mean the statement is not forward-looking. All statements other than statements of historical facts included in this document are forward-looking statements, including, but not limited to, statements regarding the following:

- our business plans and financing plans and requirements;
- trends affecting our business plans and financing plans and requirements;
- trends affecting our business;
- the adequacy of capital to meet our capital requirements and expansion plans;
- the assumptions underlying our business plans;
- our ability to repay indebtedness;
- our estimated capital expenditures;
- the potential outcome of loss contingencies;
- our expectations regarding the closing of any pending acquisitions;
- business strategy;
- government regulatory action;
- the expected effects of changes in laws or accounting standards;
- technological advances; and
- projected costs and revenues.

Although we believe that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to be correct.

Investors are cautioned that any forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may materially differ from those in the forward-looking statements as a result of various factors, including, but not limited to, conditions in world financial markets and general economic conditions, including the effects in Europe of the U.K.'s departure from the E.U. and economic conditions in specific countries and regions; technological developments affecting the market for our products and services; our ability to successfully introduce new products and services; foreign currency exchange rate fluctuations; the effects of any breach of our computer systems or those of our customers or vendors, including our financial processing networks or those of other third parties; interruptions in any of our systems or those of our vendors or other third parties; our ability to renew existing contracts at profitable rates; changes in fees payable for transactions performed for cards bearing international logos or over switching networks such as card transactions on ATMs; our ability to comply with increasingly stringent regulatory requirements, including anti-money laundering, anti-terrorism, anti-bribery, consumer and data protection and the European Union's General Data Protection Regulation and Second Revised Payment Service Directive requirements; changes in laws and regulations affecting our business, including tax and immigration laws and any laws regulating payments, including DCC transactions, changes in our relationships with, or in fees charged by, our business partners; competition; the outcome of claims and other loss contingencies affecting Euronet; the cost of borrowing, availability of credit and terms of and compliance with debt covenants; impacts from the COVID-19 virus; and renewal of sources of funding as they expire and the availability of replacement funding and those factors referred to above and as set forth and more fully described in Part I, Item 1A — Risk Factors. Any forward-looking statements made in this Form 10-K speak only as of the date of this report. Except as required by law, we do not intend, and do not undertake, any obligation to update any forward looking statements to reflect future events or circumstances after the date of such statements.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Interest rate risk

As of December 31, 2019, our total debt outstanding, excluding unamortized debt issuance costs, was $1.1 billion. Of this amount, $437.0 million, net of debt discounts, or 39% of our total debt obligations, relates to contingent convertible notes having a fixed coupon rate. Our $525.0 million outstanding principal amount of contingent convertible notes accrue cash interest at a rate of 0.75% of the principal amount per annum. Based on quoted market prices, as of December 31, 2019, the fair value of our fixed rate convertible notes was $569.4 million, compared to a carrying value of $437.0 million. Interest expense for these notes, including accretion and amortization of deferred debt issuance costs, has a weighted average interest rate of 4.4% annually. Further, as of December 31, 2019 we had no borrowings under our Credit Facility. Additionally, $673.4 million, or 60% of our total debt obligations, relates to Senior Notes having a fixed coupon rate. Our €600 million outstanding principal amount of Senior Notes accrue cash interest at a rate of 1.375% of the principal per annum. Based on quoted market prices, as of December 31, 2019, the fair value of our fixed rate Senior Notes was $668.2 million, compared to a carrying value of $673.4 million. The remaining $6.2 million, or 1% of our total debt obligations, is related to borrowings by certain subsidiaries to fund, from time to time, working capital requirements. These arrangements generally are due within one year and accrue interest at variable rates.

Additionally, as of December 31, 2019, we had approximately $14.0 million of finance leases with fixed payment and interest terms that expire between the years of 2020 and 2024 and bear interest at rates between 0.8% and 16.8%.

Our excess cash is invested in instruments with original maturities of three months or less or in certificates of deposit that may be withdrawn at any time without penalty; therefore, as investments mature and are reinvested, the amount we earn will increase or decrease with changes in the underlying short-term interest rates.

Foreign currency exchange rate risk

For the years ended December 31, 2019 and 2018, 74% and 72% of our revenues, respectively, were generated in non-U.S. dollar countries. We expect to continue generating a significant portion of our revenues in countries with currencies other than the U.S. dollar.

We are particularly vulnerable to fluctuations in exchange rates of the U.S. dollar to the currencies of countries in which we have significant operations, primarily the euro, British pound, Australian dollar, Polish zloty, Indian rupee, New Zealand dollar, Malaysian ringgit and Hungarian forint. As of December 31, 2019, we estimate that a 10% fluctuation in these foreign currency exchange rates would have the combined annualized effect on reported net income and working capital of approximately $77 million to $82 million. This effect is estimated by applying a 10% adjustment factor to our non-U.S. dollar results from operations, intercompany loans that generate foreign currency gains or losses and working capital balances that require translation from the respective functional currency to the U.S. dollar reporting currency.

Additionally, we have other non-current, non-U.S. dollar assets and liabilities on our balance sheet that are translated to the U.S. dollar during consolidation. These items primarily represent goodwill and intangible assets recorded in connection with acquisitions in countries other than the U.S. We estimate that a 10% fluctuation in foreign currency exchange rates would have a non-cash impact on total comprehensive income of approximately $140 million to $145 million as a result of the change in value of these items during translation to the U.S. dollar. For the fluctuations described above, a strengthening U.S. dollar produces a financial loss, while a weakening U.S. dollar produces a financial gain.

We believe this quantitative measure has inherent limitations and does not take into account any governmental actions or changes in either customer purchasing patterns or our financing or operating strategies. Because a majority of our revenues and expenses are incurred in the functional currencies of our international operating entities, the profits we earn in foreign currencies are positively impacted by a weakening of the U.S. dollar and negatively impacted by a strengthening of the U.S. dollar. Additionally, our debt obligations are primarily in U.S. dollars; therefore, as foreign currency exchange rates fluctuate, the amount available for repayment of debt will also increase or decrease.

We use derivatives to minimize our exposures related to changes in foreign currency exchange rates and to facilitate foreign currency risk management services by writing derivatives to customers. Derivatives are used to manage the overall market risk associated with foreign currency exchange rates; however, we do not perform the extensive record-keeping required to account for the derivative transactions as hedges. Due to the relatively short duration of the derivative contracts, we use the derivatives primarily as economic hedges. Since we do not designate foreign currency derivatives as hedging instruments pursuant to the accounting standards, we record gains and losses on foreign exchange derivatives in earnings in the period of change.

A majority of our consumer-to-consumer money transfer operations involve receiving and disbursing different currencies, in which we earn a foreign currency spread based on the difference between buying currency at wholesale exchange rates and selling the currency to consumers at retail exchange rates. We enter into foreign currency forward and cross-currency swap contracts to minimize exposure related to fluctuations in foreign currency exchange rates. The changes in fair value related to these contracts are recorded in Foreign currency exchange (loss) gain, net on the Consolidated Statements of Income. As of December 31, 2019, we had foreign currency derivative contracts outstanding with a notional value of $159.0 million, primarily in Australian dollars, British pounds, Canadian dollars, euros and Mexican pesos, that were not designated as hedges and mature within a few days.

For derivative instruments our xe operations write to customers, we aggregate the foreign currency exposure arising from customer contracts, and hedge the resulting net currency risks by entering into offsetting contracts with established financial institution counterparties as part of a broader foreign currency portfolio. The changes in fair value related to the total portfolio of positions are recorded in Revenues on the Consolidated Statements of Income. As of December 31, 2019, we held foreign currency derivative contracts outstanding with a notional value of $1.2 billion, primarily in U.S. dollars, euros, British pounds, Australian dollars and New Zealand dollars, that were not designated as hedges and for which the majority mature within the next twelve months.

We use longer-term foreign currency forward contracts to mitigate risks associated with changes in foreign currency exchange rates on certain foreign currency denominated other asset and liability positions. As of December 31, 2019, the Company had foreign currency forward contracts outstanding with a notional value of $43 million, primarily in euros.

See Note 11, Derivative Instruments and Hedging Activities to our Consolidated Financial Statements for additional information.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Euronet Worldwide, Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Euronet Worldwide, Inc. and subsidiaries (the Company) as of December 31, 2019 and 2018, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2019, and the related notes (collectively, the consolidated financial statements.) We also have audited the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2019, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019 based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Change in Accounting Principle

As discussed in Note 3 to the consolidated financial statements, the Company has changed its method of accounting for leases in 2019 due to the adoption of Accounting Standards Codification Topic 842, *Leases*.

As discussed in Note 3 to the consolidated financial statements, the Company has changed its method of accounting for revenue recognition in 2018 due to the adoption of Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*.

Basis for Opinions

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

Critical Audit Matters

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

Evaluation of the sufficiency of audit evidence over revenue

As discussed in Note 3 to the consolidated financial statements, the Company earned $2.75 billion of revenue in 2019. The Company earned revenue by payment and transaction processing and distribution solutions to financial institutions, retailers, service providers and individual consumers (collectively services). The services were provided to customers in 170 countries through 66 different business offices in 41 countries within 3 different reportable operating segments.

We identified the evaluation of the sufficiency of audit evidence over revenue as a critical audit matter. The Company's geographical dispersion of services worldwide, amongst various business lines required especially subjective auditor judgment in evaluating the sufficiency of audit evidence over revenue. Further, our audit team consisted of auditors located in various countries worldwide. This required especially challenging auditor judgment in the level of audit procedures and supervision applied at each country.

The primary procedures we performed to address this critical audit matter included the following. We tested certain internal controls over the Company's revenue process, including controls related to the consolidation of global revenue amounts. We assessed the training and experience of the auditors on our audit team that were located in countries other than the United States. We tested a sample of individual revenue transactions at certain locations by comparing amounts recognized by the Company to relevant contracts and or payment and transaction support. After completion of these procedures, we evaluated the overall sufficiency of the audit evidence over revenues.

Assessment of the carrying value of goodwill of one reporting unit in the Money Transfer segment

As discussed in Notes 3 and 9 to the consolidated financial statements, the Company performs goodwill impairment testing on an annual basis and whenever events and changes in circumstances indicate that it is more likely than not (more than 50%) that the fair value of a reporting unit is less than its carrying amount. The goodwill balance as of December 31, 2019 was $743.8 million. The Company performed a goodwill impairment test for each reporting unit using a qualitative approach, except for one reporting unit in the Money Transfer segment which was tested using the quantitative approach.

We identified the assessment of the carrying value of goodwill for this one reporting unit in the Money Transfer segment using the quantitative approach as a critical audit matter, because significant auditor judgment was required to evaluate the impairment test. The fair value of that reporting unit was performed using a weighting of a discounted cash flow model and market multiples valuation technique and included key assumptions related to (1) the forecasted revenue growth rates, (2) the forecasted earnings before interest, income taxes, depreciation, and amortization (EBITDA) margin, (3) the discount rate, and (4) the EBITDA market multiple. Changes to these key assumptions could have a significant effect on the fair value determination and assessment of the carrying value of the goodwill.

The primary procedures we performed to address this critical audit matter included the following. We tested certain internal controls over the Company's goodwill impairment assessment process, including controls related to the development of the key assumptions. We evaluated the Company's forecasted revenue growth rates and forecasted EBITDA margin assumptions by comparing them to external market and industry data. We compared the Company's historical forecasted results to actual results to assess the Company's ability to accurately forecast. We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating 1) the Company's discount rate by comparing it against a discount rate range that was independently developed using publicly available third-party market data for comparable entities and 2) the Company's EBITDA market multiple, by comparing it against a range of EBITDA multiples to publicly available third-party market data for comparable entities.

/s/ KPMG LLP

We have served as the Company's auditor since 2003.

Kansas City, Missouri
February 28, 2020

Consolidated Financial Statements

Euronet Worldwide, Inc. and Subsidiaries
Consolidated Balance Sheets
(in thousands, except share and per share data)

	As of December 31,	
	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 786,081	$ 385,031
ATM cash	665,641	395,378
Restricted cash	34,301	31,237
Settlement assets	1,013,067	915,460
Trade accounts receivable, net	201,935	202,514
Prepaid expenses and other current assets	217,707	157,967
Total current assets	2,918,732	2,087,587
Operating right of use lease assets	377,543	—
Property and equipment, net of accumulated depreciation of $410,243 at December 31, 2019 and $373,180 at December 31, 2018	359,980	291,869
Goodwill	743,823	704,197
Acquired intangible assets, net of accumulated amortization of $204,853 at December 31, 2019 and $190,920 at December 31, 2018	141,847	114,485
Other assets, net of accumulated amortization of $46,788 at December 31, 2019 and $50,821 at December 31, 2018	115,741	123,017
Total assets	$ 4,657,666	$ 3,321,155
LIABILITIES AND EQUITY		
Current liabilities:		
Settlement obligations	$ 1,013,067	$ 915,460
Trade accounts payable	81,743	72,908
Accrued expenses and other current liabilities	294,557	252,557
Current portion of operating lease obligations	127,353	—
Short-term debt obligations and current maturities of long-term debt obligations	6,089	38,017
Income taxes payable	52,583	40,159
Deferred revenue	58,588	59,293
Total current liabilities	1,633,980	1,378,394
Debt obligations, net of current portion	1,090,939	589,782
Operating lease obligations, net of current portion	241,977	—
Deferred income taxes	56,067	57,145
Other long-term liabilities	55,361	62,992
Total liabilities	3,078,324	2,088,313
Equity:		
Euronet Worldwide, Inc. stockholders' equity:		
Preferred Stock, $0.02 par value. 10,000,000 shares authorized; none issued	—	—
Common Stock, $0.02 par value. 90,000,000 shares authorized; 62,775,762 issued at December 31, 2019 and 59,897,309 issued at December 31, 2018	1,256	1,198
Additional paid-in capital	1,190,058	1,104,264
Treasury stock, at cost, 8,554,908 shares at December 31, 2019 and 8,077,311 shares at December 31, 2018	(463,704)	(391,551)
Retained earnings	1,016,554	669,805
Accumulated other comprehensive loss	(164,890)	(151,043)
Total Euronet Worldwide, Inc. stockholders' equity	1,579,274	1,232,673
Noncontrolling interests	68	169
Total equity	1,579,342	1,232,842
Total liabilities and equity	$ 4,657,666	$ 3,321,155

See accompanying notes to the Consolidated Financial Statements.

Euronet Worldwide, Inc. and Subsidiaries
Consolidated Statements of Income
(in thousands, except share and per share data)

	Year Ended December 31,		
	2019	2018	2017
Revenues	$ 2,750,109	$ 2,536,629	$ 2,252,422
Operating expenses:			
Direct operating costs	1,556,483	1,488,406	1,356,250
Salaries and benefits	394,744	360,432	310,787
Selling, general and administrative	211,944	216,807	190,302
Goodwill and acquired intangible assets impairment	—	7,049	34,056
Depreciation and amortization	111,744	106,021	95,030
Total operating expenses	2,274,915	2,178,715	1,986,425
Operating income	475,194	357,914	265,997
Other income (expense):			
Interest income	1,969	1,320	2,443
Interest expense	(36,237)	(37,573)	(32,571)
(Loss) Income from unconsolidated affiliates	—	(117)	48
Foreign currency exchange gain (loss), net	2,701	(26,655)	20,300
Other (losses) gains, net	(9,820)	27	118
Other expense, net	(41,387)	(62,998)	(9,662)
Income before income taxes	433,807	294,916	256,335
Income tax expense	(87,112)	(62,785)	(99,395)
Net income	346,695	232,131	156,940
Less: Net loss (income) attributable to noncontrolling interests	54	720	(95)
Net income attributable to Euronet Worldwide, Inc.	$ 346,749	$ 232,851	$ 156,845
Earnings per share attributable to Euronet Worldwide, Inc. stockholders:			
Basic	$ 6.49	$ 4.52	$ 2.99
Diluted	$ 6.31	$ 4.26	$ 2.85
Weighted average shares outstanding:			
Basic	53,449,834	51,487,557	52,523,272
Diluted	54,913,887	54,627,747	55,116,327

See accompanying notes to the Consolidated Financial Statements.

Euronet Worldwide, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
(in thousands)

	Year Ended December 31,		
	2019	**2018**	**2017**
Net income	$ 346,695	$ 232,131	$ 156,940
Other comprehensive income (loss), net of tax:			
Translation adjustment	(13,894)	(56,656)	116,401
Comprehensive income	332,801	175,475	273,341
Comprehensive (income) loss attributable to noncontrolling interests	101	791	(292)
Comprehensive income attributable to Euronet Worldwide, Inc.	$ 332,902	$ 176,266	$ 273,049

See accompanying notes to the Consolidated Financial Statements.

Euronet Worldwide, Inc. and Subsidiaries
Consolidated Statements of Changes in Equity
(in thousands, except share data)

	Number of Shares Outstanding	Common Stock	Additional Paid-in Capital	Treasury Stock
Balance as of December 31, 2016	52,303,401	$ 1,168	$ 1,045,663	$ (215,462)
Net income				
Other comprehensive loss				
Stock issued under employee stock plans	504,757	10	10,104	(1,699)
Share-based compensation			15,618	
Repurchase of shares				
Other			620	
Balance as of December 31, 2017	52,808,158	1,178	1,072,005	(217,161)
Net income (loss)				
Other comprehensive loss				
Stock issued under employee stock plans	1,039,480	20	15,634	610
Share-based compensation			16,764	
Repurchase of shares	(2,032,599)			(175,000)
Other	4,959		(139)	
Balance as of December 31, 2018	51,819,998	1,198	1,104,264	(391,551)
Net income (loss)				
Other comprehensive loss				
Stock issued under employee stock plans	405,617	8	13,216	(1,277)
Share-based compensation			21,439	
Issuance of convertible notes, net of tax			71,659	
Repurchase of shares	(493,010)			(70,876)
Redemptions and conversions of convertible notes, net of tax	2,488,249	$ 50	(20,517)	
Other			(3)	
Balance as of December 31, 2019	54,220,854	$ 1,256	$ 1,190,058	$ (463,704)

See accompanying notes to the Consolidated Financial Statements.

EURONET WORLDWIDE, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity (continued)
(in thousands)

	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance as of December 31, 2016	$ 278,842	$ (210,662)	$ 1,008	$ 900,557
Net income	156,845		95	156,940
Other comprehensive income		116,204	197	116,401
Stock issued under employee stock plans				8,415
Share-based compensation				15,618
Repurchase of shares				—
Other	1,267		(340)	1,547
Balance as of December 31, 2017	436,954	(94,458)	960	1,199,478
Net income (loss)	232,851		(720)	232,131
Other comprehensive loss		(56,585)	(71)	(56,656)
Stock issued under employee stock plans				16,264
Share-based compensation				16,764
Repurchase of shares				(175,000)
Other				(139)
Balance as of December 31, 2018	669,805	(151,043)	169	1,232,842
Net income (loss)	346,749		(54)	346,695
Other comprehensive loss		(13,847)	(47)	(13,894)
Stock issued under employee stock plans				11,947
Share-based compensation				21,439
Issuance of convertible notes, net of tax				71,659
Repurchase of shares				(70,876)
Redemptions and conversions of convertible notes, net of tax				(20,467)
Other				(3)
Balance as of December 31, 2019	$ 1,016,554	$ (164,890)	68	$ 1,579,342

See accompanying notes to the Consolidated Financial Statements.

Euronet Worldwide, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2019	2018	2017
Net income	$ 346,695	$ 232,131	$ 156,940
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	111,744	106,021	95,030
Share-based compensation	21,439	16,764	15,618
Unrealized foreign exchange (gain) loss, net	(2,701)	26,655	(20,300)
Non-cash impairment of goodwill and acquired intangible assets	—	7,049	34,056
Deferred income taxes	17,113	2,425	(10,861)
Loss on early retirement of debt	9,831	—	—
Loss (income) from unconsolidated affiliates	—	117	(48)
Accretion of convertible debt discount and amortization of debt issuance costs	17,088	14,121	13,504
Changes in working capital, net of amounts acquired:			
Income taxes payable, net	13,177	(13,317)	23,183
Trade accounts receivable	(87,882)	26,497	(198,089)
Prepaid expenses and other current assets	(68,945)	(29,066)	35,451
Trade accounts payable	53,550	45,562	3,840
Deferred revenue	132	9,349	3,724
Accrued expenses and other current liabilities	98,459	(37,595)	106,350
Changes in non-current assets and liabilities	(25,212)	(9,480)	27,878
Net cash provided by operating activities	504,488	397,233	286,276
Cash flows from investing activities:			
Acquisitions, net of cash acquired	(94,187)	(12,854)	—
Purchases of property and equipment	(131,287)	(112,484)	(97,235)
Purchases of other long-term assets	(7,274)	(8,528)	(6,039)
Other, net	3,721	1,583	1,416
Net cash used in investing activities	(229,027)	(132,283)	(101,858)
Cash flows from financing activities:			
Proceeds from issuance of shares	14,979	18,608	10,990
Repurchase of shares	(74,456)	(177,855)	(3,065)
Borrowings from revolving credit agreements	2,498,298	5,773,294	2,409,203
Repayments of revolving credit agreements	(2,714,203)	(5,560,089)	(2,566,621)
Repayments of long-term debt obligations	(446,702)	(52,199)	(8,907)
Repayments of finance lease obligations	(6,474)	(6,137)	(4,883)
Net borrowing from short-term debt obligations	(32,091)	9,472	1,853
Proceeds from long-term debt obligations	1,194,900	—	—
Debt issuance costs	(17,947)	(3,071)	—
Other, net	(6)	1	281
Net cash provided by (used in) financing activities	416,298	2,024	(161,149)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(5,332)	(36,540)	65,161
Increase in cash and cash equivalents and restricted cash	686,427	230,434	88,430
Cash and cash equivalents and restricted cash at beginning of period	1,130,952	900,518	812,088
Cash and cash equivalents and restricted cash at end of period	$ 1,817,379	$ 1,130,952	$ 900,518

Euronet Worldwide, Inc. and Subsidiaries
Consolidated Statements of Cash Flows - (Continued)
(in thousands)

The table below reconciles Cash, Cash and cash equivalents, ATM cash, Restricted cash, Cash and cash equivalents and Restricted cash included within settlement assets.

Cash and cash equivalents	$ 786,081	$ 385,031	$ 280,128

Restricted cash	34,301	31,237	$ 32,185
ATM cash	665,641	395,378	253,847
Settlement cash and cash equivalents	282,188	273,948	285,169
Settlement restricted cash	49,168	45,358	49,189
Cash and cash equivalents and restricted cash at end of period	$ 1,817,379	$ 1,130,952	$ 900,518
Supplemental Cash Flow Disclosures:			
Interest paid during the period	$ 13,125	$ 23,554	$ 20,457
Income taxes paid during the period	$ 74,086	$ 84,382	$ 48,644
Supplemental disclosure of non-cash investing and financing activities:			
Non-cash consideration received from sale of investment	$ —	$ —	$ —

See accompanying notes to the Consolidated Financial Statements.

Notes to Consolidated Financial Statements

(1) Organization

Euronet Worldwide, Inc. (the “Company” or “Euronet”) was established as a Delaware corporation on December 13, 1997 and succeeded Euronet Holding N.V. as the group holding company, which was founded and established in 1994. Euronet is a leading electronic payments provider. Euronet offers payment and transaction processing and distribution solutions to financial institutions, retailers, service providers and individual consumers. Euronet's primary product offerings include comprehensive automated teller machine (“ATM”), point-of-sale (“POS”), card outsourcing, card issuing and merchant acquiring services, electronic distribution of prepaid mobile airtime and other electronic payment products, and global money transfer services.

(2) Basis of Preparation

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States (“U.S. GAAP”) and pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). The consolidated financial statements include the accounts of Euronet and its wholly owned and majority owned subsidiaries and all significant intercompany balances and transactions have been eliminated. Euronet's investments in companies that it does not control, but has the ability to significantly influence, are accounted for under the equity method. Euronet is not involved with any variable interest entities. Results from operations related to entities acquired during the periods covered by the consolidated financial statements are reflected from the effective date of acquisition.

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires that management make a number of estimates and assumptions relating to the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Significant items subject to such estimates and assumptions include computing income taxes, contingent purchase price consideration, estimating the useful lives and potential impairment of long-lived assets and goodwill, as well as allocating the purchase price to assets acquired and liabilities assumed in acquisitions and revenue recognition. Actual results could differ from those estimates.

Seasonality

Euronet’s EFT Processing Segment experiences its heaviest demand for dynamic currency conversion services during the third quarter of the fiscal year, coinciding with the tourism season. Additionally, the EFT Processing and epay Segments are impacted by seasonality during the fourth quarter and first quarter of each year due to higher transaction levels during the holiday season and lower levels following the holiday season. Seasonality in the money transfer segment varies by region of the world. In most markets, Euronet usually experiences increased demand for money transfer services from the month of May through the fourth quarter of each year, coinciding with the increase in worker migration patterns and various holidays, and its lowest transaction levels during the first quarter of the year.

Settlement Assets and Obligations

As of December 31, 2019, we have recast our Consolidated Balance Sheets to include three new balance sheet captions entitled Settlement assets, Settlement obligations, and ATM cash. The historically reported Cash and cash equivalents and Restricted cash are now presented in Cash and cash equivalents, Restricted cash, ATM cash, or part of Settlement assets.

ATM cash represents cash included within the ATM network. Settlement assets represents funds received or to be received from agents for unsettled money transfers and due from merchants or unsettled prepaid transactions. Settlement assets consist of cash and cash equivalents, restricted cash, receivables and prepaid expenses and other current assets. Settlement obligations consist of money transfers, payables to agents and content providers. Amounts presented in Cash and cash equivalents as recast represents cash available from operations. Prior year amounts have been recast to conform to current year presentation.

(3) Summary of Significant Accounting Policies and Practices

Foreign currencies

Assets and liabilities denominated in currencies other than the functional currency of a subsidiary are remeasured at rates of exchange on the balance sheet date. Resulting gains and losses on foreign currency transactions are included in the Consolidated Statements of Income.

The financial statements of foreign subsidiaries where the functional currency is not the U.S. dollar are translated to U.S. dollars using (i) exchange rates in effect at period end for assets and liabilities, and (ii) weighted average exchange rates during the period for revenues and expenses. Adjustments resulting from translation of such financial statements are reflected in accumulated other comprehensive income (loss) as a separate component of consolidated equity.

Cash equivalents

The Company considers all highly liquid investments, with an original maturity of three months or less, and certificates of deposit, which may be withdrawn at any time at the discretion of the Company without penalty, to be cash equivalents.

ATM Cash

ATM cash represents cash within the ATM network either included within ATMs, within dedicated accounts, or in-transit to ATMs.

Settlement Assets and Obligations

Settlement assets represent funds received or to be received from agents for unsettled money transfers and from merchants for unsettled prepaid transactions. The Company records corresponding settlement obligations relating to amounts payable.
Settlement assets consist of cash and cash equivalents, restricted cash, receivables and prepaid expenses and other current assets. Cash received by Euronet agents and merchants generally become available to the Company within two weeks after initial receipt by the business partner. Receivables, net from business partners represent funds collected by such business partners, but in transit to the Company.
Euronet has a large and diverse business partner base, thereby reducing the credit risk of the Company from any one business partner. In addition, the Company performs ongoing credit evaluations of its business partners' financial condition and credit worthiness. Inventories represent prepaid cards and prepaid pin numbers that are used to settle amounts due to content providers.

Settlement obligations consist of money transfers, payables to agents and content providers. Money transfer payables represent amounts to be paid to transferees when they request funds. Most agents typically settle with transferees first then obtain reimbursement from the Company. Money order payables represent amounts not yet presented for payment. Due to the agent funding and settlement process, payables to agents represent amounts due to agents for money transfers that have not been settled with transferees.

(in thousands)	As of December 31, 2019	As of December 31, 2018
Settlement assets:		
Settlement cash and cash equivalents	$ 282,188	$ 273,948
Settlement restricted cash	49,168	45,358
Account receivables	574,410	491,102
Prepaid expenses and other current assets	107,301	105,052
Total settlement assets	$ 1,013,067	$ 915,460
Settlement obligations:		
Trade account payables	$ 504,667	$ 456,005
Accrued expenses and other current liabilities	508,400	459,455
Total settlement obligations	$ 1,013,067	$ 915,460

Property and equipment

Property and equipment are stated at cost, less accumulated depreciation. Property and equipment acquired in acquisitions have been recorded at estimated fair values as of the acquisition date.

Depreciation is generally calculated using the straight-line method over the estimated useful lives of the respective assets. Depreciation and amortization rates are generally as follows:

ATMs or ATM upgrades	5 - 7 years
Computers and software	3 - 5 years
POS terminals	3 - 5 years
Vehicles and office equipment	3 - 10 years
Leasehold improvements	Over the lesser of the lease term or estimated useful life

Goodwill and other intangible assets

The Company accounts for goodwill and other intangible assets in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 350, *Intangibles - Goodwill and Other* (“ASC 350”). ASC 350 requires that the Company test for impairment on an annual basis and whenever events or circumstances dictate. Goodwill is allocated among and evaluated for impairment at the reporting unit level, which is defined as an operating segment or one level below an operating segment.

ASC 350 provides an entity the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not (more than 50%) that the estimated fair value of a reporting unit is less than its carrying amount. If an entity elects to perform a qualitative assessment and determines that an impairment is more likely than not, the entity is then required to perform the existing quantitative impairment test (described below), otherwise no further analysis is required. An entity also may elect not to perform the qualitative assessment and, instead, proceed directly to the quantitative impairment test. The Company has a policy for its annual review of goodwill to perform the qualitative assessment for all reporting units not subjected directly to the quantitative impairment test.

Under the qualitative assessment, various events and circumstances (or factors) that would affect the estimated fair value of a reporting unit are identified (similar to impairment indicators). These factors are then classified by the type of impact they would have on the estimated fair value using positive, neutral, and adverse categories based on current business conditions. Furthermore, the Company considers the results of the most recent quantitative impairment test completed for a reporting unit and compares, among other factors, the weighted average cost of capital ("WACC") between the current and prior years for each reporting unit.

Under the quantitative impairment test, the evaluation of impairment involves comparing the current fair value of each reporting unit to its carrying value, including goodwill. The Company uses weighted results from the income approach or the discounted cash flow model ("DCF model") and guideline public company method ("Market Approach model") to estimate the current fair value of its reporting units when testing for impairment, as management believes forecasted cash flows and EBITDA are the best indicator of such fair value. A number of significant assumptions and estimates are involved in the application of the DCF model to forecast operating cash flows, including sales volumes and gross margins, tax rates, capital spending, discount rates and working capital changes. Most of these assumptions vary significantly among the reporting units. Significant assumptions in the Market Approach model are projected EBITDA, selected market multiple, and the estimated control premium. If the carrying value of goodwill exceeds its fair value, an impairment loss equal to such excess would be recognized.

The Company completed its annual goodwill impairment test in the fourth quarter of 2019. It determined, after performing a qualitative review of each reporting unit, that it is more likely than not that the fair value of each of our reporting units exceeds the respective carrying amounts, except for one reporting unit. Accordingly, there was an indication of impairment, and the quantitative goodwill impairment test was performed. The quantitative goodwill impairment test showed that there was no indication for impairment for the affected reporting unit.

Other Intangible Assets - In accordance with ASC 350, intangible assets with finite lives are amortized over their estimated useful lives. Unless otherwise noted, amortization is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Non-compete agreements	2 - 5 years
Trademarks and trade names	2 - 20 years
Software	3 - 10 years
Customer relationships	6 - 20 years

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such events or changes in circumstances are present, a loss is recognized if the carrying value of the asset is in excess of the sum of the undiscounted cash flows expected to result from the use of the asset and its eventual disposition. An impairment loss is measured as the amount by which the carrying amount of the asset exceeds the fair value of the asset. During 2019, the company did not identify an impairment. During 2018, the Company recorded a non-cash impairment charge of $7.0 million related to certain trade names as a result of combining HiFX into xe in order to operate the businesses under one brand name, xe. During 2017, the Company recorded a non-cash impairment charge of $2.3 million related to certain customer relationships as a result of the closure of the Pure Commerce office in South Korea.

See Note 8, Goodwill and Acquired Intangible Assets, Net, to the Consolidated Financial Statements for additional information regarding the impairment of goodwill and other intangible assets.

Other assets

Other assets include investments in unconsolidated affiliates, capitalized software development costs and capitalized payments for new or renewed contracts, contract renewals and customer conversion costs. Euronet capitalizes initial payments for new or renewed contracts to the extent recoverable through future operations, contractual minimums and/or penalties in the case of early termination. The Company's accounting policy is to limit the amount of capitalized costs for a given contract to the lesser of the estimated ongoing net future cash flows related to the contract or the termination fees the Company would receive in the event of early termination of the contract by the customer.

ASC Topic 340, *Other Assets and Deferred Costs* (“ASC 340”) requires the deferral of incremental costs to obtain customer contracts, known as contract assets, which are then amortized to expense as part of selling, general and administrative expense over the respective periods of expected benefit. Deferred contract costs are reported on our balance sheet within current or non-current other assets based on the expected life of the related contract. At December 31, 2019 and 2018, we had $43.7 million, and $32.1 million, respectively, of deferred contract costs related to the fulfillment of future contract obligations. For the years ended December 31, 2019, 2018 and 2017, we had $6.9 million , $6.3 million and $7.2 million of amortization related to these costs, respectively.

The Company accounts for investments in affiliates using the equity method of accounting when it has the ability to exercise significant influence over the affiliate, but does not have a controlling interest. Equity losses in affiliates are generally recognized until the Company's investment is zero. As of December 31, 2019 and 2018, the Company had no material investments in unconsolidated affiliates.

Convertible notes

The Company accounts for its convertible debt instruments that may be settled in cash upon conversion in accordance with ASC Topic 470, *Debt* (“ASC 470”), which requires the proceeds from the issuance of such convertible debt instruments to be allocated between debt and equity components so that debt is discounted to reflect the Company's nonconvertible debt borrowing rate. Further, the Company applies ASC 470-20-35-13, which requires the debt discount to be amortized over the period the convertible debt is expected to be outstanding as additional non-cash interest expense.

Noncontrolling interests

The Company accounts for noncontrolling interests in its consolidated financial statements according to ASC Topic 810, *Consolidations* (“ASC 810”), which requires noncontrolling interests to be reported as a component of equity.

Business combinations

The Company accounts for business combinations in accordance with ASC Topic 805, *Business Combinations* (“ASC 805”), which requires most identifiable assets, liabilities, noncontrolling interests and goodwill acquired in a business combination to be recorded at “full fair value” at the acquisition date. Transaction-related costs are expensed in the period incurred.

Income taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

In accordance with ASC Topic 740, *Income Taxes* ("ASC 740"), the Company's policy is to record estimated interest and penalties related to the underpayment of income taxes as income tax expense in the Consolidated Statements of Income. See Note 13, Taxes, to the Consolidated Financial Statements for further discussion regarding these provisions.

Presentation of taxes collected and remitted to governmental authorities

The Company presents taxes collected and remitted to governmental authorities on a net basis in the accompanying Consolidated Statements of Income.

Fair value measurements

The Company applies the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820"), regarding fair value measurements for assets and liabilities. ASC 820 defines fair value, establishes a framework for measuring fair value and requires certain disclosures about fair value measurements. The provisions apply whenever other accounting pronouncements require or permit fair value measurements. See Note 17, Financial Instruments and Fair Value Measurements, to the Consolidated Financial Statements for the required fair value disclosures.

Accounting for derivative instruments and hedging activities

The Company accounts for derivative instruments and hedging activities in accordance with ASC Topic 815, *Derivatives and Hedging* ("ASC 815"), which requires that all derivative instruments be recognized as either assets or liabilities on the balance sheet at fair value. Primarily in the Money Transfer Segment, the Company enters into foreign currency derivative contracts, mainly forward contracts, to offset foreign currency exposure related to money transfer settlement assets and liabilities in currencies other than the U.S. dollar, derivative contracts written to its customers arising from its cross-currency money transfer services and certain assets and liability positions denominated in currencies other than the U.S. dollar. These contracts are considered derivative instruments under the provisions of ASC 815; however, the Company does not designate such instruments as hedges for accounting purposes. Accordingly, changes in the value of these contracts are recognized immediately as a component of foreign currency exchange gain (loss), net in the Consolidated Statements of Income.

Cash flows resulting from derivative instruments are included in operating activities in the Company's Consolidated Statements of Cash Flows. The Company enters into derivative instruments with highly credit-worthy financial institutions and does not use derivative instruments for trading or speculative purposes. See Note 11, Derivative Instruments and Hedging Activities, to the Consolidated Financial Statements for further discussion of derivative instruments.

Share-based compensation

The Company follows the provisions of ASC Topic 718, *Compensation - Stock Compensation* ("ASC 718"), for equity classified awards, which requires the determination of the fair value of the share-based compensation at the grant date and subsequent recognition of the related expense over the period in which the share-based compensation is earned ("requisite service period").

The amount of future compensation expense related to awards of nonvested shares or nonvested share units ("restricted stock") is based on the market price for Euronet Common Stock at the grant date. The grant date is the date at which all key terms and conditions of the grant have been determined and the Company becomes contingently obligated to transfer equity to the employee who renders the requisite service, generally the date at which grants are approved by the Company's Board of Directors or Compensation Committee thereof. Share-based compensation expense for awards with only service conditions is generally recognized as expense on a "straight-line" basis over the requisite service period. For awards that vest based on achieving periodic performance conditions, expense is recognized on a "graded attribution method." The graded attribution method results in expense recognition on a straight-line basis over the requisite service period for each separately vesting portion of an award. The Company has elected to use the "with and without method" when calculating the income tax benefit associated with its share-based payment arrangements. See Note 15, Stock Plans, for further disclosure.

Revenue recognition

The Company recognizes revenue when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Sales and usage-based taxes are excluded from revenues. A description of the major components of revenue by business segment is as follows:

EFT Processing - Revenues in the EFT Processing Segment are primarily derived from transaction and management fees and foreign currency exchange margin from owned and outsourced ATM, POS and card processing networks and from the sale of EFT software solutions for electronic payment and transaction delivery systems, and fees or margin earned from value added services, including dynamic currency conversion and domestic and international surcharge.

Transaction-based fees include charges for cash withdrawals, debit or credit card transactions, balance inquiries, transactions not completed because the relevant card issuer does not give authorization and prepaid mobile airtime recharges. Outsourcing services are generally billed on the basis of a fixed monthly fee per ATM, plus a transaction-based fee. Transaction-based fees are recognized at the time the transactions are processed and outsourcing management fees are recognized ratably over the contract period. These fees can be variable based on transaction volume tiered discounts; however, as all tiered discounts are calculated monthly, the actual discount is recorded on a monthly basis.

Certain of the Company's non-cancelable customer contracts provide for the receipt of up-front fees from the customer and/or decreasing or increasing fee schedules over the agreement term for substantially the same level of services to be provided by the Company. The Company recognizes revenue under these contracts based on proportional performance of services over the term of the contract. This generally results in “straight-line” (i.e., consistent value per period) revenue recognition of the contracts' total cash flows, including any up-front payment received from the customer.

epay - Revenue generated in the epay Segment is primarily derived from commissions or processing fees associated with distribution and/or processing of prepaid mobile airtime and digital media products. These fees and commissions are received from mobile operators, content vendors or distributors or from retailers. In accordance with ASC 606, commissions are recognized as revenue during the period in which the Company provides the service. The portion of the commission that is paid to retailers is generally recorded as a direct operating cost. However, in circumstances where the Company is not the principle obligor in the distribution of the electronic payment products, those commissions are recorded as a reduction of revenue. In selling certain products, the Company is the principle obligor in the arrangements; accordingly, the gross sales value of the products are recorded as revenue and the purchase cost as direct operating cost. Transactions are processed through a network of POS terminals and direct connections to the electronic payment systems of retailers. Transaction processing fees are recognized at the time the transactions are processed.

Money Transfer - In accordance with ASC 606, revenues for money transfer and other services represent a transaction fee in addition to a margin earned from purchasing currency at wholesale exchange rates and selling the currency to customers at retail exchange rates. Revenues and the associated direct operating cost are recognized at the time the transaction is processed. The Company has origination and distribution agents in place, which each earn a fee for the respective service. These fees are reflected as direct operating costs.

Revenues

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (“ASU”) 2014-09, “Revenue from Contracts with Customers (Topic 606)” (“Topic 606”), and subsequently modified the standard with several ASUs. The Company adopted the standard on January 1, 2018 using the modified retrospective method applied to those contracts which were not completed as of January 1, 2018. Results for reporting periods beginning after January 1, 2018 are presented under Topic 606, while prior period amounts are not adjusted and continue to be reported in accordance with historic accounting under Topic 605.

The Company completed its review of customer contracts relative to the requirements of Topic 606 and concluded that revenues from certain customer contracts in the epay Segment should be recorded differently under the principal versus agent guidance of Topic 606. With respect to those contracts, the Company concluded that it earns a commission from content providers for distributing and processing their prepaid mobile airtime and other electronic payment products, but it is not the principal for the products themselves. As a result, the impact of the change in accounting principle was a reduction of $88.5 million in both revenues and direct operating expenses for the year ended December 31, 2018, with no impact on reported net income.

Deferred Revenues - The Company records deferred revenues when cash payments are received or due in advance of its performance. The decrease in the deferred revenue balance for the year ended December 31, 2019 is primarily driven by $41.4 million of revenues recognized that were included in the deferred revenue balance as of December 31, 2018, largely offset by $40.7 million of cash payments received in the current year for which the Company has not yet satisfied the performance obligations.

Disaggregation of Revenues - The following table presents the Company's revenues disaggregated by segment and region. The Company believes disaggregation by segment and region best depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The disaggregation of revenues by segment and region is based on management's assessment of segment performance together with allocation of financial resources, both capital and operating support costs, on a segment and regional level. Both segments and regions benefit from synergies achieved through concentration of operations and are influenced by macro-economic, regulatory and political factors in the respective segment and region. The Company recognizes foreign exchange revenues from derivative instruments in its xe operations in accordance with ASC Topic 815 and not ASC Topic 606. These revenues are not significant to the Company's consolidated revenues and are included in the following tables.

	For the Year Ended December 31, 2019			
(in thousands)	EFT Processing	epay	Money Transfer	Total
Europe	$ 724,163	$ 524,907	$ 373,302	$ 1,622,372
North America	35,461	151,016	573,016	759,493
Asia Pacific	129,060	76,491	124,934	330,485
Other	28	16,915	24,974	41,917
Eliminations	—	—	—	(4,158)
Total	$ 888,712	$ 769,329	$ 1,096,226	$ 2,750,109

	For the Year Ended December 31, 2018			
(in thousands)	EFT Processing	epay	Money Transfer	Total
Europe	$ 608,993	$ 491,282	$ 328,592	$ 1,428,867
North America	32,306	165,930	569,005	767,241
Asia Pacific	112,294	71,242	127,057	310,593
Other	58	15,330	18,308	33,696
Eliminations	—	—	—	(3,768)
Total	$ 753,651	$ 743,784	$ 1,042,962	$ 2,536,629

(1) As noted above, prior period amounts have not been adjusted under the modified retrospective method.

	For the Year Ended December 31, 2017			
(in thousands)	EFT Processing	epay	Money Transfer	Total
Europe	$ 501,161	$ 561,232	$ 262,280	$ 1,324,673
North America	31,469	63,148	513,868	608,485
Asia Pacific	101,787	91,516	101,005	294,308
Other	142	18,102	9,705	27,949
Eliminations	—	—	—	(2,993)
Total	$ 634,559	$ 733,998	$ 886,858	$ 2,252,422

(1) As noted above, prior period amounts have not been adjusted under the modified retrospective method.

Recently issued accounting pronouncements

The Company adopted Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), as amended, as of January 1, 2019, using the modified retrospective approach and comparative periods were not restated. The new standard provides a number of optional practical expedients in transition. The Company elected the “package of practical expedients” which permits the Company not to reassess under the new standard the Company’s prior conclusions about lease identification, lease classification and initial direct costs. The Company also elected to combine lease and non-lease components and to include short term leases with an initial term of 12 months or less on the Consolidated Balance Sheets. In addition, the Company elected the hindsight practical expedient to determine the lease term for existing leases. The election of the hindsight practical expedient resulted in, for substantially all leases in effect on January 1, 2019, the lease term for implementation of this pronouncement, as the period from January 1, 2019 through the lease’s contractual termination date, rather than the actual lease life as set out in the lease agreement. Lease lives for lease agreements committed to on January 1, 2019 and, thereafter, are included based on the lease’s commencement date and termination date. In the application of hindsight, the Company evaluated the performance of all the leases and the associated markets in relation to the Company’s operations, which resulted in the determination that the exercise of renewal options would not be reasonably certain in determining the expected lease term.

Adoption of the new standard resulted in the recognition of additional operating right of use lease assets and lease liabilities of approximately $269.9 million, as of January 1, 2019.

In June 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-13,Financial Instruments - Credit Losses (Topic 326), which requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The adoption of this standard did not have a significant impact on the Company's consolidated financial statements and related disclosures.

(4) Stockholders' Equity

Earnings Per Share

Basic earnings per share has been computed by dividing earnings available to common stockholders by the weighted average number of common shares outstanding during the respective period. Diluted earnings per share has been computed by dividing earnings available to common stockholders by the weighted average shares outstanding during the respective period, after adjusting for the potential dilution of options to purchase the Company's Common Stock, assumed vesting of restricted stock and the assumed conversion of the Company's convertible debt.

The following table provides the computation of diluted weighted average number of common shares outstanding:

	Year Ended December 31,		
	2019	**2018**	**2017**
Computation of diluted weighted average shares outstanding:			
Basic weighted average shares outstanding	53,449,834	51,487,557	52,523,272
Incremental shares from assumed exercise of stock options and vesting of restricted stock	1,464,053	1,499,713	1,793,375
Incremental shares from assumed conversion of convertible debentures	—	1,640,477	799,680
Diluted weighted average shares outstanding	54,913,887	54,627,747	55,116,327

The table includes all stock options and restricted stock that are dilutive to the Company's weighted average common shares outstanding during the period. The calculation of diluted earnings per share excludes stock options or shares of restricted stock that are anti-dilutive to the Company's weighted average common shares outstanding for the years ended December 31, 2019, 2018 and 2017 of approximately 380,000, 458,000 and 798,000, respectively.

The Company issued new Convertible Senior Notes ("Convertible Notes") due March 2049 on March 18, 2019 and retired the existing convertible notes ("Retired Convertible Notes") that would have matured in 2044 on May 28, 2019. The Company's Convertible Notes currently have, and the Retired Convertible Notes had, a settlement feature requiring the Company upon conversion to settle the principal amount of the debt and any conversion value in excess of the principal value ("conversion premium"), for cash or shares of the Company's common stock or a combination thereof, at the Company's option. The Company has stated its intent to settle any conversion of these notes by paying cash for the principal value and issuing common stock for any conversion premium. Accordingly, the Convertible Notes and the Retired Convertible Notes were included in the calculation of diluted earnings per share if their inclusion was dilutive. The dilutive effect increases the more the market price exceeds the conversion price. The Retired Convertible Notes had a dilutive effect for the years ended December 31, 2018 and 2017 as the $102.38 and $84.27 market price per share of Common Stock as of December 31, 2018 and 2017 exceeded the $72.18 conversion price per share. The Convertible Notes would only have a dilutive effect if the market price per share of common stock exceeds the conversion price of $188.73 per share. Therefore, according to ASC Topic 260, *Earnings per Share* (“ASC 260”), there was no dilutive effect of the assumed conversion of the debentures as of December 31, 2019, whereas the dilutive effect was 1,640,477 and 799,680 shares for the years ended December 31, 2018 and 2017, respectively. See Note 10, Debt Obligations, to the Consolidated Financial Statements for more information about the convertible notes.

Share repurchases

The Company's Board of Directors has authorized a stock repurchase program ("Repurchase Program"), allowing Euronet to repurchase up to $375 million in value or 10.0 million shares of stock through March 31, 2020. On March 11, 2019, in connection with the issuance of the Convertible Notes, the Board of Directors authorized an additional repurchase program of

$120 million in value of the Company's common stock through March 11, 2021. On February 26, 2020, the Company put a repurchase program in place to repurchase up to $250 million in value, but not more than five million shares of common stock through February 28, 2022. Repurchases under either program may take place in the open market or in privately negotiated transactions, including derivative transactions, and may be made under a Rule 10b5-1 plan. For the year ended December 31, 2019, the Company repurchased $70.9 million in value of Euronet Common Stock under the Repurchase Program. For the year ended December 31, 2018, the company repurchased $175 million in value of Euronet common stock under the Repurchase Program. No repurchases were made during 2017.

Preferred Stock

The Company has the authority to issue up to 10 million shares of preferred stock, of which no shares are currently issued or outstanding.

Accumulated other comprehensive loss

As of December 31, 2019 and 2018, accumulated other comprehensive loss consists entirely of foreign currency translation adjustments. The Company recorded a foreign currency translation loss of $13.9 million, a loss of $56.7 million and a gain of $116.4 million for the years ended December 31, 2019, 2018, and 2017, respectively. There were no reclassifications of foreign currency translation into the Consolidated Statements of Income for the years ended December 31, 2019, 2018, and 2017.

Dividends

No dividends was paid on any class of the Company's stock during 2019, 2018, and 2017.

(5) Acquisitions

In accordance with ASC 805, the Company allocates the purchase price of its acquisitions to the tangible assets, liabilities and intangible assets acquired based on fair values. Any excess purchase price over those fair values is recorded as goodwill. The fair value assigned to intangible assets acquired is supported by valuations using estimates and assumptions provided by management. For certain large acquisitions, management engages an appraiser to assist in the valuation process.

2019 Acquisitions

On November 30, 2019, the Company completed the acquisition of a North American based ATM operator with approximately 1,800 ATMs.

The purchase price was $92.5 million in cash. Approximately $10.1 million of the cash consideration was placed in escrow accounts to satisfy indemnification and working capital obligations of the seller, pursuant to the terms of the purchase agreement.

The purchase price was preliminarily allocated to the assets acquired and liabilities assumed, including identifiable intangible assets, based on their respective fair values at the date of acquisition. The acquisition has been accounted for as business combinations in accordance with U.S. GAAP and the results of operations have been included from the date of acquisition in the EFT Processing Segment. The historical revenue and earnings were not significant for the purpose of presenting pro forma information for the current or prior-year periods.

The following table summarizes the preliminary fair values of the assets acquired and liabilities assumed as of the acquisition date.

(in thousands)	As of November 30, 2019
Cash and cash equivalents	$ 5,325
Trade accounts receivable	2,167
Other current assets	798
Property and equipment	16,542
Intangible assets	39,000
Total assets acquired	$ 63,832
Trade accounts payable	$ (6,790)
Accrued expenses and other current liabilities	(80)
Total liabilities assumed	$ (6,870)
Goodwill	35,540
Net assets acquired	$ 92,502

The Company acquired customer relationship intangible assets with a preliminary fair value of $39.0 million, which are being amortized on a straight-line basis over 20 years.

Goodwill, with a preliminary value of $35.5 million, arising from the acquisition was included in the EFT Processing Segment and was attributable to expected growth opportunities in the United States. Goodwill and intangible assets associated with this acquisition are deductible for tax purposes.

Other
The Company completed three acquisitions for immaterial amounts.

2018 Acquisitions

The Company completed the acquisitions of two small European businesses for an immaterial amount of cash consideration, completing one acquisition in the first quarter of 2018 and completing the other acquisition in the second quarter of 2018. The acquisitions have been accounted for as business combinations in accordance with U.S. GAAP and the results of operations have been included from the respective dates of acquisition in the EFT Processing Segment.

(6) Restricted Cash

The restricted cash balances as of December 31, 2019 and 2018 were as follows:

	As of December 31,	
(in thousands)	2019	2018
Cash held in trust and/or cash held on behalf of others	$ 34,301	$ 31,237
Restricted cash	**$ 34,301**	**$ 31,237**
Cash held in trust and/or cash held on behalf of others	$ 44,366	$ 35,926
Collateral on bank credit arrangements and other	4,802	9,432
Restricted cash included within settlement assets	**$ 49,168**	**$ 45,358**
Total Restricted Cash	$ 83,469	$ 76,595

Cash held in trust and/or cash held on behalf of others is in connection with the administration of the customer collection and vendor remittance activities by certain subsidiaries within the Company's epay and EFT Processing Segments. Amounts collected on behalf of certain mobile phone operators and/or merchants are deposited into a restricted cash account. The bank credit arrangements primarily represent cash collateral on deposit with commercial banks to cover guarantees.

(7) Property and Equipment, Net

The components of property and equipment, net of accumulated depreciation and amortization as of December 31, 2019 and 2018 are as follows:

	As of December 31,	
(in thousands)	2019	2018
ATMs	$ 474,611	$ 378,009
POS terminals	38,235	36,521
Vehicles and office equipment	64,970	66,117
Computers and software	191,172	183,150
Land and buildings	1,235	1,252
	770,223	665,049
Less accumulated depreciation	(410,243)	(373,180)
Total	$ 359,980	$ 291,869

Depreciation and amortization expense related to property and equipment, including property and equipment recorded under finance leases, for the years ended December 31, 2019, 2018 and 2017 was $83.5 million, $75.1 million and $63.4 million, respectively.

(8) Goodwill and Acquired Intangible Assets, Net

Goodwill represents the excess of the purchase price of the acquired business over the estimated fair value of the underlying net tangible and intangible assets acquired. The following table summarizes intangible assets as of December 31, 2019 and 2018:

	As of December 31, 2019		As of December 31, 2018	
(in thousands)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer relationships	$ 240,027	$ (139,319)	$ 199,581	$ (133,863)
Trademarks and trade names	45,347	(28,123)	45,233	(25,837)
Software	59,244	(35,362)	58,515	(29,420)
Non-compete agreements	2,082	(2,049)	2,076	(1,800)
Total	$ 346,700	$ (204,853)	$ 305,405	$ (190,920)

The following table summarizes the goodwill and amortizable intangible assets activity for the years ended December 31, 2019 and 2018:

(in thousands)	Acquired Intangible Assets	Goodwill	Total Intangible Assets
Balance as of January 1, 2018	$ 150,543	$ 717,386	$ 867,929
Increases (decreases):			
Acquisitions	—	20,742	20,742
Impairment	(7,049)	—	(7,049)
Amortization	(22,562)	—	(22,562)
Other (primarily changes in foreign currency exchange rates)	(6,447)	(33,931)	(40,378)
Balance as of December 31, 2018	114,485	704,197	818,682
Increases (decreases):			
Acquisitions	46,246	35,305	81,551
Impairment	—	—	—
Amortization	(20,374)	—	(20,374)
Other (primarily changes in foreign currency exchange rates)	1,490	4,321	5,811
Balance as of December 31, 2019	$ 141,847	$ 743,823	$ 885,670

The Company performs its annual goodwill impairment test during the fourth quarter of each year. The annual goodwill impairment test completed during the fourth quarter of 2019 resulted in no impairment charges. During the fourth quarter of 2018, the Company recorded a $7.0 million non-cash impairment charge for acquired intangible assets, specifically the HiFX trade name, related to rebranding the HiFX business to xe.

Of the total goodwill balance of $743.8 million as of December 31, 2019, $474.7 million relates to the Money Transfer Segment, $128.9 million relates to the epay Segment and the remaining $140.2 million relates to the EFT Processing Segment. Amortization expense for intangible assets with finite lives was $20.4 million, $22.6 million and $24.5 million for the years ended December 31, 2019, 2018 and 2017, respectively. Estimated annual amortization expense, before income taxes, on intangible assets with finite lives as of December 31, 2019, is expected to total $23.1 million for 2020, $22.2 million for 2021, $21.1 million for 2022, $16.3 million for 2023 and $9.8 million for 2024.

(9) Accrued Expenses and Other Current Liabilities

The balances as of December 31, 2019 and 2018 were as follows:

	As of December 31,	
(in thousands)	2019	2018
Accrued expenses	$ 246,699	$ 210,997
Derivative liabilities	41,935	36,102
Current portion of finance lease obligations	5,919	5,458
Deferred income taxes	4	—
Total	$ 294,557	$ 252,557

(10) Debt Obligations

Debt obligations consist of the following as of December 31, 2019 and 2018:

	As of December 31,	
(in thousands)	2019	2018
Credit Facility:		
Revolving credit agreements	$ —	$ 215,725
Convertible Debt:		
0.75% convertible notes, unsecured, due 2049	436,965	—
1.50% convertible notes, unsecured, due 2044	—	379,859
1.375% Senior Notes, due 2026	673,440	—
Other obligations	6,215	38,513
Total debt obligations	$ 1,116,620	$ 634,097
Unamortized debt issuance costs	(19,592)	(6,298)
Carrying value of debt	$ 1,097,028	$ 627,799
Short-term debt obligations and current maturities of long-term debt obligations	(6,089)	(38,017)
Long-term debt obligations	$ 1,090,939	$ 589,782

As of December 31, 2019, aggregate annual maturities of long-term debt are $6.1 million in 2020, $0.1 million due in 2021, no maturities between 2022 and 2024, and $1.2 billion thereafter. This maturity schedule reflects the revolving credit facility maturing in 2023 the Convertible Notes maturing in 2025, coinciding with the terms of the initial put option by holders of the Convertible Notes. It also reflects the maturing of the 1.375% Senior Note of €600 million ($673.4 million) due in 2026.

Credit Facility

In the early fourth quarter of 2018, the Company early retired the senior secured revolving bank credit facility (the "Credit Facility") with a syndicate of financial institutions. The Credit Facility was subsequently replaced by a new unsecured credit agreement for $1.0 billion that expires on October 17, 2023. Fees and interest on borrowings are based upon the Company's corporate credit rating and are based, in the case of letter of credit fees, on a margin , and in the case of interest, on a margin over London Inter-Bank Offered Rate (“LIBOR”) or a margin over the base rate, as selected by the Company, with the applicable margin ranging from 1.125% to 2.0% (or 0.175% to 1.0% for base rate loans). The unsecured credit agreement allows for borrowings in Australian Dollars, British Pounds Sterling, Canadian Dollars, Czech Koruna, Danish Krone, Euros, Hungarian Forints, Japanese Yen, New Zealand Dollars, Norwegian Krone, Polish Zlotys, Swedish Krona, Swiss Francs, and U.S. Dollars. The revolving credit facility contains a $200 million sublimit for the issuance of letters of credit, a $50 million sublimit for U.S. Dollar swingline loans, and a $90 million sublimit for certain foreign currencies swingline loans.

The retired Credit Facility provided an aggregate amount of $675 million, consisting of a $590 million five-year revolving credit facility, a $10 million five-year India revolving credit facility and a $75 million five-year term loan. Fees and interest on borrowings varied based upon the Company's consolidated total leverage ratio (as defined in the amended and restated credit agreement) and were based, in the case of letter of credit fees, on a margin, and in the case of interest, on a margin over LIBOR or a margin over the base rate, as selected by the Company, with the applicable margin ranging from 1.375% to 2.375% (or 0.375% to 1.375% for base rate loans). The base rate is the highest of (i) the Bank of America prime rate, (ii) the Federal Funds rate plus 0.50% or (iii) the Fixed LIBOR rate plus 1.00%. The term loan was subject to scheduled quarterly amortization payments, as set forth in the amended and restated credit agreement.

As of December 31, 2019 and 2018, the Company had stand-by letters of credit/bank guarantees outstanding against the revolving credit facilities of $53.0 million and $47.1 million, respectively. Stand-by letters of credit/bank guarantees reduce the Company's borrowing capacity under the revolving credit facility and are generally used to secure trade credit and performance obligations. As of December 31, 2019 and 2018, the stand-by letters of credit interest charges were each 1.1% per annum, respectively.

The unsecured credit agreement contains customary affirmative and negative covenants, events of default and financial covenants, including: (i) as of the end of each fiscal quarter ended on March 31, September 30 and December 31, a Consolidated Total Leverage Ratio not to be greater than 3.5 to1.0; (ii) as of the end of each fiscal quarter ended on June 30, a Consolidated Total Leverage Ratio not to be greater than 4.0 to1.0; provided that, not more than two times prior to the expiration date, that a Material Acquisition has been consummated, for any period of four consecutive fiscal quarters following such Material Acquisition, the Consolidated Total Leverage Ratio will be not greater than 4.0 to1.0 for fiscal quarters ended on March 31, September 30 and December 31 and not greater than 4.5 to1.0 for fiscal quarters ended on June 30; provided, further, that following such four consecutive fiscal quarters for which the maximum Consolidated Total Leverage Ratio is increased, the maximum Consolidated Total Leverage Ratio shall revert to the levels set forth in clauses (i) and (ii) above for not fewer than two fiscal quarters before a subsequent Increase Notice is delivered to the syndicate of financial institutions; and (iii) a Consolidated Interest Coverage Ratio not less than 4.0 to 1.0. Subject to meeting certain leverage ratio and liquidity requirements as contained in the unsecured credit agreement, the Company is permitted to pay dividends, repurchase common stock and repurchase subordinated debt. The Company was in compliance with all debt covenants, as of December 31, 2019.

The Company and certain subsidiaries have guaranteed the repayment of obligations under the credit agreement.

Uncommited Line of Credit

During 2019, the Company entered into an Uncommitted Loan Agreement with Bank of America which may provide Euronet up to $100.0 million under an uncommitted line of credit. Interest on borrowings is equal to LIBOR plus 0.65% and the agreement expires September 4, 2020. As of December 31, 2019, no amounts were outstanding under the line of credit.

Convertible Debt

On March 18, 2019, the Company completed the sale of $525.0 million of Convertible Senior Notes ("Convertible Notes"). The Convertible Notes mature in March 2049 unless redeemed or converted prior to such date, and are convertible into shares of Euronet Common Stock at a conversion price of approximately $188.73 per share if certain conditions are met (relating to the closing price of Euronet Common Stock exceeding certain thresholds for specified periods). Holders of the Convertible Notes have the option to require the Company to purchase their notes on each of March 15, 2025, March 15, 2029, March 15, 2034, March 15, 2039 and March 15, 2044 at a repurchase price equal to 100% of the principal amount of the Convertible Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the relevant repurchase date. In connection with the issuance of the Convertible Notes, the Company recorded $12.8 million in debt issuance costs, which are being amortized through March 1, 2025.

The Company may not redeem the Notes prior to September 20, 2022. The Company may redeem for cash all or any portion of the Convertible Notes, at its option, (i) on or after September 20, 2022 if the closing sale price of the Company's Common Stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption and (ii) on or after March 20, 2025 and prior to the maturity date, regardless of the foregoing sale price condition, in each case at a redemption price equal to 100% of the principal amount of the Convertible Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. No sinking fund is provided for the Convertible Notes. In addition, if a fundamental change, as defined in the Indenture, occurs prior to the maturity date, holders may require the Company to repurchase for cash all or part of their Convertible Notes at a repurchase price equal to 100% of the principal amount of the Convertible Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date. As of December 31, 2019 the conversion threshold was not met and the Convertible Notes were not convertible during the first quarter of 2020.

In accordance with ASC 470-20-30-27, proceeds from the issuance of convertible debt is allocated between debt and equity components so that debt is discounted to reflect the Company's nonconvertible debt borrowing rate. ASC 470-20-35-13 requires the debt discount to be amortized over the period the convertible debt is expected to be outstanding as additional non-cash interest expense. The allocation resulted in an increase to additional paid-in capital of $99.7 million for the Convertible Notes.

The Company used $94.2 million of the net proceeds from the issuance of the new debt to repurchase $49 million aggregate principal amount of the Company's 1.5% Convertible Senior Notes due 2044 (the "Retired Convertible Notes") from a limited number of holders in privately negotiated transactions.

On March 18, 2019, the Company provided a notice of redemption to the trustee of the indenture governing the Retired Convertible Notes (the "Existing Indenture"), pursuant to which the Company would redeem all of the remaining principal amount outstanding of the Retired Convertible Notes on May 28, 2019 (the "Redemption Date") for cash at a redemption price equal to 100% of the principal amount of the Retired Convertible Notes redeemed plus accrued and unpaid interest, if any, to, but excluding, the Redemption Date. The issuance of the Convertible Notes and the conversion of the Retired Convertible

Notes, resulted in a $25.6 million recognition and a $34.2 million reversal of deferred tax liabilities within the additional paid-in capital as of December 31, 2019, respectively.

Prior to the Redemption Date, approximately $352.4 million principal amount of the Retired Convertible Notes were submitted for conversion. The Company elected to settle the conversion of such Retired Convertible Notes through a combination of cash and stock. The Company paid cash equal to $1,000 for each $1,000 principal amount of Retired Convertible Notes submitted for conversion and satisfied the remainder of the conversion obligation by issuing shares of the Company's Common Stock valued at $147.24 per share. As a result, the Company paid cash of $352.4 million and issued approximately 2.5 million shares of its Common Stock. In accordance with ASC 470, the Company recognized a loss of $9.8 million on the conversion and redemption for the year ended December 31, 2019, representing the difference between the fair value of the Retired Convertible Notes converted and the carrying value of the bonds at the time of conversion. The Company is using the remainder of the net proceeds from the issuance of the Convertible Notes to finance the further growth of the business.

Contractual interest expense for the Retired Convertible Notes was $1.5 million and $6.0 million for the year ended December 31, 2019 and 2018, respectively. Accretion expense was $4.6 million for the year ended December 31, 2019 and $11.5 million for the year ended December 31, 2018.

Contractual interest expense for the Convertible Notes was $3.1 million for the year ended December 31, 2019. Accretion expense was $11.6 million for the year ended December 31, 2019. The effective interest rate was 4.4% for the year ended December 31, 2019. As of December 31, 2019, the unamortized discount was $88.0 million and will be amortized through March 2025.

1.375% Senior Notes due 2026

On May 22, 2019, the Company completed the sale of €600 million ($669.9 million) aggregate principal amount of Senior Notes that expire on May 2026 (the “Senior Notes”). The Senior Notes accrue interest at a rate of 1.375% per year, payable annually in arrears commencing May 22, 2020, until maturity or earlier redemption. As of December 31, 2019, the Company has outstanding €600 million ($673.4 million) principal amount of the Senior Notes. In addition, the Company may redeem some or all of these notes on or after February 22, 2026 at their principal amount plus any accrued and unpaid interest.

Other obligations

Certain of the Company's subsidiaries have available lines of credit and overdraft credit facilities that generally provide for short-term borrowings that are used from time to time for working capital purposes. As of December 31, 2019 and 2018, borrowings under these arrangements were $6.2 million and $38.5 million, respectively. As of December 31, 2019, there was $6.2 million due in 2020 under these other obligation arrangements.

(11) Derivative Instruments and Hedging Activities

The Company is exposed to foreign currency exchange risk resulting from (i) the collection of funds or the settlement of money transfer transactions in currencies other than the U.S. dollar, (ii) derivative contracts written to its customers in connection with providing cross-currency money transfer services and (iii) certain foreign currency denominated other asset and liability positions. The Company enters into foreign currency derivative contracts, primarily foreign currency forwards and cross-currency swaps, to minimize its exposure related to fluctuations in foreign currency exchange rates. As a matter of Company policy, the derivative instruments used in these activities are economic hedges and are not designated as hedges under ASC 815, primarily due to either the relatively short duration of the contract term or the effects of fluctuations in currency exchange rates are reflected concurrently in earnings for both the derivative instrument and the transaction and have an offsetting effect.

Foreign currency exchange contracts - Ria Operations and Corporate

In the United States, the Company uses short-duration foreign currency forward contracts, generally with maturities up to 14 days, to offset the fluctuation in foreign currency exchange rates on the collection of money transfer funds between initiation of a transaction and its settlement. Due to the short duration of these contracts and the Company’s credit profile, the Company is generally not required to post collateral with respect to these foreign currency forward contracts. Most derivative contracts executed with counterparties in the U.S. are governed by an International Swaps and Derivatives Association agreement that includes standard netting arrangements; therefore, asset and liability positions from forward contracts and all other foreign exchange transactions with the same counterparty are net settled upon maturity. As of December 31, 2019 and 2018, the Company had foreign currency forward contracts outstanding in the U.S. with a notional value of $159.0 million and $251.1 million, respectively. The foreign currency forward contracts consist primarily in Australian dollars, Canadian dollars, British pounds, euros and Mexican pesos.

In addition, the Company uses forward contracts, typically with maturities from a few days to less than one year, to offset foreign exchange rate fluctuations on certain short-term borrowings that are payable in currencies other than the U.S dollar. As of December 31, 2019 and 2018, the Company had foreign currency forward contracts outstanding with a notional value of $43 million and $64.3 million, respectively, primarily in euros.

Foreign currency exchange contracts - xe Operations

xe, writes derivative instruments, primarily foreign currency forward contracts and cross-currency swaps, mostly with counterparties comprised of individuals and small-to-medium size businesses and derives a currency margin from this activity as part of its operations. xe aggregates its foreign currency exposures arising from customer contracts and hedges the resulting net currency risks by entering into offsetting contracts with established financial institution counterparties. Foreign exchange revenues from xe's total portfolio of positions were $18.9 million, $69.2 million and $72.5 million for the years ended December 31, 2019, 2018 and 2017, respectively. All of the derivative contracts used in the Company' s xe operations are economic hedges and are not designated as hedges under ASC 815. The duration of these derivative contracts is generally less than one year.

The fair value of xe's total portfolio of positions can change significantly from period to period based on, among other factors, market movements and changes in customer contract positions. xe manages counterparty credit risk (the risk that counterparties will default and not make payments according to the terms of the agreements) on an individual counterparty basis. It mitigates this risk by entering into contracts with collateral posting requirements and/or by performing financial assessments prior to contract execution, conducting periodic evaluations of counterparty performance and maintaining a diverse portfolio of qualified counterparties. xe does not expect any significant losses from counterparty defaults.

The aggregate equivalent U.S. dollar notional amounts of foreign currency derivative customer contracts held by the Company in its xe operations as of December 31, 2019 and 2018, was approximately $1.2 billion and $1.8 billion, respectively. The significant majority of customer contracts are written in major currencies such as the euro, U.S. dollar, British pound, Australian dollar and New Zealand dollar.

Balance Sheet Presentation

The following table summarizes the fair value of the derivative instruments as recorded in the Consolidated Balance Sheets as of the dates below:

	Asset Derivatives			Liability Derivatives		
		Fair Value			Fair Value	
(in thousands)	Balance Sheet Location	December 31, 2019	December 31, 2018	Balance Sheet Location	December 31, 2019	December 31, 2018
Derivatives not designated as hedging instruments						
Foreign currency exchange contracts	Other current assets	$ 54,765	$ 44,637	Other current liabilities	$ (41,935)	$ (36,102)

The following tables summarize the gross and net fair value of derivative assets and liabilities as of December 31, 2019 and 2018 (in thousands):

Offsetting of Derivative Assets

				Gross Amounts Not Offset in the Consolidated Balance Sheet		
As of December 31, 2019	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts Presented in the Consolidated Balance Sheet	Financial Instruments	Cash Collateral Received	Net Amounts
Derivatives subject to a master netting arrangement or similar agreement	$ 54,765	$ —	$ 54,765	$ (34,935)	$ (7,362)	$ 12,468
As of December 31, 2018						
Derivatives subject to a master netting arrangement or similar agreement	$ 44,637	$ —	$ 44,637	$ (25,187)	$ (9,918)	$ 9,532

Offsetting of Derivative Liabilities

				Gross Amounts Not Offset in the Consolidated Balance Sheet		
As of December 31, 2019	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts Presented in the Consolidated Balance Sheet	Financial Instruments	Cash Collateral Paid	Net Amounts
Derivatives subject to a master netting arrangement or similar agreement	$ (41,935)	$ —	$ (41,935)	$ 34,935	$ 827	$ (6,173)
As of December 31, 2018						
Derivatives subject to a master netting arrangement or similar agreement	$ (36,102)	$ —	$ (36,102)	$ 25,187	$ 2,048	$ (8,867)

Income Statement Presentation

The following tables summarize the location and amount of gains on derivatives in the Consolidated Statements of Income for the years ended December 31, 2019, 2018 and 2017:

		Amount of Gain Recognized in Income on Derivative Contracts (a)		
		Year Ended December 31,		
(in thousands)	Location of Gain (Loss) Recognized in Income on Derivative Contracts	2019	2018	2017
Foreign currency exchange contracts - Ria Operations	Foreign currency exchange gain, net	$ 62	$ 173	$ 175

(a) The Company enters into derivative contracts such as foreign currency exchange forwards and cross-currency swaps as part of its xe operations. These derivative contracts are excluded from this table as they are part of the broader disclosure of foreign currency exchange revenues for this business discussed above.

See Note 17, Financial Instruments and Fair Value Measurements, for the determination of the fair values of derivatives.

(12) Leases

The Company enters into operating leases for ATM sites, office spaces, retail stores and equipment. The Company's finance leases are immaterial. Right of use assets and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease terms.

The present value of lease payments is determined using the incremental borrowing rate based on information available at the lease commencement date. All leases with fixed payments, including leases with an initial term of 12 months or less are recorded on the balance sheet. The Company recognizes lease expense for these leases on a straight-line basis over the lease term.

Most leases include an option to renew, with renewal terms that can extend the lease terms. The exercise of lease renewal options is at the Company’s sole discretion. The depreciable life of assets and leasehold improvements are limited by the expected lease terms. The Company also has a unilateral termination right for most of the ATM site leases. Since the Company is not reasonably certain to exercise the renewal or termination options, the options are not considered in determining the lease terms, and associated payment impacts are excluded from lease payments.

Certain of the Company's lease agreements include variable rental payments based on revenues generated from the use of the leased location and certain leases include rental payments adjusted periodically for inflation. Variable lease payments are recognized when the event, activity or circumstance in the lease agreement on which those payments are assessed occurs and are excluded from the right of use assets and lease liabilities balances. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Future minimum lease payments

Future minimum lease payments under the operating leases as of December 31, 2019 are:

	As of December 31, 2019
Maturity of Lease Liabilities *(in thousands)*	Operating Leases
2020	$ 125,231
2021	90,330
2022	64,279
2023	44,113
2024	25,467
Thereafter	43,105
Total lease payments	$ 392,525
Less: imputed interest	(23,195)
Present value of lease liabilities	$ 369,330

Future minimum lease payments under the non-cancelable operating leases (with initial lease terms in excess of one year) as of December 31, 2018 were:

(in thousands)		Operating Leases
Year ending December 31,		
2019	$	80,803
2020		65,590
2021		49,052
2022		37,823
2023		30,192
Thereafter		48,191
Total minimum lease payments	$	311,651

Lease expense recognized in the Consolidated Statements of Income is summarized as follows:

Lease Expense *(in thousands)*	Income Statement Classification		Year ended December 31, 2019
Operating lease expense	Selling, general and administrative and Direct operating costs	$	130,487
Variable lease expense	Selling, general and administrative and Direct operating costs		43,907
Total lease expense		$	174,394

Other information about lease amounts recognized in the consolidated financial statements is summarized as follows:

Lease Term and Discount Rate of Operating Leases	As of December 31, 2019
Weighted- average remaining lease term (years)	4.4
Weighted- average discount rate	3.1%

The following table presents supplemental cash flow and non-cash information related to leases:

Other Information *(in thousands)*		Year ended December 31, 2019
Cash paid for amounts included in the measurement of lease liabilities *(a)*	$	129,609
Supplemental non-cash information on lease liabilities arising from obtaining ROU assets:		
ROU assets obtained in exchange for new operating lease liabilities	$	229,107

(a) Included in Net cash provided by operating activities on the Company's Consolidated Statements of Cash Flows.

(13) Income Taxes

The sources of income before income taxes for the years ended December 31, 2019, 2018 and 2017 are presented as follows:

	Year Ended December 31,					
(in thousands)		2019		2018		2017
Income before taxes:						
United States	$	44,290	$	35,467	$	55,117
Foreign		389,517		259,449		201,218
Total income before income taxes	$	433,807	$	294,916	$	256,335

The Company's income tax expense for the years ended December 31, 2019, 2018 and 2017 consisted of the following:

	Year Ended December 31,					
(in thousands)		2019		2018		2017
Current tax expense (benefit):						
U.S.	$	(4,885)	$	(8,711)	$	29,620
Foreign		83,792		70,244		79,475
Total current		78,907		61,533		109,095
Deferred tax expense (benefit):						

U.S.	(8,424)	6,871	14,056
Foreign	16,629	(5,619)	(23,756)
Total deferred	8,205	1,252	(9,700)
Total tax expense	$ 87,112	$ 62,785	$ 99,395

The following is a reconciliation of the federal statutory income tax rates of 21% for the years ended December 31, 2019 and 2018 and 35% for the year ended December 31, 2017 to the effective income tax rate for the same years:

	Year Ended December 31,		
(dollar amounts in thousands)	2019	2018	2017
U.S. federal income tax expense at applicable statutory rate	$ 91,099	$ 61,932	$ 89,684
Tax effect of:			
State income tax expense (benefit) at statutory rates	5,101	1,680	968
Non-deductible expenses	2,896	3,457	5,648
Share-based compensation	(2,875)	(13,750)	(4,845)
Other permanent differences	(864)	(6,141)	8,458
Difference between U.S. federal and foreign tax rates	12,281	9,843	(24,270)
Provision in excess of statutory rates	3,565	3,737	8,426
Change in federal and foreign valuation allowance	2,144	3,075	(30,224)
Impairment of goodwill and acquired intangibles assets	—	83	8,248
GILTI, net of tax credits	6,471	14,111	—
U.S. Tax Reform - transition tax and rate change	(25,728)	(12,262)	41,597
Tax credits	(4,500)	—	—
Other	(2,478)	(2,980)	(4,295)
Total income tax expense	$ 87,112	$ 62,785	$ 99,395
Effective tax rate	20.1%	21.3%	38.8%

We calculate our provision for federal, state and international income taxes based on current tax law. On December 22, 2017, the U.S. enacted into law what is informally called the Tax Cuts and Jobs Act of 2017 ("U.S. Tax Reform"). The most significant provisions of U.S. Tax Reform are the transition tax on previously undistributed foreign earnings of foreign subsidiaries, the reduction of the U.S. corporate statutory income tax rate from 35% to 21% beginning on January 1, 2018, and new taxes on certain foreign sourced earnings.

In 2017, the Company initially recorded a net provisional tax expense of $41.6 million resulting from the enactment of U.S. Tax Reform. In the fourth quarter of 2018, the Company adjusted its accounting for the tax effects of U.S. Tax Reform. The net provisional tax expense was decreased in that period by approximately $12.3 million to $29.3 million largely due to changes in the transition tax calculations. In the fourth quarter of 2019 after additional regulatory guidance was issued by applicable taxing authorities, the Company elected to claim U.S. tax credits on foreign tax paid on foreign source income, which reduced the net tax expense by $25.7 million.

The tax effect of temporary differences and carryforwards that give rise to deferred tax assets and liabilities from continuing operations are as follows:

	As of December 31,	
(in thousands)	2019	2018
Deferred tax assets:		
Tax loss carryforwards	$ 34,357	$ 30,689
Share-based compensation	7,366	7,395
Accrued expenses	19,048	17,242
Property and equipment	8,602	16,377
Goodwill and intangible amortization	8,143	10,619
Intercompany notes	5,977	6,913
Accrued revenue	24,721	36,273
Tax credits	65,063	—
Lease accounting	89,965	—
Other	15,379	11,876
Gross deferred tax assets	278,621	137,384
Valuation allowance	(83,184)	(21,857)
Net deferred tax assets	195,437	115,527
Deferred tax liabilities:		
Intangible assets related to purchase accounting	(16,379)	(22,877)
Goodwill and intangible amortization	(20,806)	(16,115)
Accrued expenses	(29,084)	(28,274)
Intercompany notes	(10,498)	(14,034)
Accrued interest	(27,902)	(32,372)
Capitalized research and development	(6,048)	(8,299)
Property and equipment	(15,467)	(8,408)
Accrued revenue	(4,727)	(4,388)
Lease accounting	(89,965)	—
Other	(8,997)	(5,841)
Total deferred tax liabilities	(229,873)	(140,608)
Net deferred tax liabilities	$ (34,436)	$ (25,081)

Subsequently recognized tax benefits relating to the valuation allowance for deferred tax assets as of December 31, 2019 are expected to be allocated to income taxes in the Consolidated Statements of Income.

As of December 31, 2019, and 2018, the Company's foreign tax loss carryforwards were $119.1 million and $109.8 million, respectively, and U.S. state tax loss carryforwards were $97.6 million and $91.8 million, respectively. In 2019, the Company has recognized $59.1 million in U.S. foreign tax credits which are largely not expected to be utilized in future periods.

In assessing the Company's ability to realize deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not the Company will only realize the benefits of these deductible differences, net of the existing valuation allowances, as of December 31, 2019.

As of December 31, 2019, the Company had foreign tax net operating loss carryforwards of $119.1 million, which will expire as follows:

(in thousands)	Gross	Tax Effected
Year ending December 31,		
2020	$ 1,274	$ 315
2021	3,790	934
2022	2,800	720
2023	2,577	605
2024	8,713	2,152
Thereafter	39,040	9,851
Unlimited	60,935	14,427
Total	$ 119,129	$ 29,004

In addition, the Company's state tax net operating loss carryforwards of $97.6 million will expire periodically from 2020 through 2039, U.S. foreign tax credit carryforwards of $59.1 million that will expire periodically from 2021 through 2027, U.S. research and expenditure credit carryforwards of $3.2 million that will expire over an indefinite number of years, and foreign tax credits of $2.8 million that will expire over an indefinite number of years.

While U.S. tax expense has been recognized as a result of the transition tax and Global Intangible Low-Taxed Income ("GILTI") provisions of U.S. Tax Reform, the Company has not provided additional deferred taxes with respect to items such as certain foreign exchange gains or losses, foreign withholding taxes or additional state taxes, if any, on undistributed earnings attributable to foreign subsidiaries and it is not practical to determine the income tax liability that would be payable if such earnings were not reinvested indefinitely. Gross undistributed earnings reinvested indefinitely in foreign subsidiaries aggregated approximately $1,810 million as of December 31, 2019.

Accounting for uncertainty in income taxes

A reconciliation of the beginning and ending amount of unrecognized tax benefits for the years ended December 31, 2019 and 2018 is as follows:

	Year Ended December 31,	
(in thousands)	2019	2018
Beginning balance	$ 30,915	$ 28,537
Additions based on tax positions related to the current year	15,569	4,787
Additions for tax positions of prior years	6	966
Reductions for tax positions of prior years	(1,703)	(1,705)
Settlements	—	(807)
Statute of limitations expiration	(252)	(863)
Ending balance	$ 44,535	$ 30,915

As of December 31, 2019 and 2018, approximately $42.7 million and $28.0 million, respectively, of the unrecognized tax benefits would impact the Company's provision for income taxes and effective income tax rate, if recognized. Total estimated accrued interest and penalties related to the underpayment of income taxes was $5.2 million and $4.4 million as of December 31, 2019 and 2018, respectively. The following income tax years remain open in the Company's major jurisdictions as of December 31, 2019:

Jurisdictions	Periods
U.S. (Federal)	2014 through 2019
Germany	2016 through 2019
Greece	2014 through 2019
Spain	2014 through 2019
U.K.	2009 through 2019

It is reasonably possible that the balance of gross unrecognized tax benefits could significantly change within the next twelve months as a result of the resolution of audit examinations and expirations of certain statutes of limitations and, accordingly, materially affect the Company's operating results. At this time, it is not possible to estimate the range of change due to the uncertainty of potential outcomes.

(14) Valuation and Qualifying Accounts

Trade accounts receivable balances and accounts receivable included within the settlement assets are stated net of allowance for doubtful accounts. Historically, the Company has not experienced significant write-offs. The Company records allowances for doubtful accounts when it is probable that the accounts receivable balance will not be collected. The following table provides a summary of the allowance for doubtful accounts balances and activity for the years ended December 31, 2019, 2018 and 2017:

	Year Ended December 31,		
(in thousands)	2019	2018	2017
Beginning balance-allowance for doubtful accounts	$ 24,287	$ 20,958	$ 18,369
Additions-charged to expense	10,095	8,653	6,631
Amounts written off	(6,179)	(4,079)	(5,944)
Other (primarily changes in foreign currency exchange rates)	(265)	(1,245)	1,902
Ending balance-allowance for doubtful accounts	$ 27,938	$ 24,287	$ 20,958

(15) Stock Plans

The Company has share-based compensation plans (“SCP”) that allow it to grant restricted shares, or options to purchase shares, of Common Stock to certain current and prospective key employees, directors and consultants of the Company. These awards generally vest over periods ranging from three to five years from the date of grant, are generally exercisable during the shorter of a ten-year term or the term of employment with the Company. With the exception of certain awards made to the Company's employees in Germany, Singapore and Malaysia, awards under the SCP are settled through the issuance of new shares under the provisions of the SCP. For Company employees in Germany, Singapore and Malaysia, certain awards are settled through the issuance of treasury shares, which also reduces the number of shares available for future issuance under the SCP. As of December 31, 2019, the Company has approximately 2.1 million in total shares remaining available for issuance under the SCP.

Share-based compensation expense was $21.4 million, $16.8 million and $15.6 million for the years ended December 31, 2019, 2018 and 2017, respectively, and was recorded in salaries and benefits expense in the accompanying Consolidated Statements of Income. The Company recorded a tax benefit of $4.9 million, $2.7 million and $2.3 million during the years ended December 31, 2019, 2018 and 2017, respectively, for the portion of this expense that relates to foreign tax jurisdictions in which an income tax benefit is expected to be derived.

Stock options

Summary stock options activity is presented in the table below:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (thousands)
Balance at December 31, 2018 (1,637,801 shares exercisable)	2,562,570	$ 57.10		
Granted	795,274	$ 145.92		
Exercised	(295,420)	$ 44.22		
Forfeited/Canceled	(46,287)	$ 89.67		
Expired	(362)			
Balance at December 31, 2019	3,015,775	$ 81.29	6.2	$ 230,052
Exercisable at December 31, 2019	1,653,340	$ 46.36	4.1	$ 183,846
Vested and expected to vest at December 31, 2019	2,383,821	$ 66.65	5.4	$ 216,739

Options outstanding that are expected to vest are net of estimated future forfeitures. The Company received cash of $13.1 million, $17.1 million and $9.5 million in connection with stock options exercised in the years ended December 31, 2019, 2018 and 2017, respectively. The intrinsic value of these options exercised was $30.6 million, $73.0 million and $23.2 million in the years ended December 31, 2019, 2018 and 2017, respectively. As of December 31, 2019, unrecognized compensation expense related to nonvested stock options that are expected to vest totaled $23.9 million and will be recognized over the next 5 years, with an overall weighted-average period of 3.4 years. The following table provides the fair value of options granted under the SCP during 2019, 2018 and 2017, together with a description of the assumptions used to calculate the fair value using the Black-Scholes-Merton option-pricing model:

	Year ended December 31,		
	2019	2018	2017
Volatility	29.3%	29.8%	28.8%
Risk-free interest rate - weighted average	2.1%	2.8%	2.2%
Risk-free interest rate - range	(a)	(a)	.022
Dividend yield	—%	—%	—%
Assumed forfeitures	8.0%	8.0%	8.0%
Expected lives	5.2 years	5.6 years	5.5 years
Weighted-average fair value (per share)	$ 43.96	$ 37.16	$ 28.59

(a) At the date of grant, the risk fee rate for stock options awarded in 2019 and 2018 was 1.7% and 2.8%, respectively.

Restricted stock

Restricted stock awards vest based on the achievement of time-based service conditions and/or performance-based conditions. For certain awards, vesting is based on the achievement of more than one condition of an award with multiple time-based and/or performance-based conditions.

Summary restricted stock activity is presented in the table below:

	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Nonvested at December 31, 2018	371,841	$ 85.78
Granted	254,631	$ 145.93
Vested	(115,740)	$ 78.77
Forfeited	(16,784)	$ 92.44
Nonvested at December 31, 2019	493,948	$ 118.20

The fair value of shares vested in the years ended December 31, 2019, 2018 and 2017 was $16.6 million, $14.2 million and $13.1 million, respectively. As of December 31, 2019, there was $11.4 million of total unrecognized compensation cost related to unvested time-based restricted stock, which is expected to be recognized over a weighted-average period of 3.3 years. As of December 31, 2019, there was $11.2 million of total unrecognized compensation costs related to unvested performance-based restricted stock, which is expected to be recognized based on Company performance over a weighted-average period of 1.8 years. The weighted average grant date fair value of restricted stock granted during the years ended December 31, 2019, 2018 and 2017 was $145.93, $107.88 and $91.28 per share, respectively.

Employee stock purchase plan

The Company has a qualified Employee Stock Purchase Plan (the "ESPP"), which allows qualified employees (as defined by the plan documents) to participate in the purchase of rights to purchase designated shares of the Company's Common Stock at a price equal to the lower of 85% of the closing price at the beginning or end of each quarterly offering period. The Company reserved 1,000,000 shares of Common Stock for purchase under the ESPP. Pursuant to the ESPP, during the years ended December 31, 2019, 2018 and 2017, the Company issued 16,713, 21,872 and 21,547 rights, respectively, to purchase shares of Common Stock at a weighted average price per share of $110.37, $71.08 and $69.06, respectively. The grant date fair value of the option to purchase shares at the lower of the closing price at the beginning or end of the quarterly period, plus the actual total discount provided, are recorded as compensation expense. Total compensation expense recorded was $0.4 million, $0.4 million, and $0.4 million for the years ended December 31, 2019, 2018 and 2017, respectively. The following table provides the weighted-average fair value of the ESPP stock purchase rights during the years ended December 31, 2019, 2018 and 2017 and the assumptions used to calculate the fair value using the Black-Scholes-Merton option-pricing model:

	Year Ended December 31,		
	2019	2018	2017
Volatility - weighted average	24.3%	30.1%	18.4%
Volatility - range	20.3% to 28.1%	23.5% to 36.7%	14.6% to 27.2%
Risk-free interest rate - weighted average	2.07%	2.01%	0.89%
Risk-free interest rate - range	1.55% to 2.44%	1.73% to 2.45%	0.51% to 1.39%
Dividend yield	—%	—%	—%
Expected lives	3 months	3 months	3 months
Weighted-average fair value (per share)	$ 25.87	$ 17.22	$ 15.81

(16) Business Segment Information

Euronet's reportable operating segments have been determined in accordance with ASC Topic 280, *Segment Reporting* ("ASC 280"). The Company currently operates in the following three reportable operating segments:

1) Through the EFT Processing Segment, the Company processes transactions for a network of ATMs and POS terminals across Europe, the Middle East and Asia Pacific. The Company provides comprehensive electronic payment solutions consisting of ATM cash withdrawal services, ATM network participation, outsourced ATM and POS management solutions, credit and debit card outsourcing, dynamic currency conversion, domestic and international surcharge and other value added services. Through this segment, the Company also offers a suite of

integrated electronic financial transaction software solutions for electronic payment and transaction delivery systems.

2) Through the epay Segment, the Company provides distribution, processing and collection services for prepaid mobile airtime and other electronic payment products in Europe, the Middle East, Asia Pacific, the U.S. and South America.

3) Through the Money Transfer Segment, the Company provides global money transfer services under the brand names, Ria, IME, and xe. Ria, AFEX and IME provide global consumer-to-consumer money transfer services through a network of sending agents, Company-owned stores and Company-owned websites, disbursing money transfers through a worldwide correspondent network. xe offers account-to-account international payment services to high-income individuals and small-to-medium sized businesses. xe is also a provider of foreign currency exchange information. The Company also offers customers bill payment services, payment alternatives such as money orders and prepaid debit cards, comprehensive check cashing services, foreign currency exchange services and mobile top-up. Furthermore, xe provides cash management solutions and foreign currency risk management services to small-to-medium sized businesses.

In addition, the Company accounts for non-operating activity, share-based compensation expense, certain intersegment eliminations and the costs of providing corporate and other administrative services in its administrative division, “Corporate Services, Eliminations and Other.” These services are not directly identifiable with the Company’s reportable operating segments.

The following tables present the Company’s reportable segment results for the years ended December 31, 2019, 2018 and 2017:

	For the Year Ended December 31, 2019				
(in thousands)	EFT Processing	epay	Money Transfer	Corporate Services, Eliminations and Other	Consolidated
Total revenues	$ 888,712	$ 769,329	$ 1,096,226	$ (4,158)	$ 2,750,109
Operating expenses:					
Direct operating costs	397,132	576,757	586,730	(4,136)	1,556,483
Salaries and benefits	87,603	61,540	208,792	36,809	394,744
Selling, general and administrative	35,518	35,054	133,068	8,304	211,944
Acquired intangible assets impairment	—	—	—	—	—
Depreciation and amortization	71,819	6,774	32,846	305	111,744
Total operating expenses	592,072	680,125	961,436	41,282	2,274,915
Operating income (expense)	$ 296,640	$ 89,204	$ 134,790	$ (45,440)	$ 475,194
Other income (expense)					
Interest income					1,969
Interest expense					(36,237)
Loss from unconsolidated affiliates					—
Loss on early retirement of debt					—
Foreign currency exchange loss, net					2,701
Other gains, net					(9,820)
Total other expense, net					(41,387)
Income before income taxes					$ 433,807
Segment assets as of December 31, 2019	$ 1,914,144	$ 962,671	$ 1,560,136	$ 220,715	$ 4,657,666
Property and equipment, net as of December 31, 2019	$ 266,872	$ 41,539	$ 51,519	$ 50	$ 359,980

(in thousands)	For the Year Ended December 31, 2018 EFT Processing	epay	Money Transfer	Corporate Services, Eliminations and Other	Consolidated
Total revenues	$ 753,651	$ 743,784	$ 1,042,962	$ (3,768)	$ 2,536,629
Operating expenses:					
Direct operating costs	366,977	564,252	560,930	(3,753)	1,488,406
Salaries and benefits	75,791	57,748	194,808	32,085	360,432
Selling, general and administrative	46,925	35,749	125,647	8,486	216,807
Goodwill and acquired intangible assets impairment	—	—	7,049	—	7,049
Depreciation and amortization	66,713	7,038	32,002	268	106,021
Total operating expenses	556,406	664,787	920,436	37,086	2,178,715
Operating income (expense)	$ 197,245	$ 78,997	$ 122,526	$ (40,854)	$ 357,914
Other income (expense)					
Interest income					1,320
Interest expense					(37,573)
Income from unconsolidated affiliates					(117)
Foreign currency exchange gain, net					(26,655)
Other gains, net					27
Total other expense, net					(62,998)
Income before income taxes					$ 294,916
Segment assets as of December 31, 2018	$ 1,220,141	$ 780,220	$ 1,310,775	$ 10,019	$ 3,321,155
Property and equipment, net as of December 31, 2018	$ 215,106	$ 31,172	$ 45,517	$ 74	$ 291,869

	For the Year Ended December 31, 2017				
(in thousands)	EFT Processing	epay	Money Transfer	Corporate Services, Eliminations and Other	Consolidated
Total revenues	$ 634,559	$ 733,998	$ 886,858	$ (2,993)	$ 2,252,422
Operating expenses:					
Direct operating costs	318,875	564,032	476,322	(2,979)	1,356,250
Salaries and benefits	61,683	54,459	168,371	26,274	310,787
Selling, general and administrative	33,158	36,014	108,022	13,108	190,302
Goodwill impairment	2,286	31,770	—	—	34,056
Depreciation and amortization	55,660	9,622	29,598	150	95,030
Total operating expenses	471,662	695,897	782,313	36,553	1,986,425
Operating income (expense)	$ 162,897	$ 38,101	$ 104,545	$ (39,546)	$ 265,997
Other income (expense)					
Interest income					2,443
Interest expense					(32,571)
Income from unconsolidated affiliates					48
Foreign currency exchange loss, net					20,300
Other gains, net					118
Total other expense, net					(9,662)
Income before income taxes					$ 256,335
Segment assets as of December 31, 2017	$ 1,040,135	$ 695,990	$ 1,255,765	$ 148,139	$ 3,140,029
Property and equipment, net as of December 31, 2017	$ 196,451	$ 28,135	$ 43,564	$ 153	$ 268,303

Total revenues for the years ended December 31, 2019, 2018 and 2017, and property and equipment and total assets as of December 31, 2019 and 2018, summarized by geographic location, were as follows:

	Revenues			Property and Equipment, net		Total Assets	
	For the year ended December 31,			as of December 31,		as of December 31,	
(in thousands)	2019	2018	2017	2019	2018	2019	2018
United States	$ 716,576	$ 721,977	$ 572,383	$ 49,904	$ 29,499	$ 717,894	$ 493,428
Germany	518,146	476,122	495,778	35,824	25,302	660,730	508,062
Spain	189,104	155,619	115,473	55,240	39,238	371,882	198,082
United Kingdom	135,006	133,132	136,977	22,420	20,525	520,549	519,918
Italy	130,929	103,691	89,276	20,663	15,238	210,910	157,314
Poland	130,104	126,513	128,672	42,916	50,359	222,582	155,821
India	113,146	92,468	82,389	27,281	19,554	163,125	89,923
France	94,352	75,466	56,027	1,508	1,037	96,636	76,687
Greece	79,716	71,007	71,197	11,753	11,267	111,339	58,419
Malaysia	74,948	76,380	56,287	2,629	2,802	114,796	103,043
Australia	51,686	58,039	77,777	1,992	2,051	62,844	61,215
New Zealand	47,611	48,881	47,091	3,137	2,718	237,076	196,869
Other	468,785	397,334	323,095	84,713	72,279	1,167,303	702,374
Total foreign	2,033,533	1,814,652	1,680,039	310,076	262,370	3,939,772	2,827,727
Total	$ 2,750,109	$ 2,536,629	$ 2,252,422	$ 359,980	$ 291,869	$ 4,657,666	$ 3,321,155

Revenues are attributed to countries based on location of the customer, with the exception of software sales made by the Company's software subsidiary, which are attributed to the U.S.

(17) Financial Instruments and Fair Value Measurements

Concentrations of credit risk

The Company's credit risk primarily relates to trade accounts receivable and cash and cash equivalents. The EFT Processing Segment's customer base includes the most significant international card organizations and certain banks in its markets. The epay Segment's customer base is diverse and includes several major retailers and/or distributors in markets that they operate. The Money Transfer Segment trade accounts receivable are primarily due from independent agents that collect cash from customers on the Company's behalf and generally remit the cash within one week. The Company performs ongoing evaluations of its customers' financial condition and limits the amount of credit extended, or purchases credit enhancement protection, when deemed necessary, but generally requires no collateral. See Note 14, Valuation and Qualifying Accounts, for further disclosure.

The Company invests excess cash not required for use in operations primarily in high credit quality, short-term duration securities that the Company believes bear minimal risk.

Fair value measurements

Fair value measurements used in the consolidated financial statements are based upon the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Valuations based on quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs in which little or no market activity exists, therefore requiring an entity to develop its own assumptions about the inputs that market participants would use in pricing.

The following table details financial assets measured and recorded at fair value on a recurring basis:

		As of December 31, 2019			
(in thousands)	**Balance Sheet Classification**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets					
Foreign currency exchange contracts	Other current assets	$ —	$ 54,765	$ —	$ 54,765
Liabilities					
Foreign currency exchange contracts	Other current liabilities	$ —	(41,935)	$ —	$ (41,935)

		As of December 31, 2018			
(in thousands)	**Balance Sheet Classification**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets					
Foreign currency exchange contracts	Other current assets	$ —	$ 44,637	$ —	$ 44,637
Liabilities					
Foreign currency exchange contracts	Other current liabilities	$ —	$ (36,102)	$ —	$ (36,102)

The carrying amounts of cash and cash equivalents, trade accounts receivable, trade accounts payable and short-term debt obligations approximate fair values due to their short maturities. The carrying values of the Company's revolving credit agreements approximate fair values because interest is based on LIBOR that resets at various intervals of less than one year. The Company estimates the fair value of the Convertible Notes using quoted prices in inactive markets for identical liabilities (Level 2). As of December 31, 2019 , the fair values of the Convertible Notes and Senior Notes were $569.4 million and $668.2 million, respectively, with carrying values of $437 million and $673.4 million, respectively.

(18) Litigation and Contingencies

From time to time, the Company is a party to legal and regulatory proceedings arising in the ordinary course of its business. Currently, there are no legal proceedings or regulatory findings that management believes, either individually or in the aggregate, would have a material adverse effect upon the consolidated financial statements of the Company. In accordance with U.S. GAAP, the Company records a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These provisions are reviewed at least quarterly and adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular case.

(19) Commitments

As of December 31, 2019, the Company had $79.6 million of stand-by letters of credit/bank guarantees issued on its behalf, of which $3.7 million are collateralized by cash deposits held by the respective issuing banks.

Under certain circumstances, the Company grants guarantees in support of obligations of subsidiaries. As of December 31, 2019, the Company granted off balance sheet guarantees for cash in various ATM networks amounting to $12.5 million over the terms of the cash supply agreements and performance guarantees amounting to approximately $49.6 million over the terms of the agreements with the customers.

From time to time, the Company enters into agreements with commercial counterparties that contain indemnification provisions, the terms of which may vary depending on the negotiated terms of each respective agreement. The amount of such potential obligations is generally not stated in the agreements. Euronet's liability under such indemnification provisions may be mitigated by relevant insurance coverage and may be subject to time and materiality limitations, monetary caps and other conditions and defenses. Such indemnification obligations include the following:

- In connection with contracts with financial institutions in the EFT Processing Segment, the Company is responsible for damage to ATMs and theft of ATM network cash that, generally, is not recorded on the Company’s Consolidated Balance Sheets. As of December 31, 2019, the balance of such cash used in the Company's ATM networks for which the Company was responsible was approximately $489 million. The Company maintains insurance policies to mitigate this exposure;
- In connection with contracts with financial institutions in the EFT Processing Segment, the Company is responsible for losses suffered by its customers and other parties as a result of the breach of its computer systems, including in particular, losses arising from fraudulent transactions made using information stolen through its processing systems. The Company maintains insurance policies to mitigate this exposure;
- In connection with the license of proprietary systems to customers, the Company provides certain warranties and infringement indemnities to the licensee, which generally warrant that such systems do not infringe on intellectual property owned by third parties and that the systems will perform in accordance with their specifications;
- Euronet has entered into purchase and service agreements with vendors and consulting agreements with providers of consulting services, pursuant to which the Company has agreed to indemnify certain of such vendors and consultants, respectively, against third-party claims arising from the Company’s use of the vendor’s product or the services of the vendor or consultant;
- In connection with acquisitions and dispositions of subsidiaries, operating units and business assets, the Company has entered into agreements containing indemnification provisions, which can be generally described as follows: (i) in connection with acquisitions of operating units or assets made by Euronet, the Company has agreed to indemnify the seller against third party claims made against the seller relating to the operating unit or asset and arising after the closing of the transaction, and (ii) in connection with dispositions made by Euronet, Euronet has agreed to indemnify the buyer against damages incurred by the buyer due to the buyer’s reliance on representations and warranties relating to the subject subsidiary, operating unit or business assets in the disposition agreement if such representations or warranties were untrue when made; and
- Euronet has entered into agreements with certain third parties, including banks that provide fiduciary and other services to Euronet or to the Company’s benefit plans. Under such agreements, the Company has agreed to indemnify such service providers for third-party claims relating to carrying out their respective duties under such agreements.

The Company is also required to meet minimum capitalization and cash requirements of various regulatory authorities in the jurisdictions in which the Company has money transfer operations. The Company has obtained surety bonds in compliance with money transfer licensing requirements of the applicable governmental authorities.

To date, the Company is not aware of any significant claims made by the indemnified parties or third parties to guarantee agreements with the Company and, accordingly, no liabilities were recorded as of December 31, 2019 or 2018.

(20) Related Party Transactions

The Company leases an airplane from a company owned by Mr. Michael J. Brown, Euronet's Chief Executive Officer, President and Chairman of the Board of Directors. The airplane is leased for business use on a per flight hour basis at competitive commercial rates with no minimum usage requirement. Euronet incurred expenses of $0.3 million, $0.3 million and $0.4 million during the years ended December 31, 2019, 2018 and 2017, respectively, for the use of this airplane.

In June 2014, the Company signed an ATM operating agreement with Rontec Ltd., a U.K. company in which Gerald Ronson holds a majority of the shares. Mr. Ronson is the father-in-law of Paul Althasen, one of the Company's directors. This is a commercial agreement under which the Company leases ATM sites from Rontec Ltd. at rates which it considers to be competitive commercial rates. The Company paid $50 thousand, $38 thousand and $49 thousand under this agreement in each of 2019, 2018 and 2017, respectively.

(21) Selected Quarterly Data (Unaudited)

(in thousands, except per share data)	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
For the Year Ended December 31, 2018								
Revenues	$	550,515	$	622,224	$	714,505	$	649,385
Operating income	$	45,472	$	90,369	$	150,913	$	71,160
Net income (loss)	$	26,344	$	43,636	$	102,257	$	59,894
Net income (loss) attributable to Euronet Worldwide, Inc.	$	26,413	$	43,724	$	102,723	$	59,991
Earnings (loss) per common share:								
Basic	$	0.51	$	0.85	$	2.01	$	1.16
Diluted	$	0.49	$	0.82	$	1.89	$	1.10
For the Year Ended December 31, 2019								
Revenues	$	577,509	$	691,867	$	786,986	$	693,747
Operating income	$	56,094	$	117,897	$	193,990	$	107,213
Net income	$	34,579	$	68,005	$	137,541	$	106,570
Net income attributable to Euronet Worldwide, Inc.	$	34,543	$	68,153	$	137,607	$	106,446
Earnings per common share:								
Basic	$	0.67	$	1.28	$	2.53	$	1.96
Diluted	$	0.62	$	1.25	$	2.46	$	1.91

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our executive management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Exchange Act as of December 31, 2019. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that the design and operation of these disclosure controls and procedures were effective as of such date to provide reasonable assurance that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Controls Over Financial Reporting

There has been no change in our internal control over financial reporting during the fourth quarter of 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Report On Internal Control Over Financial Reporting

To the Stockholders of Euronet Worldwide, Inc.:

Management is responsible for establishing and maintaining an effective internal control over financial reporting as this term is defined under Rule 13a-15(f) of the Securities Exchange Act of 1934 and has made organizational arrangements providing appropriate divisions of responsibility and has established communication programs aimed at assuring that its policies, procedures and principles of business conduct are understood and practiced by its employees. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management of Euronet Worldwide, Inc. assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2019. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control-Integrated Framework* (2013). Based on these criteria and our assessment, we have determined that, as of December 31, 2019, the Company's internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2019, has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their audit report, included herein.

/s/ Michael J. Brown

Michael J. Brown
Chief Executive Officer

/s/ Rick L. Weller

Rick L. Weller
Chief Financial Officer and Chief Accounting Officer

February 28, 2020

Item 9B. Other Information

On February 26, 2020, the Board of Directors of the Company authorized a stock repurchase plan providing for the repurchase of up to $250 million in value of Euronet common stock, but not more than five million shares, through February 28, 2022. Repurchases may take place in the open market or in privately negotiated transactions including derivative transactions, and may be made under a Rule 10b5-1 Plan. The program may be discontinued or amended at any time.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

The information under “Election of Directors,” “Section 16(a) Reports” and “Meetings and Committees of the Board of Directors” in the Delinquent Proxy Statement for the 2020 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after December 31, 2019, is incorporated herein by reference. Information concerning our Code of Business Conduct and Ethics for our employees, including our Chief Executive Officer and Chief Financial Officer, is set forth under “Availability of Reports, Certain Committee Charters, and Other Information” in Part I of this Annual Report on Form 10-K and incorporated herein by reference. Information concerning executive officers is set forth under “Information about our Executive Officers” in Part I of this Annual Report on Form 10-K and incorporated herein by reference.

We intend to satisfy the requirement under Item 5.05 of Form 8-K to disclose any amendments to our Code of Business Conduct and Ethics and any waiver from a provision of our Code of Ethics by disclosing such information on a Form 8-K or on our Website at www.euronetworldwide.com under For Investors/Corporate Governance.

Item 11. Executive Compensation

The information under “Compensation Tables,” “Compensation Discussion and Analysis,” “Director Compensation,” “Report of Compensation Committee” and “Compensation Committee Interlocks and Insider Participation” in the Proxy Statement for the 2020 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after December 31, 2019, is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information under “Beneficial Ownership of Common Stock”, “Election of Directors”and "Equity Compensation Plan Information" in the Proxy Statement for the 2020 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after December 31, 2019, is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information under “Certain Relationships and Related Transactions and Director Independence” in the Proxy Statement for the 2020 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after December 31, 2019, is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information under “Audit Matters - Fees of the Company's Independent Auditors” and - "Audit Matters - Audit Committee Pre-Approval Policy" in the Proxy Statement for the 2020 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after December 31, 2019, is incorporated herein by reference.

Part IV

Item 15. Exhibits and Financial Statement Schedules

(a) List of Documents Filed as Part of this Report.

1. Financial Statements

The Consolidated Financial Statements and accompanying notes, together with the report of KPMG LLP, appear in Part II, Item 8 - Financial Statements and Supplementary Data, of this Form 10-K.

2. Schedules

None.

3. Exhibits

The exhibits that are required to be filed or incorporated by reference herein are listed in the Exhibit Index below.

Exhibits

Exhibit Index

Exhibit	Description
3.1	Certificate of Incorporation of Euronet Worldwide, Inc., as amended (filed as Exhibit 3.2 to the Company's Current Report on Form 8-K filed on May 22, 2009 and incorporated by reference herein)
3.2	Certificate of Amendment to Certificate of Incorporation of Euronet Worldwide, Inc. (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 22, 2009 and incorporated by reference herein)
3.3	Amended and Restated Certificate of Designations, Preferences and Rights of Series A Junior Participating Preferred Stock (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on March 29, 2013, and incorporated herein by reference)
3.4	Amended and Restated Bylaws of Euronet Worldwide, Inc. (filed as Exhibit 3.2 to the Company's Current Report on Form 8-K filed on February 28, 2017, and incorporated herein by reference)
4.1	Indenture, dated May 22, 2019, between Euronet Worldwide, Inc. and U.S. Bank National Association, as trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on May 22, 2019 and incorporated by reference herein)
4.2	Supplemental Indenture, dated May 22, 2019, between Euronet Worldwide, Inc. and U.S. Bank National Association, as trustee (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on May 22, 2019 and incorporated by reference herein)
4.3	Form of 1.375% Senior Note due 2026 (included as Exhibit A to Exhibit 4.1 above).
4.4	Indenture, dated March 18, 2019, between the Company and U.S. Bank National Association, as trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on March 18, 2019 and incorporated by reference herein)

4.5	Form of 0.75% Convertible Senior Note due 2049 (included as Exhibit A to Exhibit 4.4 above)
4.6	Description of Securities
10.1	Form of Employee Restricted Stock Grant Agreement pursuant to Euronet Worldwide, Inc. 2006 Stock Incentive Plan (filed as Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q filed on August 4, 2006, and incorporated by reference herein) (2)
10.2	Form of Employee Restricted Stock Unit Agreement for Executives and Directors pursuant to Euronet Worldwide, Inc. 2006 Stock Incentive Plan (filed as Exhibit 10.39 to the Company's Annual Report on Form 10- K filed February 28, 2007, and incorporated by reference herein) (2)
10.3	Employment Agreement dated June 19, 2007 between Euronet Worldwide, Inc. and Kevin J. Caponecchi (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 25, 2007, and incorporated by reference herein) (2)
10.4	Amended and Restated Employment Agreement dated April 10, 2008 between Euronet Worldwide, Inc. and Michael J. Brown, Chairman and Chief Executive Officer (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on May 9, 2008, and incorporated by reference herein) (2)
10.5	Amended and Restated Employment Agreement dated April 10, 2008 between Euronet Worldwide, Inc. and Rick L. Weller, Executive Vice President and Chief Financial Officer (filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed on May 9, 2008, and incorporated by reference herein) (2)
10.6	Amended and Restated Employment Agreement dated April 10, 2008 between Euronet Worldwide, Inc. and Juan C. Bianchi, Executive Vice President and Managing Director, Money Transfer Segment (filed as Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed on May 9, 2008, and incorporated by reference herein) (2)
10.7	Form of Indemnification Agreement, (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 22, 2008, and incorporated by reference herein)
10.8	Euronet Worldwide, Inc. 2006 Stock Incentive Plan, as amended and restated (filed as Appendix A to the Company's Definitive Proxy Statement filed on April 15, 2013, and incorporated by reference herein) (2)
10.9	Form of Employee Restricted Stock Unit Agreement, as amended, pursuant to Euronet Worldwide, Inc. 2006 Stock Incentive Plan (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on May 7, 2010 and incorporated by reference herein) (2)
10.10	Form of Nonqualified Stock Option Agreement, as amended, pursuant to Euronet Worldwide, Inc. 2006 Stock Incentive Plan (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on May 7, 2010 and incorporated by reference herein) (2)
10.11.1	Employment Agreement dated May 21, 2018 between Euronet Worldwide, Inc. and Nikos Fountas (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 23, 2018 and incorporated by reference herein) (2)
10.11.2	Deed of Amendment to the Service Agreement dated May 21, 2018 between Euronet Worldwide, Inc. and Nikos Fountas (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on August 3, 2018 and incorporated by reference herein) (2)
10.12	Bonus Compensation Agreement between Euronet Worldwide, Inc. and Nikos Fountas, Senior Vice President - Managing Director, Europe EFT Processing Segment (filed as Exhibit 10.26 to the Company's Annual Report on Form 10-K filed on February 25, 2011 and incorporated by reference herein) (2)

10.13	Euronet Worldwide, Inc. Employee Stock Purchase Plan, as amended (filed as Exhibit 10.18 to the Company's Annual Report on Form 10-K filed on February 26, 2016 and incorporated by reference herein) (2)
10.14	Euronet Worldwide, Inc. Executive Annual Incentive Plan, as amended and restated (filed as Appendix B to the Company's Definitive Proxy Statement on Form DEF 14A filed on April 8, 2016 and incorporated by reference herein) (2)
10.15	Credit agreement dated as of October 17, 2018 among Euronet Worldwide, Inc. and certain subsidiaries, as borrowers, certain subsidiaries, as guarantors, the lenders party thereto, Bank of America, N.A., as administrative agent, Wells Fargo Bank, National Association and U.S. Bank National Association, as co-syndication agents, et al. (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on November 2, 2018 and incorporated by reference herein)
10.16	Form of Nonqualified Stock Option Agreement, as amended, pursuant to Euronet Worldwide, Inc. 2006 Stock Incentive Plan (filed as Exhibit 10.19 to the Company's Annual Report on Form 10-K filed on March 1, 2018 and incorporated by reference herein) (2)
10.17	Form of Restricted Stock Unit Agreement, as amended, pursuant to Euronet Worldwide, Inc. 2006 Stock Incentive Plan (filed as Exhibit 10.20 to the Company's Annual Report on Form 10-K filed on March 1, 2018 and incorporated by reference herein) (2)
21.1	Subsidiaries of the Registrant (1)
23.1	Consent of Independent Registered Public Accounting Firm (1)
31.1	Section 302 — Certification of Chief Executive Officer (1)
31.2	Section 302 — Certification of Chief Financial Officer (1)
32.1	Section 906 Certification of Chief Executive Officer (3)
32.2	Section 906 Certification of Chief Financial Officer (3)
101	The following materials from Euronet Worldwide, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2018, formatted inline XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets at December 31, 2018 and 2017, (ii) Consolidated Statements of Income for the years ended December 31, 2018, 2017 and 2016, (iii) Consolidated Statements of Comprehensive Income for the years ended December 31, 2018, 2017 and 2016, (iv) Consolidated Statements of Changes in Equity for the years ended December 31, 2018, 2017 and 2016, (v) Consolidated Statements of Cash Flows for the years ended December 31, 2018, 2017 and 2016, and (vi) Notes to the Consolidated Financial Statements.
104	Cover Page Interactive Data File (contained in Exhibit 101)

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(1) Filed herewith.

(2) Management contracts and compensatory plans and arrangements required to be filed as Exhibits pursuant to Item 15(a) of this report.

(3) Pursuant to Item 601(b)(32) of Regulation S-K, this Exhibit is furnished rather than filed with this Form 10-K.

PLEASE NOTE: Pursuant to the rules and regulations of the SEC, we have filed or incorporated by reference the agreements referenced above as exhibits to this Annual Report on Form 10-K. The agreements have been filed to provide investors with information regarding their respective terms. The agreements are not intended to provide any other factual information about the Company or its business or operations. In particular, the assertions embodied in any representations, warranties and covenants contained in the agreements may be subject to qualifications with respect to knowledge and materiality different from those applicable to investors and may be qualified by information in confidential disclosure schedules not included with the exhibits. These disclosure schedules may contain information that modifies, qualifies and creates exceptions to the representations, warranties and covenants set forth in the agreements. Moreover, certain representations, warranties and covenants in the agreements may have been used for the purpose of allocating risk between the parties, rather than establishing matters as facts. In addition, information concerning the subject matter of the representations, warranties and covenants may have changed after the date of the respective agreement, which subsequent information may or may not be fully reflected in the Company's public disclosures. Accordingly, investors should not rely on the representations, warranties and covenants in the agreements as characterizations of the actual state of facts about the Company or its business or operations on the date hereof.

None.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Euronet Worldwide, Inc.

Date: February 28, 2020

/s/ Michael J. Brown

Michael J. Brown
Chairman of the Board of Directors, Chief Executive Officer, President and Director (principal executive officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title
/s/ Michael J. Brown **Michael J. Brown** February 28, 2020	Chairman of the Board of Directors, Chief Executive Officer, President and Director (principal executive officer)
/s/ Rick L. Weller **Rick L. Weller** February 28, 2020	Chief Financial Officer and Chief Accounting Officer (principal financial officer and principal accounting officer)
/s/ Paul S. Althasen **Paul S. Althasen** February 28, 2020	Director
/s/ Andrzej Olechowski **Andrzej Olechowski** February 28, 2020	Director
/s/ Eriberto R. Scocimara **Eriberto R. Scocimara** February 28, 2020	Director
/s/ Thomas A. McDonnell **Thomas A. McDonnell** February 28, 2020	Director
/s/ Andrew B. Schmitt **Andrew B. Schmitt** February 28, 2020	Director
/s/ M. Jeannine Strandjord **M. Jeannine Strandjord** February 28, 2020	Director
/s/ Mark R. Callegari **Mark R. Callegari** February 28, 2020	Director

DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934

As of February 21, 2020, Euronet Worldwide, Inc. ("Euronet" or the "Corporation") has two classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): (1) our common stock, par value $0.02 per share ("Common Stock"); and (2) our 1.375% Senior Notes due 2026 ("Notes").

Description of Common Stock

The following description of our Common Stock is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to the Certificate of Incorporation of Euronet as amended, (the "Articles of Incorporation") and the Amended and Restated Bylaws of Euronet (the "Bylaws"), each of which are incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.6 is a part. We encourage you to read our Articles of Incorporation, our Bylaws and the applicable for additional information. The terms of these securities may also be affected by the General Corporation Law of the State of Delaware.

Authorized Capitalization

The authorized capital stock of the Corporation consists of 90,000,000 shares of Common Stock, par value $0.02 per share and 10,000,000 shares of preferred stock, par value $0.02 per share ("Preferred Stock"), of which 300,000 shares are designated as Series A Junior Participating Preferred Stock (the "Junior Preferred Stock"). As of February 28, 2020, an aggregate of 53,519,855 shares of our Common Stock were issued and outstanding and no Preferred Stock, including Junior Preferred Stock, was issued or outstanding.

Common Stock

The holders of our Common Stock are entitled to receive ratably such dividends as our board of directors (the "Board of Directors") may declare from time to time from legally available funds, subject to the preferential rights of any holders of shares of our Preferred Stock that are then outstanding or that we may issue in the future. Since our inception, no dividends have been paid on our Common Stock. We do not intend to distribute dividends for the foreseeable future. Certain of our credit facilities contain limitations on the payment of dividends.

The holders of our Common Stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders. Our Certificate of Incorporation does not provide for cumulative voting in the election of our Board of Directors. No holder of our Common Stock has any preemptive right to subscribe for any shares of capital stock issued in the future, or any right to convert the holder's Common Stock into any other securities. In addition, there are no redemption or sinking fund provisions applicable to the Common Stock.

Upon any voluntary or involuntary liquidation, dissolution or winding up of our affairs, the holders of our Common Stock are entitled to share, on a pro rata basis, in the distribution of all assets remaining after payment to creditors, subject to prior distribution rights of the holders of any shares of Preferred Stock. All of the shares of Common Stock outstanding are fully paid and non-assessable.

Preferred Stock

The Board of Directors is authorized, without further action by the stockholders, to issue up to 10,000,000 shares of Preferred Stock as a class without series or in one or more series and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences and the number of shares constituting any series.

The Corporation has designated 300,000 shares of Junior Preferred Stock, none of which are outstanding.

Junior Preferred Stock

Our Junior Preferred Stock has the following rights, preferences, privileges and restrictions:

Conversion. Shares of Junior Preferred Stock are not convertible.

Dividends. Subject to the prior and superior rights of the holders of any shares of any class or series of stock of the Corporation ranking prior and superior to the Junior Preferred Stock, the holders of shares of our Junior Preferred Stock are entitled to receive cash dividends, when, as and if declared, equal to the greater of (a) $1.00 or (b) 100 times the aggregate per share amount of all cash dividends and 100 times the aggregate per share amount of all non-cash dividends or other distributions, other than a dividend payable in, and declared on, our Common Stock. Such dividends are payable quarterly on or before the first day of March, June, September and December in each year commencing on the first quarterly dividend payment date after the first issuance of a share or fraction of a share of Junior Preferred Stock in preference to the shares of Common Stock.

Liquidation Rights. In the event of any liquidation, dissolution or winding up of the Corporation, voluntary or otherwise, the holders of shares of our Junior Preferred Stock are entitled to be paid out of the assets available for distribution, before any payment is made to the holders of our Common Stock or any other series or class of our shares ranking junior to the Junior Preferred Stock, an amount equal to $100.00 per share, plus an amount equal to all accrued and unpaid dividends, but will be entitled to an aggregate payment of 100 times the payment made per share of Common Stock.

Voting Rights. Each share of Junior Preferred Stock is entitled to 100 votes on all matters submitted to a vote of our stockholders.

Redemption. Shares of Junior Preferred Stock are not redeemable.

Adjustment. The dividend, liquidation and voting rights of the Junior Preferred Stock are subject to adjustment to reflect certain changes made to shares of Common Stock outstanding.

Anti-Takeover Effects of Certain Provisions of Delaware Law, Our Charter Documents and Other Agreements

Effect of Delaware Law and our Charter Documents

Certain provisions of our Certificate of Incorporation, our Bylaws and the Delaware General Corporation Law (as amended, the "DGCL") may be deemed to have an anti-takeover effect and may delay, defer or make more difficult a takeover attempt that a stockholder might consider in its best interest. Set forth below is a description of such provisions.

Amendment or Repeal of the Certificate of Incorporation. Under the DGCL, stockholders are not entitled to enact, without appropriate action taken by the board of directors, an amendment to the certificate of incorporation. Amendments to a certificate of incorporation generally require that the board of directors adopt a resolution setting forth the amendment, declaring its advisability and submitting it to a vote of the stockholders. Our Certificate of Incorporation expressly reserves the Corporation's right to amend or repeal any provision contained in our Certificate of Incorporation, in the manner prescribed by Delaware law. In addition, our Certificate of Incorporation requires the approval at least 80% of our combined voting power to effect amendments to Article Sixth of our Certificate of Incorporation providing for three classes of directors for our Board of Directors.

Amendment or Repeal of Bylaws. The DGCL provides that stockholders may amend a corporation's bylaws and, if provided in its certificate of incorporation, the board of directors also has this power. Under the DGCL, the power to adopt, amend or repeal bylaws lies in stockholders entitled to vote; provided, however, that any corporation may, in its certificate of incorporation, confer the power to adopt, amend or repeal bylaws upon the directors. Our Bylaws expressly reserve the right of the Board of Directors to adopt, amend, alter or repeal our Bylaws. In addition, our Bylaws provide that our stockholders may amend, alter or repeal our Bylaws by the affirmative vote of stockholders holding at least two-thirds of the voting power of the Corporation's capital stock entitled to vote thereon, voting together as a single class.

Calling of Special Stockholder Meetings. Under the DGCL, a special meeting of stockholders may be called by a corporation's board of directors or by such persons as may be authorized by the corporation's certificate of incorporation or bylaws. The Bylaws provide that special meetings of stockholders may only be called by the Corporation's President or Secretary upon the written request of a majority of the members of the Board of Directors then in office. Under the Bylaws, our stockholders are not entitled to call a special meeting of stockholders.

Classified Board of Directors. As permitted under the DGCL, the Certificate of Incorporation provides that the Board of Directors of the Corporation be divided into three classes of directors serving staggered three-year terms. The classes of directors will be as nearly equal in number as possible. Accordingly, approximately one-third of the Corporation's Board of Directors will be elected each year. Further, the Certificate of Incorporation provides that the number of directors will be determined by the Board of Directors.

Director Vacancies. Under the Bylaws, vacancies on the Board of Directors may be filled by vote of a majority of the remaining directors, although less than a quorum.

Preferred Stock. As described above under "- Preferred Stock", our Certificate of Incorporation authorizes the Board of Directors to issue up to 10,000,000 shares of Preferred Stock having rights superior to the Common Stock without the approval of the stockholders of the Corporation.

Advance Notice. Our Bylaws include advance notice requirements for nominations of candidates for election to our Board of Directors or for proposing matters that can be acted upon by our stockholders at stockholder meetings.

Choice of Forum. Our Bylaws provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, all internal corporate claims must be brought solely and exclusively in the Court of Chancery of the State of Delaware (or, if such court does not have jurisdiction, the Superior Court of the State of Delaware or, if such court does not have jurisdiction, the United States District Court for the District of Delaware).

Delaware Anti-Takeover Statute. Section 203 of the DGCL prohibits certain transactions between a Delaware corporation and an "interested stockholder," which is defined as a person who, together with any affiliates or associates of such person, beneficially owns, directly or indirectly, 15% or more of the outstanding voting stock of a Delaware corporation. This provision prohibits certain business combinations (defined broadly to include mergers, consolidations, sales or other dispositions of assets having an aggregate value in excess of 10% of the consolidated assets of the corporation, and certain transactions that would increase the interested stockholder's proportionate share ownership in the corporation) between an interested stockholder and a corporation for a period of three years after the date the interested stockholder becomes an interested stockholder, unless (i) the business combination is approved by the corporation's board of directors prior to the date the interested stockholder becomes an interested stockholder, (ii) the interested stockholder acquired at least 85% of the voting stock of the corporation (other than stock held by directors who are also officers or by certain employee stock plans) in the transaction in which it becomes an interested stockholder or (iii) the business combination is approved by a majority of the Board of Directors and by the affirmative vote of 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

Other Agreements

Holders of our 0.75% Convertible Senior Notes due 2049 outstanding may require us to repurchase the notes upon a "fundamental change" (as defined in the indenture for the notes) and elect to convert their notes into shares of Common Stock in connection with a "fundamental change". As of December 31, 2019, we had $525 million principal amount of 0.75% Convertible Senior Notes due 2049 outstanding.

Indemnification of Directors and Officers and Limitation of Liability

Section 145 of DGCL provides that a corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director, officer, employee or agent of the corporation or is or was serving at its request in such capacity in another corporation or business association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. Section 102(b)(7) of the DGCL permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, which imposes liability for the unlawful payment of dividends or unlawful stock repurchases or redemptions, or (iv) for any transaction from which the director derived an improper personal benefit.

Article Eighth of the Corporation's Certificate of Incorporation and Article VII of the Corporation's Bylaws provide that the Corporation shall indemnify directors and officers to the fullest extent permitted by the DGCL. Article Ninth of the Certificate of Incorporation provides for the elimination of personal liability of a director for breach of fiduciary duty to the extent permitted by Section 102(b)(7) of the DGCL as described above.

The Corporation also maintains, and intends to continue to maintain, insurance for the benefit of its directors and officers to insure these persons against certain liabilities, including liabilities under the securities laws.

The Corporation enters into indemnification agreements with each of its directors and executive officers. The indemnification agreements supplement existing indemnification provisions of the Corporation's Certificate of Incorporation and Bylaws and, in general, provide for indemnification of and advancement of expenses to the indemnified party, subject to the terms and conditions provided in the indemnification agreement. The indemnification agreements also establish processes and procedures for indemnification claims, advancement of expenses and other determinations with respect to indemnification.

Transfer Agent and Registrar

The transfer agent and registrar for our Common Stock is Computershare Trust Company, N.A.

Listing

The Common Stock is traded on The Nasdaq Stock Market under the trading symbol "EEFT."

Description of the Notes

The following description of our Notes is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to the indenture, dated as of May 22, 2019 (the "Base Indenture"), between Euronet Worldwide, Inc. and U.S. Bank Association, as trustee, as supplemented by a supplemental indenture, dated May 22, 2019 (the "Supplemental Indenture"), which are incorporated by reference as exhibits to the Annual Report on Form 10-K of which this Exhibit 4.6 is a part.

We encourage you to read the above referenced indenture, as supplemented, for additional information.

Principal, Maturity and Interest

The Notes were issued in a €600,000,000 principal amount. The Notes bear interest at a rate of 1.375% per year. Interest on the Notes is payable annually in arrears on May 22 of each year, beginning on May 22, 2020, to the persons in whose names the Notes are registered at the close of business on the May 7 (whether or not a business day) immediately preceding the applicable interest payment date. Interest on the Notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the Notes (or the settlement date if no interest has been paid or duly provided for on the Notes), to but excluding the next date on which interest is paid or duly provided for. Interest on the Notes accrues from and including the settlement date and will be paid to holders of record on the day immediately prior to the applicable interest payment date.

The Notes will mature on May 22, 2026. On the maturity date of the Notes, the holders will be entitled to receive 100% of the principal amount of such Notes. The Notes will not have the benefit of any sinking fund.

Payments in Euros

Principal, premium, if any, and interest payments and additional amounts, if any, in respect of the Notes will be payable in euros. If, the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or the euro is no longer used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions within the international banking community, then all payments in respect of the Notes will be made in U.S. dollars until the euro is again available to us or so used.

Interest Rate Adjustment

The interest rate payable on the Notes will be subject to adjustment from time to time if either Fitch or S&P (each as defined below), or, in either case, any Substitute Rating Agency (as defined below) downgrades (or subsequently upgrades) the credit rating assigned to the Notes, in the manner described below.

If the rating from Fitch (or any Substitute Rating Agency) of the Notes is decreased to a rating set forth in the immediately following table, the interest rate on the Notes will increase such that it will equal the interest rate payable on the Notes on the date of their issuance plus the percentage set forth opposite the ratings from the table below:

Fitch Rating*	Percentage
BB+	0.25%
BB	0.50%
BB-	0.75%
B+ or below	1.00%

* Including the equivalent ratings of any Substitute Rating Agency.

If the rating from S&P (or any Substitute Rating Agency) of the notes is decreased to a rating set forth in the immediately following table, the interest rate on the notes will increase such that it will equal the interest rate payable on the notes on the date of their issuance plus the percentage set forth opposite the ratings from the table below:

S&P Rating*	Percentage
BB+	0.25%
BB	0.50%
BB-	0.75%
B+ or below	1.00%

* Including the equivalent ratings of any Substitute Rating Agency.

Ranking

The Notes are our general unsecured obligations and rank equally with all of our existing and future unsubordinated obligations.

Holders of any of our secured indebtedness and other secured obligations will have claims that are prior to your claims as holders of the Notes, to the extent of the value of the assets securing such indebtedness and other obligations, in the event of any bankruptcy, liquidation or similar proceeding.

The Notes are not be guaranteed by any of our subsidiaries, and are therefore “structurally” subordinated to all indebtedness and other obligations of our subsidiaries, including claims with respect to trade payables or claims of lessors under leases, which may be material.

Further Issues

The Notes constitute a separate series of debt securities under the indenture, initially limited to €600.0 million. Under the indenture, we may, without the consent of the holders of the Notes, issue additional Notes of the same or a different series from time to time in the future in an unlimited aggregate principal amount; provided, that, if any such additional Notes are not fungible with the Notes offered hereby (or any other tranche of additional Notes) for U.S. federal income tax purposes, then such additional Notes will have different ISIN and/or Common Code numbers than the Notes offered hereby (and any such other tranche of additional Notes). The Notes offered hereby and any additional Notes of the same series would rank equally and ratably and would be treated as a single class for all purposes under the indenture. This means that, in circumstances where the indenture provides for the holders of debt securities of any series to vote or take any action, any of the Notes outstanding, as well as any additional Notes that we may issue by reopening such series, will vote or take action as a single class.

Ranking

The Notes are our general unsecured obligations and rank equally with all of our existing and future unsubordinated obligations.

Holders of any of our secured indebtedness and other secured obligations will have claims that are prior to your claims as holders of the Notes, to the extent of the value of the assets securing such indebtedness and other obligations, in the event of any bankruptcy, liquidation or similar proceeding.

The Notes are not be guaranteed by any of our subsidiaries, and are therefore “structurally” subordinated to all indebtedness and other obligations of our subsidiaries, including claims with respect to trade payables or claims of lessors under leases, which may be material.

Further Issues

Under the indenture, we may, without the consent of the holders of the Notes, issue additional Notes of the same or a different series from time to time in the future in an unlimited aggregate principal amount. The Notes and any additional Notes of the same series would rank equally and ratably and would be treated as a single class for all purposes under the indenture.

Payment of Additional Amounts

We will, subject to the exceptions and limitations set forth below, pay as additional interest on the Notes such additional amounts as are necessary in order that the net payment of the principal of and interest on the Notes to a beneficial owner who is not a United States person (as defined below), after withholding or deduction for any present or future tax, assessment or other governmental charge imposed by the United States or a taxing authority in the United States, will not be less than the amount provided in the Notes to be then due and payable; provided, however, that the foregoing obligation to pay additional amounts shall not apply:

(1) to any tax, assessment or other governmental charge that is imposed by reason of the holder (or the beneficial owner for whose benefit such holder holds such note), or a fiduciary, settlor, beneficiary, member or shareholder of the holder if the holder is an estate, trust, partnership or corporation, or a person holding a power over an estate or trust administered by a fiduciary holder, being considered as:

(a) being or having been engaged in a trade or business in the United States or having or having had a permanent establishment in the United States;

(b) having a current or former connection with the United States (other than a connection arising solely as a result of the ownership of the Notes or the receipt of any payment or the enforcement of any rights thereunder), including being or having been a citizen or resident of the United States;

(c) being or having been a personal holding company, a passive foreign investment company or a controlled foreign corporation for United States federal income tax purposes or a corporation that has accumulated earnings to avoid United States federal income tax;

(d) being or having been a “10-percent shareholder” of Euronet as defined in section 871(h)(3) of the United States Internal Revenue Code of 1986, as amended (the “Code”), or any successor provision; or

(e) being a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business;

(2) to any holder that is not the sole beneficial owner of the Notes, or a portion of the Notes, or that is a fiduciary, partnership or limited liability company, but only to the extent that a beneficial owner with respect to the holder, a beneficiary or settlor with respect to the fiduciary, or a beneficial owner or member of the partnership or limited liability company would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment;

(3) to any tax, assessment or other governmental charge that would not have been imposed but for the failure of the holder or any other person to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of the Notes, if compliance is required by statute, by regulation of the United States or any taxing authority therein or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;

(4) to any tax, assessment or other governmental charge that is imposed otherwise than by withholding by us or an applicable withholding agent from the payment;

(5) to any tax, assessment or other governmental charge that would not have been imposed but for a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later;

(6) to any estate, inheritance, gift, sales, excise, transfer, wealth, capital gains or personal property tax or similar tax, assessment or other governmental charge;

(7) to any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal of or interest on any note, if such payment can be made without such withholding by at least one other paying agent;

(8) to any tax, assessment or other governmental charge that would not have been imposed but for the presentation by the holder of any note, where presentation is required, for payment on a date more than 30 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

(9) to any tax, assessment or other governmental charge that is imposed or withheld solely by reason of the beneficial owner being a bank (i) purchasing the Notes in the ordinary course of its lending business or (ii) that is neither (A) buying the Notes for investment purposes only nor (B) buying the Notes for resale to a third-party that either is not a bank or holding the Notes for investment purposes only;

(10) to any tax, assessment or other governmental charge imposed under Sections 1471 through 1474 of the Code (or any amended or successor provisions), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such sections of the Code; or

(11) in the case of any combination of items (1), (2), (3), (4), (5), (6), (7), (8), (9) and (10).

The Notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable to the Notes. Except as specifically provided under this heading “-Payment of Additional Amounts,” we will not be required to make any payment for any tax, assessment or other governmental charge imposed by any government or a political subdivision or taxing authority of or in any government or political subdivision.

Redemption

Optional Redemption

The Notes are redeemable, in whole at any time or in part from time to time, at our option, prior to February 22, 2026 (3 months prior to the maturity date of the Notes) (the “Par Call Date”) at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes, and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes through the Par Call Date (exclusive of interest accrued and unpaid as of the date of redemption), assuming for such purpose that the Notes matured on the Par Call Date, discounted to the date of redemption on an annual basis at the applicable Comparable Government Bond Rate (as defined below), plus 30 basis points, plus accrued and unpaid interest thereon to, but excluding, the date of redemption. However, if the redemption date is after a record date and on or prior to a corresponding interest payment date, the interest will be paid on the redemption date to the holder of record on the record date.

Notwithstanding the foregoing, at any time on or after the Par Call Date, the Notes are redeemable, in whole or in part, at our option and at any time or from time to time, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus accrued and unpaid interest thereon to, but excluding, the date of redemption.

Notice of any redemption will be given at least 30 days, but not more than 60 days, before the redemption date to each registered holder of Notes to be redeemed. Once notice of redemption is given, the Notes called for redemption will become due and payable on the redemption date and at the applicable redemption price, plus accrued and unpaid interest to, but not including, the redemption date. Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Notes (or portion thereof) to be redeemed on such redemption date.

“*Comparable Government Bond*” means, in relation to any Comparable Government Bond Rate calculation, at the discretion of an independent investment bank selected by us, a German government bond (*Bundesanleihe*) whose maturity is closest to the Par Call Date, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other German government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German government bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

"*Comparable Government Bond Rate*" means, with respect to any redemption date, the price, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), at which the gross redemption yield on the Notes, if they were to be purchased at such price on the third business day prior to the date fixed for redemption, would be equal to the gross redemption yield on such business day of the Comparable Government Bond on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such business day as determined by an independent investment bank selected by us.

On and after the redemption date, interest will cease to accrue on the Notes or any portion of the Notes called for redemption (unless we default in the payment of the redemption price and accrued interest). On or before the redemption date, we will deposit with the paying agent, or the trustee, money sufficient to pay the redemption price of and (unless the redemption date shall be an interest payment date) accrued interest on the Notes to be redeemed on that date. If less than all of the Notes are to be redeemed, the Notes to be redeemed will be selected by the trustee, in accordance with the applicable depositary procedures; provided, however, that no Notes of a principal amount of €100,000 or less shall be redeemed in part.

We may at any time, and from time to time, purchase the Notes at any price or prices in the open market or otherwise.

Notwithstanding the foregoing, in connection with any tender offer for all of the Notes outstanding at a price of at least 100% of the principal amount of the Notes tendered, plus accrued and unpaid interest thereon to, but excluding, the applicable tender settlement date (including any Change of Control Offer), if holders of not less than 90% in aggregate principal amount of the Notes outstanding validly tender and do not withdraw such Notes in such tender offer and we, or any third party making such a tender offer in lieu of us, purchases all of the Notes validly tendered and not withdrawn by such holders, we or such third party will have the right, upon not less than 30 nor more than 60 days' prior notice, by first class mail to each holder of Notes, or by electronic delivery, given not more than 30 days following such purchase date, to redeem all Notes that remain outstanding following such purchase at a price equal to the price offered to each other holder in such tender offer plus, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the redemption date.

Redemption for Tax Reasons

If, as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated under the laws) of the United States (or any taxing authority in the United States), or any change in, or amendment to, an official position regarding the application or interpretation of such laws, regulations or rulings, which change or amendment is announced or becomes effective on or after May 17, 2019, we become or, based upon a written opinion of independent counsel selected by us, will become obligated to pay additional amounts as described under the heading "-Payment of Additional Amounts" with respect to the Notes, then we may at any time at our option redeem, in whole, but not in part, the Notes on not less than 15 nor more than 45 days' prior notice, at a redemption price equal to 100% of their principal amount, together with accrued and unpaid interest on the Notes to, but not including, the date fixed for redemption.

Repurchase upon Change of Control Triggering Event

If a Change of Control Triggering Event (as defined below) occurs with respect to the Notes, unless we have exercised our right to redeem the Notes as described under "-Optional Redemption," or "-Redemption for Tax Reasons," we will be required to make an offer to repurchase all or, at the holder's option, any part (equal to €100,000 or any integral multiple of €1,000 in excess thereof) of each holder's Notes pursuant to the offer described below (the "Change of Control Offer").

In the Change of Control Offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest, if any, on the Notes repurchased to, but not including, the date of purchase (the "Change of Control Payment").

Within 30 days following any Change of Control Triggering Event with respect to the Notes or, at our option, prior to any Change of Control (as defined below) but after the public announcement of the transaction or transactions that constitutes or may constitute a Change of Control, we will be required to mail, or cause to be mailed, or otherwise deliver in accordance with the applicable clearing system's procedures, a notice to holders of the Notes, with a copy to the trustee, describing the transaction or transactions that constitute or may constitute the Change of Control Triggering Event and offering to repurchase such Notes on the date specified in the notice, which date will be no earlier than 30 and no later than 60 days from the date such notice is mailed or delivered (the "Change of Control Payment Date"), pursuant to the procedures required by such Notes and described in such notice. The notice shall, if mailed or delivered prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Triggering Event occurring on or prior to the Change of Control Payment Date. We will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of such Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any such securities laws or regulations conflict with the Change of Control Offer provisions of the Notes or the indenture, we will comply with those securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Offer provisions of the Notes or the indenture by virtue of such conflict.

On the Change of Control Payment Date, we will be required, to the extent lawful, to:

- accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;
- deposit with the paying agent for the Notes an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and
- deliver or cause to be delivered to the trustee or the paying agent the Notes properly accepted for payment by us, together with an officers' certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by us.

The paying agent for the Notes will be required to promptly mail, or otherwise deliver in accordance with the applicable clearing system's procedures, to each holder who properly tendered Notes that were accepted for payment by us, the purchase price for such Notes, and the trustee will be required to promptly authenticate and mail (or cause to be transferred by book entry) to each such holder a new note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each new note will be in a principal amount of €100,000 or an integral multiple of €1,000 in excess thereof.

We will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and such third party purchases all Notes properly tendered and not withdrawn under its offer. In the event that such third party terminates or defaults on its offer, we will be required to make a Change of Control Offer treating the date of such termination or default as though it were the date of the Change of Control Triggering Event. In addition, we will not purchase any Notes if there has occurred and is continuing on the Change of Control Payment Date an event of default under the indenture, other than a default in the payment of the Change of Control Payment.

If holders of not less than 90% in aggregate principal amount of the Notes outstanding tender and do not withdraw such Notes in a Change of Control Offer and we, or any third party making a Change of Control Offer in lieu of us as described above, purchases all of the Notes validly tendered and not withdrawn by such holders, we or such third party will have the right, upon not less than 30 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all Notes that remain outstanding following such purchase at a price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest to, but excluding, the date of redemption.

For purposes of the foregoing discussion of a repurchase at the option of holders upon the occurrence of a Change of Control, the following definitions are applicable:

"*Rating Event*" with respect to the Notes means the ratings of the Notes are decreased by each of the Rating Agencies and the Notes are rated below an Investment Grade Rating by each of the Rating Agencies on any date during the period commencing upon the first public notice of the occurrence of a Change of Control or our intention to effect a Change of Control and ending 60 days following public notice of the occurrence of the related Change of Control (which 60-day period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies); provided that a rating event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Rating Event for purposes of the definition of "Change of Control Triggering Event") if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the holders of the Notes in writing at their request that the reduction was the result, in whole or in part, of any event or circumstance comprising or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the rating event).

"*Change of Control*" means the occurrence of any of the following: (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of us and our Subsidiaries taken as a whole to any Person or group of related Persons for purposes of Section 13(d) of the Exchange Act (a "Group") other than us or one of our Subsidiaries; (2) the approval by the holders of our Common Stock of any plan or proposal for our liquidation or dissolution; or (3) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any Person or Group becomes the beneficial owner, directly or indirectly, of more than 50% of the number of shares of our Voting Stock then outstanding.

Notwithstanding the foregoing, a transaction will not be deemed to involve a Change of Control if (1) we become a direct or indirect wholly owned subsidiary of a holding company and (2)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of our Voting Stock immediately prior to that transaction or (B) immediately following that transaction no Person or Group (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company.

"*Change of Control Triggering Event*" means the occurrence of both a Change of Control and a Rating Event occurring in respect of that Change of Control.

"*Fitch*" means Fitch Ratings, Inc., or any successor thereto.

"*Investment Grade Rating*" means a rating equal to or higher than BBB- (or the equivalent) by Fitch and BBB- (or the equivalent) by S&P or the equivalent investment grade credit rating from any additional Rating Agency or Rating Agencies selected by us.

"*Person*" means any individual, firm, limited liability company, corporation, partnership, association, joint venture, tribunal, trust, government or political subdivision or agency or instrumentality thereof, or any other entity or organization and includes a "person" as used in Section 13(d)(3) of the Exchange Act.

"*Rating Agencies*" means (1) each of Fitch and S&P; and (2) if any of Fitch or S&P ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of our control, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) of the Exchange Act, that we select (as certified by an executive officer of ours) as a replacement agency for Fitch or S&P, or both of them, as the case may be.

"*S&P*" means S&P Global Ratings Services (a division of S&P Global Inc.) or any successor to the rating agency business thereof.

"*Voting Stock*" of any specified Person as of any date means the capital stock of such Person that is at the time entitled to vote generally in the election of the board of directors of such Person

Certain Covenants

The indenture will contain, among others, the following covenants:

Consolidation, Merger and Sale of Assets

We may not consolidate with, enter into a binding share exchange with, or merge with or into, another person or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of our properties and assets to any successor person, unless:

- the resulting, surviving or transferee person (if not us) is a Person organized and existing under the laws of the United States, any state of the United States or the District of Columbia and expressly assumes by supplemental indenture all of our obligations under the Notes and the indenture;

- immediately after giving effect to the transaction, no default or event of default shall have occurred and be continuing; and

- other conditions specified in the indenture are met.

Upon any such consolidation, binding share exchange, merger, sale, assignment, conveyance, transfer, lease or other disposition, the resulting, surviving or transferee corporation (if not us) shall succeed to, and may exercise every right and power of, Euronet under the indenture, in our name or in its own name and we will be released (other than in the case of a lease) from all our liabilities under the indenture and under the notes.

Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of our assets. As a result, it may be unclear as to whether the merger, consolidation or sale of assets covenant would apply to a particular transaction as described above absent a decision by a court of competent jurisdiction.

Limitations on Liens

We may not, and may not permit any of our Significant Subsidiaries (as defined below) to, create or permit to exist any Lien (as defined below) on any Principal Property (as defined below) of ours or any of our Significant Subsidiaries (or on any stock of a Significant Subsidiary), whether owned on the date of issuance of the Notes or thereafter acquired, to secure any Indebtedness (as defined below) (any such Lien, a "Subject Lien"), unless we contemporaneously secure the Notes (together with, if we so determine, any other Indebtedness of or guaranty by us or such Significant Subsidiary then existing or thereafter created that is not subordinated to the Notes) equally and ratably with (or, at our option, prior to) that obligation.

The restriction in the above paragraph, however, will not apply to (i) Permitted Liens (as defined below) and (ii) Subject Liens securing Indebtedness if at the time of determination, after giving effect to the incurrence of such Indebtedness and to the retirement of Indebtedness which is being retired substantially concurrently therewith, the sum of (1) the aggregate principal amount of all of our Indebtedness and Indebtedness of our Significant Subsidiaries secured by Subject Liens (other than Permitted Liens) and (2) the Attributable Debt (as defined below) in respect of all Sale and Lease-Back Transactions (as defined below) not otherwise permitted under the first paragraph under "Certain Covenants-Limitations on Sale and Lease-Back Transactions" does not exceed 15% of Consolidated Net Tangible Assets (as defined below).

Any such Lien thereby created in favor of the Notes will be automatically and unconditionally released and discharged upon (i) the release and discharge of each Subject Lien to which it relates, or (ii) any sale, exchange or transfer to any person not an affiliate of Euronet of the Principal Property secured by such Subject Lien.

"*Indebtedness*" means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any Notes, bonds, debentures or other instruments for money borrowed or any borrowed money or any liability under or in respect of any banker's acceptance (other than a daylight overdraft); provided, however, that Indebtedness does not include ATM Cash Supply Obligations.

"*Lien*" means any mortgage, pledge, hypothecation, encumbrance, lien (statutory or other), charge or other security interest of any kind. For the avoidance of doubt, Liens do not include (a) the ownership or other interests of counterparties in "vault cash" they supply pursuant to ATM Cash Supply Arrangements or (b) setoff rights or statutory liens arising in the ordinary course of business.

"*Permitted Liens*" of any person is defined in the indenture as:

(a) Liens imposed by law or any governmental authority for taxes, assessments, levies or charges that are not yet overdue by more than 60 days or are being contested in good faith (and, if necessary, by appropriate proceedings) or for commitments that have not been violated;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, landlords' and similar Liens and which are incurred in the ordinary course of business or where the validity or amount thereof is being contested in good faith (and, if necessary, by appropriate proceedings);

(c) Liens incurred or pledges or deposits made in compliance with workers' compensation, pension liabilities, unemployment insurance and other social security laws or regulations or other insurance-related obligations (including, without limitation, pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements);

(d) Liens incurred or pledges or deposits made to secure the performance of bids, trade contracts, tenders, leases, statutory obligations, surety, customs and appeal bonds, performance bonds, customer deposits and other obligations of a similar nature, in each case in the ordinary course of business;

(e) judgment Liens in respect of judgments, decrees, orders of any court or in connection with legal proceedings or actions at law or in equity that do not constitute an event of default under the indenture;

(f) Liens on (1) any property or asset prior to the acquisition thereof, provided that such Lien may only extend to such property or asset, or (2) property of a Significant Subsidiary where (A) such Significant Subsidiary becomes a Subsidiary after May 17, 2019, (B) (i) the Lien exists at the time such Significant Subsidiary becomes a Subsidiary or (ii) was incurred pursuant to contractual commitments entered into before such Subsidiary became a Subsidiary, (C) the Lien was not created in contemplation of such Significant Subsidiary becoming a Subsidiary, and (D) the principal amount secured by the Lien at the time such Significant Subsidiary becomes a Subsidiary is not subsequently increased or extended to any other assets other than those owned by the entity becoming a Subsidiary;

(g) any Lien existing on the issue date of the Notes;

(h) Liens upon fixed, capital, real and/or tangible personal property acquired after the date hereof (by purchase, construction, development, improvement, finance lease, Synthetic Lease or otherwise) by us or any Significant Subsidiary, each of which Liens was created for the purpose of securing Indebtedness representing, or incurred to finance, refinance or refund, the cost (including the cost of construction, development or improvement) of such property; provided that no such lien shall extend to or cover any property other than the property so acquired and improvements thereon;

(i) Liens in favor of us or any Subsidiary;

(j) Liens arising from the financing, factoring or similar transaction (or series of transactions) or the sale of, accounts, payments, receivables, rights to future lease payments or residuals or similar rights to payment for which fair equivalent value is received;

(k) any extension, renewal or replacement (or successive extensions, renewals or replacements) in whole or in part, of any Liens referred to in the foregoing clauses (f), (g), (h), (i) and (j); provided that the principal amount of Indebtedness secured thereby and not otherwise authorized as a Permitted Lien shall not exceed the principal amount of Indebtedness, plus any premium or fee payable in connection with any such extension, renewal or replacement, so secured at the time of such extension, renewal or replacement;

(l) Liens securing our obligations or those of any Subsidiary of ours in respect of any swap agreements or other hedging arrangements entered into in the ordinary course of business and for non-speculative purposes;

(m) easements, zoning restrictions, minor title defects, irregularities or imperfections, restrictions on use, rights of way, leases, subleases and similar charges and other similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations (other than customary maintenance requirements) and which could not reasonably be expected to have a material adverse effect on the business or financial condition of us and our Subsidiaries taken as a whole; and

(n) Liens created in connection with any share repurchase program in favor of any broker, dealer, custodian, trustee or agent administering or effecting transactions pursuant to a share repurchase program.

"*ADT*" means automated deposit teller machines or other similar devices capable of accepting deposits, but that cannot dispense cash, that are owned, leased, operated or serviced by us or any of our consolidated subsidiaries.

"*ATM*" means automated teller machines or other similar devices capable of dispensing cash (and, in some cases, offering other transactions) that are owned, leased, operated or serviced by us or any of our consolidated subsidiaries.

"*ATM Cash Supply Arrangements*" means "vault cash" supply arrangements, banknote leasing arrangements, ATM sponsorship arrangements and other similar arrangements pursuant to which banks or other financial institutions provide to us and our consolidated subsidiaries electronic or physical currency to fill ATMs and such electronic or physical currency is segregated from any other cash of ours and our consolidated subsidiaries.

"*ATM Cash Supply Obligations*" means obligations arising out of ATM Cash Supply Arrangements consistent with past practice, and loans and lines of credit serving the same purpose.

"*Consolidated Net Tangible Assets*" means, at any date, the aggregate amount of assets (less applicable reserves) of Euronet and its Subsidiaries after deducting therefrom (a) all goodwill, tradenames, trademarks, patents, unamortized debt discount and expense and other like intangibles and (b) all current liabilities (excluding current maturities of long term indebtedness and any current liabilities for money borrowed having a maturity of less than 12 months but by its terms is renewable or extendible beyond 12 months from such date at the option of the borrower), all as reflected in Euronet's most recent consolidated balance sheet as at the end of its fiscal quarter ending not more than 135 days prior to such date, prepared in accordance with United States generally accepted accounting principles.

"*Principal Property*" means the land, improvements, buildings and fixtures (including any leasehold interest therein) constituting a corporate office, facility or other capital asset (excluding ATMs, ADTs and point of sale terminals) which is owned or leased by us or any of our Significant Subsidiaries, provided each such corporate office, facility or capital asset has a net book value on the date as of which the determination is being made that exceeds 2% of our Consolidated Net Tangible Assets, unless our board of directors has determined in good faith that such office, facility or capital asset is not of material importance to the total business conducted by us and our Significant Subsidiaries taken as a whole. With respect to any Sale and Lease-Back Transaction (as defined below) or series of related Sale and Lease-Back Transactions, the determination of whether any property is a Principal Property shall be determined by reference to all properties affected by such transaction or series of transactions.

"*Significant Subsidiary*," with respect to any Person, means any Subsidiary of such Person that satisfies the criteria for a "Significant Subsidiary" set forth in Rule 1-02(w) of Regulation S-X under the Exchange Act.

"*Subsidiary*" means a Person of which at least a majority of the outstanding voting stock having the power to elect a majority of the board of directors of such person (in the case of a corporation) is, or of which at least a majority of the equity interests (in the case of a person which is not a corporation) are, at the time owned, directly or indirectly, by us or by one or more other Subsidiaries, or by us and one or more other Subsidiaries. For the purposes of this definition, "voting stock" means stock or similar interests to us which ordinarily has or have voting power for the election of directors, or persons performing similar functions, whether at all times or only so long as no senior class of stock or other interests has or have such voting power by reason of any contingency.

"*Synthetic Lease*" means any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing arrangement that is considered borrowed money indebtedness for tax purposes but is classified as an operating lease under United States generally accepted accounting principles.

Limitations on Sale and Lease-Back Transactions

We will not, nor will we permit any of our Significant Subsidiaries to, enter into any Sale and Lease-Back Transaction (as defined below) with respect to any Principal Property, other than (x) any such Sale and Lease-Back Transaction involving a lease for a term of not more than three years or (y) any such Sale and Lease-Back Transaction between us and one of our Subsidiaries or between our Subsidiaries, unless: (a) we or such Significant Subsidiary would be entitled to incur Indebtedness secured by a lien on the Principal Property involved in such Sale and Lease-Back Transaction at least equal in amount to the Attributable Debt (as defined below) with respect to such Sale and Lease-Back Transaction, without equally and ratably securing the Notes, pursuant to the covenant described above under the caption "-Limitations on Liens"; or (b) the proceeds of such Sale and Lease-Back Transaction are at least equal to the fair market value of the affected Principal Property (as determined in good faith by our board of directors) and we apply an amount equal to the net proceeds of such Sale and Lease-Back Transaction within 365 days of such Sale and Lease-Back Transaction to any (or a combination) of (i) the prepayment or retirement of the Notes, (ii) the prepayment or retirement (other than any mandatory retirement, mandatory prepayment or sinking fund payment or by payment at maturity) of other Indebtedness of us or of one of our Subsidiaries (other than Indebtedness that is subordinated to the Notes or Indebtedness owed to us or one of our Subsidiaries) that matures more than 12 months after its creation (including any such Indebtedness that by its terms is renewable or extendible beyond 12 months from the date of its creation, at the option of the borrower) or (iii) the purchase, construction, development, expansion or improvement of other comparable property.

Notwithstanding the preceding paragraph, we and our Significant Subsidiaries will be allowed to enter into any Sale and Lease-Back Transaction if, after giving effect to such Sale and Lease-Back Transaction, the sum of (i) the aggregate principal amount of all of our Indebtedness and Indebtedness of our Significant Subsidiaries secured by Subject Liens (other than Permitted Liens) and (ii) the Attributable Debt in respect of all Sale and Lease-Back Transactions not otherwise permitted under the preceding paragraph, does not exceed 15% of Consolidated Net Tangible Assets.

"*Attributable Debt*" with regard to a Sale and Lease-Back Transaction with respect to any Principal Property means, at the time of determination, the present value of the total net amount of rent required to be paid under such lease (excluding, however, any amounts required to be paid by the lessee, whether or not designated as rent or additional rent, on account of maintenance and repairs, insurance, taxes, assessments, water rates or similar charges or any amounts required to be paid by the lessee thereunder contingent upon the amount of sales, maintenance and repairs, insurance, taxes, assessments, water rates or similar charges) during the remaining term thereof (including any period for which such lease has been extended), discounted at the rate of interest set forth or implicit in the terms of such lease (as determined by the Corporation or, if not practicable to determine such rate, the weighted average interest rate per annum borne by the securities of all series then outstanding under the indenture) compounded semi-annually. In the case of any lease which is terminable by the lessee upon the payment of a penalty, such net amount shall be the lesser of (x) the net amount determined assuming termination upon the first date such lease may be terminated (in which case the net amount shall also include the amount of the penalty, but shall not include any rent that would be required to be paid under such lease subsequent to the first date upon which it may be so terminated) or (y) the net amount determined assuming no such termination.

"*Sale and Lease-Back Transaction*" means any arrangement with any person providing for the leasing by us or any of our Significant Subsidiaries of any Principal Property, whether now owned or hereafter acquired, which Principal Property has been or is to be sold or transferred by us or such Significant Subsidiary to such person.

Events of Default

Each of the following constitutes an event of default under the indenture with respect to the Notes:

(1) we fail to pay the principal of any note (or premium, if any) when due at maturity, upon acceleration, upon redemption or otherwise;

(2) we fail to pay any interest on any note when due if such failure continues for 30 days;

(3) failure by us to comply with our obligations under "Certain Covenants-Consolidation, Merger and Sale of Assets";

(4) default by us or any of our Significant Subsidiaries with respect to any mortgage, agreement or other instrument under which there is, or by which there is secured or evidenced, any Indebtedness having an aggregate principal balance outstanding in excess of $50 million (or the foreign currency equivalent thereof), whether such Indebtedness now exists or shall hereafter be created (i) resulting in such Indebtedness becoming or being declared due and payable prior to its scheduled maturity or (ii) constituting a failure to pay the principal of any such Indebtedness when due and payable at its stated maturity, upon required repurchase, upon declaration of acceleration or otherwise and such defaulted payment is not made, waived or extended within the applicable grace period, unless the default has been cured or waived or the Indebtedness discharged in full within 60 days after we have been notified of the default by the trustee or holders of at least 25% of the Notes outstanding;

(5) final judgment for the payment of $50 million (or the foreign currency equivalent thereof) or more (excluding any amounts covered by insurance) rendered against us or any of our Significant Subsidiaries by a court of competent jurisdiction, which judgment is not paid, discharged or stayed within 60 days after (i) the date on which the right to appeal thereof has expired if no such appeal has commenced, or (ii) the date on which all rights to appeal have been extinguished (to the extent not covered by indemnities provided by reputable creditworthy companies or insurance as to which the applicable insurance company is solvent and has not denied coverage);

(6) we fail for 60 consecutive days after written notice from the trustee or the holders of at least 25% in principal amount of the Notes then outstanding has been received to comply with any of our other agreements contained in the Notes or indenture; or

(7) certain events of bankruptcy, insolvency or reorganization relating to us or any of our Significant Subsidiaries.

If an event of default, other than an event of default described in clause (7) above with respect to us, occurs and is continuing, either the trustee or the holders of at least 25% in aggregate principal amount of the Notes outstanding may declare the principal amount of the Notes to be due and payable immediately. If an event of default described in clause (7) above occurs with respect to us, the principal amount of the Notes will automatically become immediately due and payable.

After any such acceleration, but before a judgment or decree based on acceleration, the holders of a majority in aggregate principal amount of the Notes may, except with respect to the nonpayment of principal or interest, rescind and annul such acceleration if all events of default, other than the non-payment of accelerated principal and accrued and unpaid interest, if any, have been cured or waived.

Subject to the trustee's duties in the case of an event of default, the trustee will not be obligated to exercise any of its rights or powers at the request of the holders unless the holders have offered to the trustee reasonable indemnity or security reasonably satisfactory to it against any loss, liability or expense. Subject to the indenture, applicable law and the trustee's indemnification, the holders of a majority in aggregate principal

amount of the Notes outstanding will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the Notes. The indenture will provide that in the event an event of default has occurred and is continuing, the trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The trustee, however, may refuse to follow any direction that conflicts with law or the indenture or that the trustee determines is unduly prejudicial to the rights of any other holder or that would involve the trustee in personal liability.

No holder will have any right to institute any proceeding under the indenture, or for the appointment of a receiver or a trustee, or for any other remedy under the indenture unless:

- the holder has previously given the trustee written notice of a continuing event of default;
- the holders of at least 25% in aggregate principal amount of the notes then outstanding have made a written request and have offered reasonable indemnity to the trustee to institute such proceeding as trustee; and
- the trustee has failed to institute such proceeding within 60 days after such notice, request and offer and has not received from the holders of a majority in aggregate principal amount of the notes then outstanding a direction inconsistent with such request within 60 days after such notice, request and offer.

However, the above limitations do not apply to a suit instituted by a holder for the enforcement of payment of the principal of or interest on any note on or after the applicable due date.

Modification of the Indenture and Waiver of Rights of Holders

Under certain circumstances, we can make changes to the indenture and the Notes. Some types of changes require the approval of each holder of Notes, some require approval by a vote of a majority of the holders of the Notes, and some changes do not require any approval at all. The consent of the holders is not necessary under the indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

Changes Requiring Approval of All Holders

First, there are changes that cannot be made to the notes without the approval of holders of all notes. These include changes that:

(1) reduce the percentage of holders of notes who must consent to a waiver or amendment of the indenture;

(2) reduce the rate of interest on any note or change the time for payment of interest;

(3) reduce the principal or premium due on the notes or change the stated maturity date of the notes;

(4) change the place or currency of payment on a note;

(5) change the right of holders of notes to waive an existing default by majority vote;

(6) modify the provisions of the indenture with respect to the ranking of the notes in a manner adverse to the holders of the notes;

(7) impair the right of the holders of notes to sue for payment; or

(8) make any change to this list of changes.

Changes Requiring a Majority Vote

The second type of change to the indenture and the notes requires a vote in favor by holders owning a majority of the principal amount of the notes. Most changes fall into this category, except as described above under "-Changes Requiring Approval of All Holders" and below under "-Changes Not Requiring Approval." A majority vote of holders of notes is required to waive any past default, except a failure to pay principal, premium or interest or a default in the certain covenants and provisions of the indenture that cannot be modified or waived without the consent of each holder as described above under "-Changes Requiring Approval of All Holders."

Changes Not Requiring Approval

The third type of change does not require any vote by holders of notes outstanding. This type is limited to clarifications, changes that are necessary to comply with requirements of the SEC in order to effect or maintain the qualification of the indenture under the Trust Indenture Act or to conform the text of any provision of the indenture or the notes to any provision of this description of the notes and certain other changes that would not adversely affect holders of the notes outstanding in any material respect.

Defeasance and Covenant Defeasance

We may elect either (i) to defease and be discharged from any and all obligations with respect to the Notes (except as otherwise provided in the indenture) ("defeasance") or (ii) to be released from our obligations with respect to certain covenants that are described in the indenture ("covenant defeasance"), upon the deposit with the trustee, in trust for such purpose, of money and/or government obligations that through the payment of principal and interest in accordance with their terms will provide money in an amount sufficient, without reinvestment in the opinion of a nationally recognized firm of certified public accountants, to pay the principal of, premium, if any, and interest on the Notes to maturity or redemption, as the case may be, and any mandatory sinking fund or analogous senior payments thereon. As a condition to defeasance or covenant defeasance, we must deliver to the trustee an opinion of counsel to the effect that the beneficial owners of the Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such defeasance or covenant defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred. Such opinion of counsel, in the case of defeasance under clause (i) above, must refer to and be based upon a ruling of the Internal Revenue Service (the "IRS") or a change in applicable United States federal income tax law occurring after the date of the indenture. We may exercise our defeasance option with respect to the Notes notwithstanding our prior exercise of our covenant defeasance option. If we exercise our defeasance option, payment of the Notes may not be accelerated because of an event of default.

If we exercise our covenant defeasance option, payment of the Notes may not be accelerated by reference to any covenant from which we are released as described under clause (ii) of the immediately preceding paragraph. However, if acceleration were to occur for other reasons, the realizable value at the acceleration date of the money and government obligations in the defeasance trust could be less than the principal and interest then due on the Notes, in that the required deposit in the defeasance trust is based upon scheduled cash flows rather than market value, which will vary depending upon interest rates and other factors.

Satisfaction and Discharge

The indenture will at our request be discharged and will cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the notes, as expressly provided for in the indenture) as to all notes outstanding, when:

1. either:

(A) all notes theretofore authenticated and delivered (except lost, stolen or destroyed notes which have been replaced or paid and notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by us and thereafter repaid to us or discharged from such trust) have been delivered to the trustee for cancellation; or

(B) all notes not theretofore delivered to the trustee for cancellation (1) have become due and payable or (2) will become due and payable at their stated maturity within one year, or are to be called for redemption within one year, under arrangements satisfactory to the trustee for the giving of notice of redemption by the trustee in our name, and at our expense, and we have deposited or caused to be deposited with the trustee funds in an amount sufficient to pay and discharge the entire indebtedness on the notes not theretofore delivered to the trustee for cancellation, for principal and any premium and interest to the date of such deposit (in the case of notes that have become due and payable) or to the maturity date or redemption date, as the case may be; *provided* that upon any redemption that requires the payment of a premium, the amount deposited shall be sufficient to the extent that an amount is deposited with the trustee equal to the premium calculated as of the date of the notice of redemption, with any deficit on the date of redemption (any such amount, the "Applicable Premium Deficit") only required to be deposited with the trustee on or prior to the date of redemption (it being understood that any satisfaction and discharge shall be subject to the condition subsequent that such deficit is in fact paid). Any Applicable Premium Deficit shall be set forth in an officers' certificate delivered to the trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption;

2. we have paid all other sums payable under the indenture by us; and

3. we have delivered to the trustee an officers' certificate and an opinion of counsel stating that all conditions precedent under the indenture relating to the satisfaction and discharge of the indenture have been complied with.

The Trustee and Transfer and Paying Agent

U.S. Bank National Association serves as the trustee under the indenture. The trustee will be permitted to deal with us and our affiliates with the same rights as if it were not trustee. U.S. Bank National Association will also initially be the transfer agent for the Notes. The paying agent for the Notes will initially be Elavon Financial Services DAC, UK Branch.

We and/or our affiliates also maintain banking relationships in the ordinary course of business with one or more affiliates of the trustee.

Notices

Notices to holders of notes will be given by mail, delivered by hand or overnight courier or electronic delivery to the addresses of such holders as they appear in the security register. Notices will be deemed to have been given on the date of such mailing or electronic delivery. Whenever a notice is required to be given by us, such notice may be given by the trustee on our behalf.

Title

We, the trustee and any agent of ours may treat the registered owner of any notes as the absolute owner thereof (whether or not the notes shall be overdue and notwithstanding any notice to the contrary) for the purpose of making payment and for all other purposes.

Replacement of Notes

We will replace any mutilated note at the expense of the holders upon surrender to the trustee. We will replace notes that become destroyed, lost or stolen at the expense of the holder upon delivery to the trustee of satisfactory evidence of the destruction, loss or theft thereof. In the event of a destroyed, lost or stolen note, an indemnity or security satisfactory to us and the trustee may be required at the expense of the holder of the note before a replacement note will be issued.

Governing Law

Each of the indenture and the notes, and any claim, controversy or dispute arising under or related to the indenture or the notes, will be governed by, and construed in accordance with, the laws of the State of New York (without regard to the conflicts of laws provisions thereof).

Listing

The Notes are listed on The Nasdaq Global Market.

Book Entry System; Global Notes

The Notes were issued in the form of one or more global Notes, in fully registered form, each of which we refer to as a "global note." Each such global note was deposited with the common depositary for Clearstream and Euroclear, and registered in the name of the common depositary or its nominee. We will not issue certificated securities for the Notes, except in the limited circumstances described below.

Beneficial interests in the global Notes are represented, and transfers of such beneficial interests are effected, through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct or indirect participants in Clearstream or Euroclear. Those beneficial interests are in denominations of €100,000 and integral multiples of €1,000 in excess thereof. Should certificates be issued to individual holders of the Notes, a holder of Notes who, as a result of trading or otherwise, holds a principal amount of Notes that is less than the minimum denomination of Notes would be required to purchase an additional principal amount of Notes such that its holding of Notes amounts to the minimum specified denomination. Investors may hold Notes directly through Clearstream or Euroclear, either directly if they are participants in such systems or indirectly through organizations that are participants in such systems. The address of Clearstream is 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg, and the address of Euroclear is 1 Boulevard Roi Albert II, B-1210 Brussels, Belgium.

Beneficial interests in the global Notes are shown on, and transfers of beneficial interests in the global Notes are made only through, records maintained by Clearstream or Euroclear and their participants.

The paying agent will wire payments on the Notes to the common depositary (or its nominee) as the holder of the global Notes. The trustee, the paying agent and we will treat the common depositary (or its nominee) or any successor nominee to the common depositary as the owner of the global Notes for all purposes.

So long as Euroclear or Clearstream or their nominee or their common depositary is the registered holder of the global Notes, Euroclear, Clearstream or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such global Notes for all purposes under the indenture and the Notes. Payments of principal, interest and additional amounts, if any, in respect of the global Notes will be made to Euroclear, Clearstream or such nominee, as the case may be, as registered holder thereof.

Distributions of principal, interest and additional amounts, if any, with respect to the global Notes will be credited in euro to the extent received by Euroclear or Clearstream to the cash accounts of Euroclear or Clearstream customers in accordance with the relevant system’s rules and procedures.

Clearance and Settlement Procedures

Secondary market trading between Clearstream and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear, as applicable, and will be settled using the procedures applicable to conventional Eurobonds in immediately available funds.

Secondary Market Trading

Any secondary market trading of book-entry interests in the Notes will take place through participants in Clearstream and Euroclear in accordance with the normal rules and operating procedures of Clearstream and Euroclear and will be settled using the procedures applicable to conventional eurobonds in same-day funds. Owners of book-entry interests in the Notes will receive payments relating to their Notes in euro.

Exhibit 21.1

Euronet Worldwide, Inc. Subsidiaries

As of December 31, 2019, Euronet's wholly owned subsidiaries were:

- epay Australia Holdings Pty Ltd, incorporated in Australia
- epay Australia Pty Ltd, incorporated in Australia
- HiFX Australia Pty Ltd, incorporated in Australia
- Pure Commerce Japan Pty Ltd, incorporated in Australia
- Pure Commerce Pty Limited, incorporated in Australia
- RIA Financial Services Australia Pty. Ltd., incorporated in Australia
- RIA Financial Services Austria GmbH, incorporated in Austria
- Euronet Middle East W.L.L., incorporated in Bahrain
- Innova Taxfree Belgium SPRL, incorporated in Belgium
- RIA Envia Financial Services Belgium SPRL, incorporated in Belgium
- YourCash Belgium N.V., incorporated in Belgium
- Telecom Net S.A. Logistica Digital, incorporated in Brazil
- Euronet Services EOOD, incorporated in Bulgaria
- Gescoro Inc., incorporated in Canada
- HiFX Canada Inc., incorporated in Canada
- RIA Telecommunications of Canada Inc., incorporated in Canada
- XE Corporation, incorporated in Canada
- Ria Chile Servicios Financieros SpA, incorporated in Chile
- epay (Shanghai) Technology Development Co., Ltd. d.b.a. epay China, incorporated in China
- EFT-Usluge d.o.o., incorporated in Croatia
- Euronet Services, Spol. s r.o., incorporated in the Czech Republic
- RIA Financial Services, Denmark ApS, incorporated in Denmark
- RIA de la Hispaniola, C.porA, incorporated in Dominican Republic
- Euronet Middle East, Africa & Pakistan LLC, incorporated in Egypt
- RIA de Centroamerica, S.A. de C.V., incorporated in El Salvador
- epay Digital SAS, incorporated in France
- Euronet Services SAS, incorporated in France
- Innova Tax Free France S.A.S.U., incorporated in France
- RIA France SAS, incorporated in France
- cadooz GmbH, incorporated in Germany
- cadooz rewards GmbH, incorporated in Germany
- Delta Euronet GmbH, incorporated in Germany
- Innova Taxfree Germany GmbH, incorporated in Germany
- RIA Deutschland GmbH, incorporated in Germany
- RIA Envia Financial Services GmbH, incorporated in Germany
- transact Elektronische Zahlungssysteme GmbH, incorporated in Germany
- Euronet Card Services S.A., incorporated in Greece
- Euronet Asia Holdings Limited, incorporated in Hong Kong
- Euronet Banktechnikai Szolgaltato Kft., incorporated in Hungary
- Euronet Services Kft., incorporated in Hungary
- Euronet Services India Pvt. Ltd., incorporated in India
- RIA Money Transfer Services Pvt. Ltd., incorporated in India
- PT Euronet Technologies Indonesia, incorporated in Indonesia
- Easycash (Ireland) Limited, incorporated in Ireland
- Euronet 360 Payments Limited, incorporated in Ireland
- Innova Taxfree Ireland Limited, incorporated in Ireland
- RIA Financial Services Ireland Limited, incorporated in Ireland
- YourCash Ireland Limited, incorporated in Ireland
- Pure-Commerce Ltd, incorporated in Isle of Man
- Euronet Pay & Transaction Services S.R.L., incorporated in Italy
- Innova Taxfree Italy S.R.L., incorporated in Italy
- RIA Italia S.R.L., incorporated in Italy
- Pure Commerce Korea YH, incorporated in Korea
- Euronet Services Malaysia Sdn. Bhd., incorporated in Malaysia

- IME (M) Sdn Bhd, incorporated in Malaysia
- Euronet epay Mexico, S. de R. L. de C.V., incorporated in Mexico
- Ria Money Transfer, S.A. de C.V., incorporated in Mexico
- Ria Transfers de Mexico, S. de R.L. de C.V., incorporated in Mexico
- EFT Services Holding B.V., incorporated in the Netherlands
- epay Netherlands B.V., incorporated in the Netherlands
- Hanco Automated Teller Machines Holdings B.V., incorporated in the Netherlands
- Hanco Automated Teller Machines Netherlands B.V., incorporated in the Netherlands
- Innova Taxfree Netherlands B.V., incorporated in the Netherlands
- XE Europe B.V., incorporated in the Netherlands
- RIA Financial Services Netherlands B.V., incorporated in the Netherlands
- RIA Netherlands Holding B.V., incorporated in the Netherlands
- epay New Zealand Limited, incorporated in New Zealand
- HiFX Limited, incorporated in New Zealand
- RIA Financial Services New Zealand Limited, incorporated in New Zealand
- RIA Financial Services Norway AS, incorporated in Norway
- Euronet Technology Services, Inc., incorporated in the Philippines
- CT202 Spó³ka z o.o., incorporated in Poland
- Euronet Polska Spolka z o.o., incorporated in Poland
- MT101 Spó³ka z o.o., incorporated in Poland
- IME (Portugal), LDA, incorporated in Portugal
- Innova Tax Free Portugal Unipessoal Lda, incorporated in Portugal
- RIA Financial Services Puerto Rico, Inc., incorporated in Puerto Rico
- Euronet Services S.R.L., incorporated in Romania
- Euronet Services O.O.O., incorporated in Russia
- Euronet Services d.o.o., incorporated in Serbia
- Pure Commerce (S) Pte. Ltd., incorporated in Singapore
- Pure Commerce Shared Service Pte. Ltd., incorporated in Singapore
- Pure Processing Pte. Ltd., incorporated in Singapore
- RIA Financial Services Singapore Pte. Ltd., incorporated in Singapore
- Euronet Services Slovakia, spol. s r.o., incorporated in Slovakia
- Euronet Business Holdings, S.L.U., incorporated in Spain
- Euronet Telerecarga, S.L.U., incorporated in Spain
- Innova Taxfree Group, S.L., incorporated in Spain
- Innova Taxfree Spain, S.L., incorporated in Spain
- RIA Payment Institution EP, S.A.U., incorporated in Spain
- RIA Spain Holdings S.L.U., incorporated in Spain
- RIA Financial Services Sweden AB, incorporated in Sweden
- Euronet Services Schweiz GmbH, incorporated in Switzerland
- RIA Financial Services GmbH, incorporated in Switzerland
- Euronet Elektronik Islem Hizmetleri Limited Sirketi, incorporated in Turkey
- Ria Turkey Ödeme Kuruluşu Anonim Sirketi, incorporated in Turkey
- "Euronet Ukraine" Limited Liability Company, incorporated in Ukraine
- epay Digital Middle East FZ-LLC, incorporated in United Arab Emirates
- Universal Solution Providers FZ-LLC, incorporated in United Arab Emirates
- e-pay Holdings Ltd, incorporated in United Kingdom
- epay Ltd, incorporated in United Kingdom
- Euronet (London) UK Holdings Limited, incorporated in United Kingdom
- Euronet 360 Finance Limited, incorporated in United Kingdom
- Euronet Payment Services Ltd, incorporated in United Kingdom
- HiFM Holdings Limited, incorporated in United Kingdom
- HiFM Limited, incorporated in United Kingdom
- HiFX Europe Limited, incorporated in United Kingdom
- IME UK Limited, incorporated in United Kingdom
- Innova Tax Free (UK) Limited, incorporated in United Kingdom
- RIA Financial Services Limited, incorporated in United Kingdom
- YourCash Europe Limited, incorporated in United Kingdom
- YourCash Solutions Limited, incorporated in United Kingdom
- YourCash Holdings Limited, incorporated in United Kingdom

- YourCash ATM Systems Limited, incorporated in United Kingdom
- YourCash Limited, incorporated in United Kingdom
- Continental Exchange Solutions, Inc., incorporated in Kansas, U.S.A.
- Continental Payment Solutions, Inc., incorporated in California, U.S.A.
- EFT Americas, Inc., incorporated in Delaware, U.S.A.
- Euronet Pakistan Holdings Inc., incorporated in Delaware, U.S.A.
- Euronet USA, LLC, incorporated in Arkansas, U.S.A.
- PaySpot, LLC, incorporated in Kansas, U.S.A.
- RIA Envia, LLC, incorporated in Kansas, U.S.A.
- RIA Telecommunications of New York, Inc., incorporated in New York, U.S.A.
- Telecomnet LLC, incorporated in Delaware, U.S.A.

As of December 31, 2019, Euronet also had shareholdings in the following companies that are not wholly owned:

- Cashlink Bangladesh Ltd., incorporated in Bangladesh, of which 10% is owned by EFT Services Holding B.V.
- Electronic Transactions Network Ltd., incorporated in Bangladesh, of which 100% is owned by Cashlink Bangladesh Ltd.
- Euronet ETT (China) Co. Ltd., incorporated in China, of which 49% is owned by Euronet Asia Holdings Limited
- Jiayintong (Beijing) Technology Development Co. Ltd. d.b.a. Euronet China, incorporated in China, of which 75% is owned by Euronet Asia Holdings Limited
- Euronet Infinitium Solutions Pvt. Ltd., incorporated in India, of which 65.09% is owned by Euronet Services India Pvt. Ltd.
- Euronet Pakistan (Pvt.) Limited, incorporated in Pakistan, incorporated in Pakistan, of which 70% is owned by Euronet Pakistan Holdings, Inc.
- Euronet Movilcarga S.L., incorporated in Spain, of which 95.05% is owned by Euronet Telerecarga S.L.U.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Euronet Worldwide, Inc.:

We consent to the incorporation by reference in the registration statement (Nos. 333-84046, 333-105478, 333-111361, 333-111363, 333-117948, 333-128228 and 333-231252) on Form S-3, (No. 333-116938) on Form S-4, and (Nos. 333-24539, 333-83555, 333-44890, 333-64634, 333-71766, 333-98013, 333-102875, 333-116920, 333-136485, 333-161245, 333-176238, and 333-190337) on Form S-8 of Euronet Worldwide, Inc. and subsidiaries (the Company) of our report dated February 28, 2020, with respect to the consolidated balance sheets of the Company as of December 31, 2019, and 2018, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2019, and the related notes (collectively, the consolidated financial statements), and the effectiveness of internal control over financial reporting as of December 31, 2019, which report appears in the December 31, 2019 annual report on Form 10-K of Euronet Worldwide, Inc.

Our report refers to the Company's adoption of Accounting Standards Codification (ASC) Topic 842, *Leases*, in 2019 and ASC Topic 606, *Revenue from Contracts with Customers*, in 2018.

/s/ KPMG LLP

Kansas City, Missouri
February 28, 2020

EXHIBIT 31.1

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER

I, Michael J. Brown, certify that:

1) I have reviewed this report on Form 10-K of Euronet Worldwide, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: February 28, 2020

/s/ Michael J. Brown

Michael J. Brown
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS OF CHIEF FINANCIAL OFFICER

I, Rick L. Weller, certify that:

1) I have reviewed this report on Form 10-K of Euronet Worldwide, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: February 28, 2020

/s/ Rick L. Weller

Rick L. Weller
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Euronet Worldwide, Inc. (the “Company”) for the period ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael J. Brown

Michael J. Brown
Chief Executive Officer

February 28, 2020

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Euronet Worldwide, Inc. (the “Company”) for the period ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Rick L. Weller

Rick L. Weller
Chief Financial Officer

February 28, 2020