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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**Form 10-Q**

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(Mark One)

- Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Quarterly Period Ended September 30, 2021.**
- 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: 001-31950



**MONEYGRAM INTERNATIONAL, INC.**  
*(Exact name of registrant as specified in its charter)*

**Delaware**  
*(State or other jurisdiction of incorporation or organization)*  
**2828 N. Harwood St., 15th Floor**  
**Dallas, Texas**  
*(Address of principal executive offices)*

**16-1690064**  
*(I.R.S. Employer Identification No.)*  
**75201**  
*(Zip Code)*

(214) 999-7552

**Registrant's telephone number, including area code**

**Not applicable**

**(Former name, former address and former fiscal year, if changed since last report)**

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common stock, \$0.01 par value	MGI	The NASDAQ Stock Market LLC

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 files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or 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	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of October 27, 2021, 91,688,411 shares of common stock, \$0.01 par value, were outstanding.

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## GLOSSARY OF TERMS

This glossary highlights some of the terms used in the Quarterly Report on Form 10-Q and is not a complete list of all the defined terms used herein.

<b>Abbreviation</b>	<b>Term</b>
Amended DPA	Amendment to and Extension of Deferred Prosecution Agreement
ATM Program	At-the-market equity offering program
CID	Civil Investigative Demand
Consent Order	Stipulated Order for Compensatory Relief and Modified Order for Permanent Injunction
Corridor	With regard to a money transfer transaction, the originating "send" location and the designated "receive" location are referred to as a corridor
COVID-19	Coronavirus disease
Digital Channel	Transactions in which either the send transaction, receive transaction or both occur through the Company's direct-to-consumer digital business, MoneyGram Online, through digital partnerships, or end in an account deposit, wallet or card solution such as the Visa Direct program
DPA	Deferred Prosecution Agreement
GFT	Global Funds Transfer
Fitch	Fitch Ratings, Inc.
FPP	Financial Paper Products
FTC	Federal Trade Commission
IRS	Internal Revenue Service
LIBOR	London Interbank Offered Rate
MDPA	U.S. Attorney's Office for the Middle District of Pennsylvania
MGO	MoneyGram Online (our direct-to-consumer business)
Moody's	Moody's Investor Service
Non-U.S. dollar	The impact of non-U.S. dollar exchange rate fluctuations on the Company's financial results is typically calculated as the difference between current period activity translated using the current period's exchange rates and the comparable prior-year period's exchange rates; this method is used to calculate the impact of changes in non-U.S. dollar exchange rates on revenues, commissions and other operating expenses for all countries where the functional currency is not the U.S. dollar.
NYDFS	New York Department of Financial Services
OFAC	U.S. Treasury Department's Office of Foreign Assets Control
Pension	The Company's Pension Plan and SERPs
Pension Plan	Defined benefit pension plan
Postretirement Benefits	Defined benefit postretirement plan
P2P	Peer-to-peer
Retail Channel	Transactions in which both the send transaction and receive transaction occur at one of the Company's physical agent locations
ROE	Report of Examination
SERPs	Supplemental executive retirement plans
S&P	Standard & Poor's
SEC	U.S. Securities and Exchange Commission
USDC	USD Coin
U.S. DOJ	U.S. Department of Justice, Criminal Division, Money Laundering and Asset Recovery Section
U.S. GAAP	Accounting principles generally accepted in the United States of America
U.S. Judge	United States Judge for the Middle District of Pennsylvania

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## CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q and certain documents incorporated by reference herein may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"), including statements with respect to, among other things, the financial condition, results of operations, plans, objectives, future performance and business of MoneyGram and its subsidiaries. Statements preceded by, followed by or that include words such as "believes," "estimates," "expects," "projects," "plans," "anticipates," "intends," "continues," "will," "should," "could," "may," "might," "would," "goals," "predicts," "potential," "target," "forecast," "outlook," "currently," and other similar expressions are intended to identify some of the forward-looking statements within the meaning of the Reform Act and are included, along with this statement, for purposes of complying with the safe harbor provisions of the Reform Act. These forward-looking statements are based on management's current expectations, beliefs and assumptions as of the date of this report, are not historical facts or guarantees of future performance, and are subject to certain risks, uncertainties and changes in circumstances that are difficult to predict and many of which are outside of our control due to a number of factors. These factors include, but are not limited to:

- the impact of the COVID-19 pandemic or future pandemics on our business, including the potential for work stoppages, lockdowns, shelter-in-place or restricted movement guidelines, service delays and lower consumer and commercial activity;
  - our ability to compete effectively;
  - our ability to maintain key agent or biller relationships, or a reduction in business or transaction volume from these relationships, including with our largest agent, Walmart, through its introduction of additional competing white-label money transfer products or otherwise;
  - our ability to continue to grow our Digital Channel, including through our direct-to-consumer digital business, MoneyGram Online;
  - a security or privacy breach in systems, networks or databases on which we rely;
  - current and proposed regulations addressing consumer privacy and data use and security;
  - our ability to manage fraud risks from consumers or agents;
  - the ability of us and our agents to comply with U.S. and international laws and regulations;
  - litigation and regulatory proceedings involving us or our agents and other commercial relationships, which could result in material settlements, fines or penalties, revocation of required licenses or registrations, termination of contracts, other administrative actions or lawsuits and negative publicity;
  - disruptions to our computer systems and data centers and our ability to effectively operate and adapt our technology;
  - the ability of us and our agents to maintain adequate banking relationships;
  - our ability to successfully develop and timely introduce new and enhanced products and services and our investments in new products, services or infrastructure changes;
  - our high degree of leverage and substantial debt service obligations, and our ability to comply with the requirements under our debt agreements;
  - our below investment-grade credit rating;
  - our ability to maintain sufficient capital;
  - weakness in economic conditions, in both the U.S. and global markets;
  - the financial health of certain European countries or the secession of a country from the European Union;
  - a significant change, material slow down or complete disruption of international migration patterns;
  - our ability to manage risks associated with our international sales and operations, including exchange rates among currencies;
  - our offering of money transfer services through agents in regions that are politically volatile or, in a limited number of cases, that may be subject to certain OFAC restrictions;
  - major bank failure or sustained financial market illiquidity, or illiquidity at our clearing, cash management and custodial financial institutions;
  - changes in tax laws or unfavorable outcomes of tax positions we take, or a failure by us to establish adequate reserves for tax events;
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- our ability to manage credit risks from our agents and official check financial institution customers;
- our ability to adequately protect our brand and intellectual property rights and to avoid infringing on the rights of others;
- our ability to manage risks related to the operation of retail locations and the acquisition or start-up of businesses;
- any restructuring actions and cost reduction initiatives that we undertake may not deliver the expected results and these actions may adversely affect our business;
- our capital structure; and
- the risks and uncertainties described in the *Risk Factors* and *Management's Discussion and Analysis of Financial Condition and Results of Operations* sections of our 2020 Form 10-K, as well as any additional risk factors that may be described in our other filings with the SEC from time to time.

These forward-looking statements speak only as of the date they are made, and MoneyGram undertakes no obligation to publicly update or revise any forward-looking statements for any reason, whether as a result of new information, future events or otherwise, except as required by federal securities law.

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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

**MONEYGRAM INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**UNAUDITED**

<i>(Amounts in millions, except share data)</i>	September 30, 2021	December 31, 2020
<b>ASSETS</b>		
Cash and cash equivalents	\$ 152.6	\$ 196.1
Settlement assets	3,606.0	3,702.9
Property and equipment, net	134.8	148.1
Goodwill	442.2	442.2
Right-of-use assets	52.7	55.1
Other assets	95.6	129.7
Total assets	<u>\$ 4,483.9</u>	<u>\$ 4,674.1</u>
<b>LIABILITIES</b>		
Payment service obligations	\$ 3,606.0	\$ 3,702.9
Debt, net	801.9	857.8
Pension and other postretirement benefits	71.0	74.5
Lease liabilities	56.6	59.1
Accounts payable and other liabilities	134.3	216.8
Total liabilities	<u>4,669.8</u>	<u>4,911.1</u>
<b>COMMITMENTS AND CONTINGENCIES (NOTE 12)</b>		
<b>STOCKHOLDERS' DEFICIT</b>		
Common stock, \$0.01 par value, 162,500,000 shares authorized, 92,209,763 and 72,530,770 shares issued, 91,664,034 and 72,517,539 shares outstanding at September 30, 2021 and December 31, 2020, respectively	0.9	0.7
Additional paid-in capital	1,398.0	1,296.0
Retained loss	(1,517.5)	(1,475.3)
Accumulated other comprehensive loss	(63.6)	(58.4)
Treasury stock: 545,729 and 13,231 shares at September 30, 2021 and December 31, 2020, respectively	(3.7)	—
Total stockholders' deficit	<u>(185.9)</u>	<u>(237.0)</u>
Total liabilities and stockholders' deficit	<u>\$ 4,483.9</u>	<u>\$ 4,674.1</u>

See Notes to the Unaudited Condensed Consolidated Financial Statements

**MONEYGRAM INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**UNAUDITED**

<i>(Amounts in millions, except per share data)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
<b>REVENUE</b>				
Fee and other revenue	\$ 317.7	\$ 320.2	\$ 953.1	\$ 876.5
Investment revenue	1.9	3.0	5.9	17.4
Total revenue	319.6	323.2	959.0	893.9
<b>COST OF REVENUE</b>				
Commissions and other fee expense	154.6	161.3	465.8	445.9
Investment commissions expense	0.3	0.2	0.7	3.4
Direct transaction expense	15.6	13.0	47.0	32.5
Total cost of revenue	170.5	174.5	513.5	481.8
<b>GROSS PROFIT</b>	149.1	148.7	445.5	412.1
<b>OPERATING EXPENSES</b>				
Compensation and benefits	53.8	56.3	175.0	162.9
Transaction and operations support	39.1	24.3	122.8	83.6
Occupancy, equipment and supplies	15.3	15.6	47.1	44.7
Depreciation and amortization	14.1	15.9	43.5	49.2
Total operating expenses	122.3	112.1	388.4	340.4
<b>OPERATING INCOME</b>	26.8	36.6	57.1	71.7
Other expenses				
Interest expense	13.0	23.0	57.8	69.5
Loss on early extinguishment of debt	33.6	—	43.9	—
Other non-operating expense	1.0	1.1	2.8	3.4
Total other expenses	47.6	24.1	104.5	72.9
(Loss) income before income taxes	(20.8)	12.5	(47.4)	(1.2)
Income tax (benefit) expense	(5.2)	1.6	(5.3)	14.0
<b>NET (LOSS) INCOME</b>	\$ (15.6)	\$ 10.9	\$ (42.1)	\$ (15.2)
<b>(LOSS) EARNINGS PER COMMON SHARE</b>				
Basic	\$ (0.16)	\$ 0.14	\$ (0.48)	\$ (0.20)
Diluted	\$ (0.16)	\$ 0.12	\$ (0.48)	\$ (0.20)
<b>Weighted-average outstanding common shares and equivalents used in computing (loss) earnings per common share</b>				
Basic	96.0	77.9	87.7	77.7
Diluted	96.0	88.7	87.7	77.7

See Notes to the Unaudited Condensed Consolidated Financial Statements

**MONEYGRAM INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME**  
**UNAUDITED**

<i>(Amounts in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
<b>NET (LOSS) INCOME</b>	\$ (15.6)	\$ 10.9	\$ (42.1)	\$ (15.2)
<b>OTHER COMPREHENSIVE (LOSS) INCOME</b>				
Net change in unrealized holding (loss) gain on available-for-sale securities arising during the period	(0.1)	—	0.3	(0.3)
Net change in pension liability due to amortization of prior service credit and net actuarial loss, net of tax benefit of \$0.1 and \$0.1 for the three months ended September 30, 2021 and 2020, respectively, and \$0.4 and \$0.4 for the nine months ended September 30, 2021 and 2020, respectively	0.4	0.4	1.4	1.3
Valuation adjustment for pension and postretirement benefits, net of tax (benefit) expense of \$0.0 and \$0.0 for the three and nine months ended September 30, 2021, and 2020, respectively	—	0.1	—	0.1
Unrealized non-U.S. dollar translation adjustments, net of tax benefit of \$0.0 and \$0.4 for the three months ended September 30, 2021 and 2020, respectively, and \$0.0 and \$0.2 for the nine months ended September 30, 2021 and 2020, respectively	(3.7)	6.3	(6.9)	1.2
Other comprehensive (loss) income	(3.4)	6.8	(5.2)	2.3
<b>COMPREHENSIVE (LOSS) INCOME</b>	\$ (19.0)	\$ 17.7	\$ (47.3)	\$ (12.9)

See Notes to the Unaudited Condensed Consolidated Financial Statements



**MONEYGRAM INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**UNAUDITED**

<i>(Amounts in millions)</i>	Nine Months Ended September 30,	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (42.1)	\$ (15.2)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	43.5	49.2
Signing bonus amortization	42.8	39.7
Change in right-of-use assets	9.9	7.4
Amortization of debt discount and debt issuance costs	6.8	8.7
Loss on early extinguishment of debt	43.9	—
Non-cash compensation and pension expense	7.7	8.5
Signing bonus payments	(26.2)	(45.0)
Change in other assets	(3.8)	(7.1)
Change in lease liabilities	(10.7)	(11.6)
Change in accounts payable and other liabilities	(72.7)	18.7
Other non-cash items, net	0.3	(1.1)
Net cash (used in) provided by operating activities	(0.6)	52.2
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for capital expenditures	(31.4)	(30.6)
Net cash used in investing activities	(31.4)	(30.6)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Transaction costs for issuance and amendment of debt	(6.5)	—
Proceeds from issuance of debt	807.8	—
Principal payments on debt	(889.9)	(4.8)
Prepayment call premium	(16.5)	—
Proceeds from revolving credit facility	—	23.0
Payments on revolving credit facility	—	(23.0)
Net proceeds from stock issuance	97.3	—
Payments to tax authorities for stock-based compensation	(3.7)	(0.7)
Net cash used in financing activities	(11.5)	(5.5)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(43.5)</b>	<b>16.1</b>
<b>CASH AND CASH EQUIVALENTS—Beginning of year</b>	<b>196.1</b>	<b>146.8</b>
<b>CASH AND CASH EQUIVALENTS—End of period</b>	<b>\$ 152.6</b>	<b>\$ 162.9</b>
<b>Supplemental cash flow information:</b>		
Cash payments for interest	\$ 46.6	\$ 57.6

See Notes to the Unaudited Condensed Consolidated Financial Statements

**MONEYGRAM INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT**

**UNAUDITED**

<i>(Amounts in millions)</i>	Common Stock	Additional Paid-In Capital	Retained Loss	Accumulated Other Comprehensive Loss	Treasury Stock	Total
<b>January 1, 2021</b>	\$ 0.7	\$ 1,296.0	\$ (1,475.3)	\$ (58.4)	\$ —	\$ (237.0)
Net loss	—	—	(15.4)	—	—	(15.4)
Stock-based compensation activity	—	1.9	(0.1)	—	(3.6)	(1.8)
Exercise of Ripple Warrants	0.1	(0.1)	—	—	—	—
Other comprehensive loss	—	—	—	(5.0)	—	(5.0)
<b>March 31, 2021</b>	<u>0.8</u>	<u>1,297.8</u>	<u>(1,490.8)</u>	<u>(63.4)</u>	<u>(3.6)</u>	<u>(259.2)</u>
Net loss	—	—	(11.1)	—	—	(11.1)
Stock-based compensation activity	—	1.4	—	—	(0.1)	1.3
ATM equity offering	0.1	97.5	—	—	—	97.6
Other comprehensive income	—	—	—	3.2	—	3.2
<b>June 30, 2021</b>	<u>0.9</u>	<u>1,396.7</u>	<u>(1,501.9)</u>	<u>(60.2)</u>	<u>(3.7)</u>	<u>(168.2)</u>
Net loss	—	—	(15.6)	—	—	(15.6)
Stock-based compensation activity	—	1.6	—	—	—	1.6
ATM equity offering	—	(0.3)	—	—	—	(0.3)
Other comprehensive loss	—	—	—	(3.4)	—	(3.4)
<b>September 30, 2021</b>	<u>\$ 0.9</u>	<u>\$ 1,398.0</u>	<u>\$ (1,517.5)</u>	<u>\$ (63.6)</u>	<u>\$ (3.7)</u>	<u>\$ (185.9)</u>

<i>(Amounts in millions)</i>	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Loss	Accumulated Other Comprehensive Loss	Treasury Stock	Total
<b>January 1, 2020</b>	\$ 183.9	\$ 0.7	\$ 1,116.9	\$ (1,460.1)	\$ (63.5)	\$ (18.3)	\$ (240.4)
Net loss	—	—	—	(21.5)	—	—	(21.5)
Stock-based compensation activity	—	—	1.9	(6.9)	—	6.0	1.0
Other comprehensive loss	—	—	—	—	(6.8)	—	(6.8)
<b>March 31, 2020</b>	<u>183.9</u>	<u>0.7</u>	<u>1,118.8</u>	<u>(1,488.5)</u>	<u>(70.3)</u>	<u>(12.3)</u>	<u>(267.7)</u>
Net loss	—	—	—	(4.6)	—	—	(4.6)
Stock-based compensation activity	—	—	1.5	(1.0)	—	1.0	1.5
Other comprehensive income	—	—	—	—	2.3	—	2.3
<b>June 30, 2020</b>	<u>183.9</u>	<u>0.7</u>	<u>1,120.3</u>	<u>(1,494.1)</u>	<u>(68.0)</u>	<u>(11.3)</u>	<u>(268.5)</u>
Net income	—	—	—	10.9	—	—	10.9
Stock-based compensation activity	—	—	1.5	0.1	—	—	1.6
Other comprehensive income	—	—	—	—	6.8	—	6.8
Preferred stock - series D conversion	(146.5)	—	135.3	—	—	11.3	0.1
<b>September 30, 2020</b>	<u>\$ 37.4</u>	<u>\$ 0.7</u>	<u>\$ 1,257.1</u>	<u>\$ (1,483.1)</u>	<u>\$ (61.2)</u>	<u>\$ —</u>	<u>\$ (249.1)</u>

See Notes to the Unaudited Condensed Consolidated Financial Statements

**MONEYGRAM INTERNATIONAL, INC.****NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 1 — Description of the Business and Basis of Presentation**

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References to "MoneyGram," the "Company," "we," "us" and "our" are to MoneyGram International, Inc. and its subsidiaries.

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

*Basis of Presentation* — The accompanying unaudited condensed consolidated financial statements of MoneyGram are prepared in conformity with U.S. GAAP for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. The Condensed Consolidated Balance Sheets are unclassified due to the timing uncertainty surrounding the payment of settlement obligations. The condensed consolidated financial statements include all adjustments of a normal recurring nature that, in the opinion of management, are necessary in order to make the financial statements not misleading.

*Impact of COVID-19 Pandemic On Our Financial Statements* — The global spread of COVID-19 and the unprecedented impact of the COVID-19 pandemic is complex and ever-evolving. In March 2020, the World Health Organization declared COVID-19 a global pandemic and recommended extensive containment and mitigation measures worldwide. The outbreak reached all regions in which we do business, and governmental authorities around the world implemented numerous measures attempting to contain and mitigate the effects of the virus, including travel bans and restrictions, border closings, quarantines, shelter-in-place orders, shutdowns, limitations or closures of non-essential businesses, school closures and social distancing requirements. The global spread of COVID-19 and resulting government actions taken in response to the virus have caused, and may continue to cause, significant economic and business disruption, volatility, financial uncertainty and a continued significant global economic downturn. This has had, and may continue to have, a negative impact on our workforce, agents, customers, financial markets, consumer spending and credit markets. Even after the COVID-19 pandemic has subsided, we may continue to experience adverse impacts to our business as a result of an economic recession or depression. Therefore, the Company cannot reasonably estimate the future impact at this time.

There were no other material impacts to our unaudited condensed consolidated financial statements as of and for the periods ended September 30, 2021, based on the Company's assessment of its estimates. As additional information becomes available to us, our future assessment of these estimates, including our expectations at the time regarding the duration, scope and severity of the pandemic, as well as other factors, could materially and adversely impact our unaudited condensed consolidated financial statements in future reporting periods.

*Use of Estimates* — The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on historical experience, future expectations, impact of the COVID-19 pandemic and other factors and assumptions the Company believes to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis and are revised when necessary. Changes in estimates are recorded in the period of change. Actual amounts may differ from these estimates.

*Principles of Consolidation* — The condensed consolidated financial statements include the accounts of MoneyGram International, Inc. and its subsidiaries. Intercompany profits, transactions and account balances have been eliminated in consolidation.

*Presentation* — During the first quarter of 2021, the Company changed its presentation to disclose "Gross profit" in the Condensed Consolidated Statements of Operations. The presentation of gross profit is intended to supplement investors with an understanding of our operating performance. Gross profit is calculated as total revenue less commissions and direct transaction expenses. These expenses were previously included within "Operating expenses" and are now presented within "Cost of revenue" in the Condensed Consolidated Statements of Operations. The change in presentation was applied retrospectively to all periods presented in the Condensed Consolidated Statements of Operations and it had no effect on Operating income, Net loss or Loss per share. The Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Comprehensive Loss, Condensed Consolidated Statements of Stockholders' Deficit and Condensed Consolidated Statements of Cash Flows are not affected by this change in presentation.

*Recently Issued Accounting Standards and Related Developments Not Yet Adopted* — In May 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2021-04, *Earnings Per Share (Topic 260)*, *Debt—Modifications and Extinguishments (Subtopic 470-50)*, *Compensation—Stock Compensation (Topic 718)*, and *Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options (a consensus of the FASB Emerging Issues Task Force)*. The ASU clarifies and reduces diversity in an issuer's accounting for modifications or exchanges of freestanding equity-classified written call options, warrants for instance, that remain equity classified after modification or exchange. The ASU provides guidance that will clarify whether an issuer should account for a modification or an exchange of a freestanding equity-classified written call option that remains equity classified after modification or exchange as (1) an adjustment to equity and, if so, the related earnings per share effects, if any, or (2) an expense and, if so, the manner and pattern of recognition. The new guidance is effective for annual and interim periods beginning after December 15, 2021, and early adoption is permitted, including adoption in an interim period. The adoption of ASU 2021-04 is not expected to have a material impact on our condensed consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06, *Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. This ASU changes how entities account for convertible instruments and contracts in an entity's own equity and simplifies the accounting for convertible instruments by removing certain separation models for convertible instruments. This ASU also modifies the guidance on diluted earnings per share calculations. The amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. We are currently evaluating the impact of this standard on our condensed consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The amendments in this ASU provide, if certain criteria are met, optional expedients and exceptions for applying the U.S. GAAP requirements for contract modifications, hedging relationships and sales or transfers of debt securities that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform through December 31, 2022. The adoption of this ASU is optional and the election can be made anytime during the effective period. The amendments in this ASU are effective as of March 12, 2020 through December 31, 2022. MoneyGram is currently evaluating the impact of this standard and has not yet determined whether we will elect the optional expedients.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The new credit impairment standard changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, held-to-maturity debt securities, loans and other instruments, entities will be required to use a new forward-looking expected loss model that generally will result in the earlier recognition of allowances for credit losses. For available-for-sale debt securities with unrealized losses, entities will measure credit losses in a manner similar to what they do today, except that the losses will be recognized as allowances rather than as reductions in the amortized cost of the securities. To further assist with adoption and implementation of ASU 2016-13, the FASB issued the following ASUs:

- ASU 2018-19 (Issued November 2018) — *Codification Improvements to Topic 326, Financial Instruments - Credit Losses*
- ASU 2019-04 (Issued April 2019) — *Codification Improvements to Topic 326, Financial Instruments - Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*
- ASU 2019-05 (Issued May 2019) — *Financial Instruments - Credit Losses (Topic 326): Targeted Transition Relief*
- ASU 2019-10 (Issued November 2019) — *Financial Instruments - Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*
- ASU 2019-11 (Issued November 2019) — *Codification Improvements to Topic 326, Financial Instruments - Credit Losses*
- ASU 2020-02 (Issued February 2020) — *Financial Instruments - Credit Losses (Topic 326) and Leases (Topic 842): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases (Topic 842) (SEC Update)*
- ASU 2020-03 (Issued March 2020) — *Codification Improvements to Financial Instruments*

ASU 2019-10 changed the effective date of ASU 2016-13 for public business entities that meet the definition of a U.S. Securities and Exchange Commission ("SEC") filer but that are eligible to be a smaller reporting company to fiscal years beginning after December 15, 2022. As of November 15, 2019, which is the determination date for ASU 2016-13, MoneyGram was a smaller reporting company and, as such, has elected to adopt the amendments in these standards in 2023. We are still evaluating these ASUs, but we do not believe the adoption will have a material impact on our condensed consolidated financial statements.

The Company has determined that there have been no other recently adopted or issued accounting standards that had, or will have, a material impact on its condensed consolidated financial statements.

## Note 2 — Reorganization Costs

In the first quarter of 2021, the Company committed to an operational plan to reduce overall operating expenses, including the elimination of approximately 110 positions across the Company and certain actions to reduce other ongoing operating expenses, including real estate-related expenses (the "2021 Organizational Realignment"). The actions are designed to streamline operations and structure the Company in a way that will be more agile and aligned around its plan to execute digital and market-specific strategies. The initial total expected cost of the 2021 Organizational Realignment was approximately \$9.7 million. In the third quarter of 2021, we revised the total expected cost of the 2021 Organizational Realignment to \$9.0 million. The Company anticipates related cash expenditures to be substantially paid out by the first quarter of 2022. Costs consisted primarily of one-time termination benefits for employee severance and related costs, which are recorded in "Compensation and benefits" on the Condensed Consolidated Statements of Operations.

The following table is a roll-forward of the reorganization costs accrual as of September 30, 2021:

<i>(Amounts in millions)</i>	<b>2021 Organizational Realignment</b>	
Balance at December 31, 2020	\$	—
Expenses		8.3
Cash payments		(7.4)
Balance at September 30, 2021	\$	0.9

The following table is a summary of the cumulative reorganization costs incurred to date in operating expenses and the estimated remaining reorganization costs to be incurred as of September 30, 2021:

<i>(Amounts in millions)</i>	<b>2021 Organizational Realignment</b>	
Cumulative reorganization costs incurred to date in operating expenses	\$	8.3
Estimated additional reorganization costs to be incurred		0.7
Total reorganization costs incurred and to be incurred	\$	9.0

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

<i>(Amounts in millions)</i>	<b>Total</b>	
Balance at December 31, 2020	\$	—
First quarter 2021		5.9
Second quarter 2021		2.1
Third quarter 2021		0.3
Total cumulative reorganization costs incurred to date	\$	8.3

**Note 3 — Settlement Assets and Payment Service Obligations**

The Company records payment service obligations relating to amounts payable under money transfers, money orders and consumer payment service arrangements. These obligations are recognized by the Company at the time the underlying transaction occurs. The Company records corresponding settlement assets, which represent funds received or to be received for unsettled money transfers, money orders and consumer payments.

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

<i>(Amounts in millions)</i>	September 30, 2021	December 31, 2020
<b>Settlement assets:</b>		
Settlement cash and cash equivalents	\$ 1,799.6	\$ 1,883.2
Receivables, net	810.7	825.0
Interest-bearing investments	992.6	991.2
Available-for-sale investments	3.1	3.5
<b>Total settlement assets</b>	<b>\$ 3,606.0</b>	<b>\$ 3,702.9</b>
<b>Payment service obligations</b>	<b>\$ (3,606.0)</b>	<b>\$ (3,702.9)</b>

**Note 4 — Fair Value Measurement**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability, or the exit price, in an orderly transaction between market participants on the measurement date.

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

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

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

- *Derivative financial instruments* — Derivatives consist of forward contracts to manage income statement exposure to non-U.S. dollar exchange risk arising from the Company's assets and liabilities denominated in non-U.S. dollar currencies. The Company's forward contracts are well-established products, allowing the use of standardized models with market-based inputs. These models do not contain a high level of subjectivity, and the inputs are readily observable. Accordingly, the Company has classified its forward contracts as Level 2 financial instruments. See Note 6 — *Derivative Financial Instruments* for additional disclosure on the Company's forward contracts.

The following table summarizes the Company's financial assets and liabilities measured at fair value by hierarchy level on a recurring basis:

<i>(Amounts in millions)</i>	Level 2	Level 3	Total
<b>September 30, 2021</b>			
<b>Financial assets:</b>			
Available-for-sale investments:			
Residential mortgage-backed securities	\$ 2.5	\$ —	\$ 2.5
Asset-backed and other securities	—	0.6	0.6
Forward contracts	4.1	—	4.1
<b>Total financial assets</b>	<b>\$ 6.6</b>	<b>\$ 0.6</b>	<b>\$ 7.2</b>
<b>Financial liabilities:</b>			
Forward contracts	\$ 0.8	\$ —	\$ 0.8
<b>December 31, 2020</b>			
<b>Financial assets:</b>			
Available-for-sale investments:			
Residential mortgage-backed securities	\$ 3.0	\$ —	\$ 3.0
Asset-backed and other securities	—	0.5	0.5
Forward contracts	0.1	—	0.1
<b>Total financial assets</b>	<b>\$ 3.1</b>	<b>\$ 0.5</b>	<b>\$ 3.6</b>
<b>Financial liabilities:</b>			
Forward contracts	\$ 2.2	\$ —	\$ 2.2

*Assets and liabilities that are disclosed at fair value* — Debt and interest-bearing investments are carried at amortized cost; however, the Company estimates the fair value of debt for disclosure purposes. The fair values of the Term Loan, Senior Secured Notes and First Lien Credit Facility are estimated using an observable market quotation (Level 2). The fair value of the second lien credit facility is estimated using unobservable market inputs (Level 3), including broker quotes for comparable traded securities and yield curves.

The following table provides the carrying value and fair value for the credit facilities and the senior secured notes:

<i>(Amounts in millions)</i>	September 30, 2021		December 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Term Loan	\$ 400.0	\$ 400.0	\$ —	\$ —
Senior Secured Notes	\$ 415.0	\$ 419.2	\$ —	\$ —
First Lien Credit Facility	\$ —	\$ —	\$ 635.3	\$ 635.3
Second Lien Credit Facility	\$ —	\$ —	\$ 254.6	\$ 254.3

The carrying amounts for the Company's cash and cash equivalents, settlement cash and cash equivalents, receivables, interest-bearing investments and payment service obligations approximate fair value as of September 30, 2021 and December 31, 2020.

## Note 5 — Investment Portfolio

The following table shows the components of the investment portfolio:

<i>(Amounts in millions)</i>	September 30, 2021	December 31, 2020
Cash	\$ 1,952.2	\$ 2,076.8
Money market securities	—	2.5
Cash and cash equivalents <sup>(1)</sup>	1,952.2	2,079.3
Interest-bearing investments	992.6	991.2
Available-for-sale investments	3.1	3.5
Total investment portfolio	<u>\$ 2,947.9</u>	<u>\$ 3,074.0</u>

<sup>(1)</sup>For purposes of the disclosure of the investment portfolio as a whole, the cash and cash equivalents balance includes settlement cash and cash equivalents.

The following table is a summary of the amortized cost and fair value of available-for-sale investments:

<i>(Amounts in millions)</i>	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<b>September 30, 2021</b>				
Residential mortgage-backed securities	\$ 2.2	\$ 0.3	\$ —	\$ 2.5
Asset-backed and other securities	—	0.6	—	0.6
Total	<u>\$ 2.2</u>	<u>\$ 0.9</u>	<u>\$ —</u>	<u>\$ 3.1</u>
<b>December 31, 2020</b>				
Residential mortgage-backed securities	\$ 2.6	\$ 0.4	\$ —	\$ 3.0
Asset-backed and other securities	0.2	0.5	(0.2)	0.5
Total	<u>\$ 2.8</u>	<u>\$ 0.9</u>	<u>\$ (0.2)</u>	<u>\$ 3.5</u>

As of September 30, 2021 and December 31, 2020, 81% and 86%, respectively, of the fair value of the available-for-sale portfolio were invested in residential mortgage-backed securities issued by U.S. government agencies. These securities have the implicit backing of the U.S. government, and the Company expects to receive full par value upon maturity or pay-down, as well as all interest payments.

*Gains and Losses* — For the three and nine months ended September 30, 2021 and 2020, the Company had no realized gains or losses.

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



## Note 6 — Derivative Financial Instruments

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

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

<i>(Amounts in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net realized non-U.S. dollar (loss) gain	\$ (7.0)	\$ 12.0	\$ (13.3)	\$ 15.2
Net gain (loss) from the related forward contracts	6.0	(5.5)	11.4	(3.8)
Net (loss) gain from non-U.S. dollar transactions and related forward contracts	\$ (1.0)	\$ 6.5	\$ (1.9)	\$ 11.4

As of September 30, 2021 and December 31, 2020, the Company had \$631.4 million and \$643.8 million, respectively, of outstanding notional amounts relating to its non-U.S. dollar forward contracts.

As of September 30, 2021 and December 31, 2020, the Company reflects the following fair values of derivative forward contract instruments in its Condensed Consolidated Balance Sheets:

<i>(Amounts in millions)</i>	Balance Sheet Location	Gross Amount of Recognized Assets		Gross Amount of Offset		Net Amount of Assets Presented in the Condensed Consolidated Balance Sheets	
		September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Forward contracts	"Other assets"	\$ 5.5	\$ 1.0	\$ (1.4)	\$ (0.9)	\$ 4.1	\$ 0.1

<i>(Amounts in millions)</i>	Balance Sheet Location	Gross Amount of Recognized Liabilities		Gross Amount of Offset		Net Amount of Liabilities Presented in the Condensed Consolidated Balance Sheets	
		September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Forward contracts	"Accounts payable and other liabilities"	\$ 2.2	\$ 3.1	\$ (1.4)	\$ (0.9)	\$ 0.8	\$ 2.2

The Company's forward contracts are primarily executed with counterparties governed by International Swaps and Derivatives Association agreements that generally include standard netting arrangements. Asset and liability positions from forward contracts and all other non-U.S. dollar exchange transactions with the same counterparty are net settled upon maturity.

The Company is exposed to credit loss in the event of non-performance by counterparties to its derivative contracts. The Company actively monitors its exposure to credit risk through the use of credit approvals and credit limits and by selecting major international banks and financial institutions as counterparties. Collateral generally is not required of the counterparties or of the Company. In the unlikely event the counterparty fails to meet the contractual terms of the derivative contract, the Company's risk is limited to the fair value of the instrument. The Company has not had any historical instances of non-performance by any counterparties, nor does it anticipate any future instances of non-performance.

**Note 7 — Debt**

The following is a summary of the Company's outstanding debt:

<i>(Amounts in millions, except percentages)</i>	September 30, 2021	December 31, 2020
5.00% Term Loan due 2026	\$ 400.0	\$ —
5.38% Senior Secured Notes due 2026	415.0	—
7.00% First Lien Credit Facility due 2023	—	635.3
13.00% Second Lien Credit Facility due 2024	—	254.6
Total debt at face value	815.0	889.9
Unamortized debt issuance costs and debt discounts	(13.1)	(32.1)
Total debt, net	\$ 801.9	\$ 857.8

*Indenture and New Credit Agreement* — On July 21, 2021, the Company entered into a new credit agreement (the “New Credit Agreement”) with the lenders from time to time party thereto, and Bank of America, N.A., as administrative agent, and completed its previously announced private offering of \$415.0 million aggregate principal amount of 5.375% senior secured notes due 2026 (the “Senior Secured Notes” or “Notes” and such offering, the “Notes Offering”) and related guarantees. The New Credit Agreement provides for (i) a senior secured five-year term loan in an aggregate principal amount of \$400.0 million (the “Term Loan”) and (ii) a senior secured four-year revolving credit facility that may be used for revolving credit loans, swingline loans and letters of credit up to an initial aggregate principal amount of \$32.5 million (the “Revolving Credit Facility” and, together with the Term Loan, the “New Credit Facilities”).

As of September 30, 2021, the Company had no borrowings and no outstanding letters of credit under its Revolving Credit Facility.

The New Credit Facilities were secured by substantially all of the Company's assets and its material domestic subsidiaries that guarantee the payment and performance of the Company's obligations under the Credit Facilities.

*Prepayment* — On June 28, 2021, the Company prepaid \$100.0 million of principal balance under its Second Lien Credit Agreement utilizing the proceeds under the ATM Program plus cash on hand as defined and further discussed in Note 9 — *Stockholders' Deficit*. On July 21, 2021, the proceeds from the notes offering, together with borrowings under the Term Loan, were used to prepay the full amount of outstanding indebtedness under the Existing Credit Facilities and to pay related accrued interest, fees and expenses. Simultaneous with the prepayment, the Existing Credit Facilities, as defined below, were terminated.

During the nine months ended September 30, 2021, the Company recorded a loss on early extinguishment of debt of \$43.9 million which included \$16.5 million of prepayment call premium and \$27.4 million associated with the write-off of debt issuance costs and debt discounts. The Company also paid accrued interest of \$7.0 million.

*First Lien Credit Agreement and Revolving Credit Facility* — The Company's prior First Lien Credit Agreement, which was in effect during the first half of 2021, provided for (a) a senior secured three-year revolving credit facility available for revolving credit loans, swingline loans and letters of credit up to an aggregate principal amount of \$32.5 million, and was scheduled to mature on September 30, 2022 (the “First Lien Revolving Credit Facility”) and (b) a senior secured four-year term loan facility in an aggregate principal amount of \$645.0 million (the “First Lien Term Credit Facility” and together with the First Lien Revolving Credit Facility, the “First Lien Credit Facility”).

*Second Lien Credit Agreement* — The Company's prior Second Lien Credit Agreement, which was in effect during the first half of 2021, provided for a second lien secured five-year term loan facility in an aggregate principal amount of \$245.0 million (the “Second Lien Term Credit Facility” and together with the First Lien Credit Facility, the “Existing Credit Facilities”). Subject to certain conditions and limitations, the Company was able to elect to pay interest under the Second Lien Term Credit Facility partially in cash and partially in kind. The outstanding principal balance for the Second Lien Credit Agreement was due on June 26, 2024.

*Debt Covenants and Other Restrictions* — The New Credit Agreement requires the Company and its consolidated subsidiaries to maintain a minimum interest coverage ratio of 2.150:1.000 and to not exceed a total net leverage ratio of 4.750:1.000. The asset coverage covenant contained in the New Credit Agreement requires the aggregate amount of the Company's cash and cash equivalents and other settlement assets to exceed its aggregate payment service obligations.

As of September 30, 2021, the Company was in compliance with its financial covenants: our interest coverage ratio was 3.245 to 1.000, our total net leverage ratio was 3.100 to 1.000 and our assets in excess of payment service obligations used for the asset coverage calculation were \$152.6 million. We continuously monitor our compliance with our debt covenants.

## Note 8 — Pension and Other Benefits

The following table is a summary of net periodic benefit expense for the Company's defined benefit Pension Plan and supplemental executive retirement plans, collectively referred to as "Pension":

(Amounts in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Interest cost	\$ 0.5	\$ 0.8	\$ 1.5	\$ 2.3
Expected return on plan assets	(0.2)	(0.2)	(0.6)	(0.6)
Amortization of net actuarial loss	0.5	0.5	1.8	1.6
Net periodic benefit expense	\$ 0.8	\$ 1.1	\$ 2.7	\$ 3.3

The Company had nominal net periodic benefit expense for the three and nine months ended September 30, 2021 and 2020, for its postretirement medical benefit plan ("Postretirement Benefits"). Net periodic benefit expense for the Pension and Postretirement Benefits is recorded in "Other non-operating expense" in the Condensed Consolidated Statements of Operations.

## Note 9 — Stockholders' Deficit

**Common Stock** — On June 7, 2021, MoneyGram announced its ATM Program which provided for the offer and sale, from time to time, of shares of its common stock having an aggregate sales price of up to \$100.0 million. On June 18, 2021, MoneyGram completed the ATM Program by selling \$99.8 million, or 10.4 million shares, at an average price per share of \$9.56, resulting in total net proceeds to the Company of \$97.3 million. No dividends were paid during the three and nine months ended September 30, 2021 or 2020.

The following table is a summary of changes in the number of shares of the Company's authorized, issued and outstanding stock as of September 30, 2021:

	Common Stock			Treasury Stock
	Authorized	Issued	Outstanding	
<b>December 31, 2020</b>	162,500,000	72,530,770	72,517,539	13,231
ATM equity offering	—	10,441,111	10,441,111	—
Exercise of Ripple Warrants	—	5,948,895	5,948,895	—
Release for restricted stock units	—	2,323,831	1,792,277	531,554
Exercise of Lender Warrants	—	965,156	964,212	944
<b>September 30, 2021</b>	162,500,000	92,209,763	91,664,034	545,729

**Accumulated Other Comprehensive Loss** — The following table is a summary of the significant amounts reclassified out of each component of "Accumulated other comprehensive loss":

(Amounts in millions)	Three Months Ended September 30,		Nine Months Ended September 30,		Statement of Operations Location
	2021	2020	2021	2020	
Pension and Postretirement Benefits adjustments:					
Amortization of net actuarial loss	\$ 0.5	\$ 0.5	\$ 1.8	\$ 1.7	"Other non-operating expense"
Total before tax	0.5	0.5	1.8	1.7	
Tax benefit, net	(0.1)	(0.1)	(0.4)	(0.4)	
Total reclassified for the period, net of tax	\$ 0.4	\$ 0.4	\$ 1.4	\$ 1.3	

The following table is a summary of the changes to Accumulated other comprehensive loss by component:

<i>(Amounts in millions)</i>	Net Unrealized Gains on Securities Classified as Available-for-sale, Net of Tax	Cumulative non-U.S. dollar Translation Adjustments, Net of Tax	Pension and Postretirement Benefits Adjustment, Net of Tax	Total
January 1, 2021	\$ 1.2	\$ (20.9)	\$ (38.7)	\$ (58.4)
Other comprehensive loss before reclassification	0.3	(5.8)	—	(5.5)
Amounts reclassified from accumulated other comprehensive loss	—	—	0.5	0.5
Net current period other comprehensive loss	0.3	(5.8)	0.5	(5.0)
March 31, 2021	1.5	(26.7)	(38.2)	(63.4)
Other comprehensive income before reclassification	0.1	2.6	—	2.7
Amounts reclassified from accumulated other comprehensive loss	—	—	0.5	0.5
Net current period other comprehensive income	0.1	2.6	0.5	3.2
June 30, 2021	1.6	(24.1)	(37.7)	(60.2)
Other comprehensive loss before reclassification	(0.1)	(3.7)	—	(3.8)
Amounts reclassified from accumulated other comprehensive loss	—	—	0.4	0.4
Net current period other comprehensive loss	(0.1)	(3.7)	0.4	(3.4)
September 30, 2021	\$ 1.5	\$ (27.8)	\$ (37.3)	\$ (63.6)

<i>(Amounts in millions)</i>	Net Unrealized Gains on Securities Classified as Available-for-sale, Net of Tax	Cumulative non-U.S. dollar Translation Adjustments, Net of Tax	Pension and Postretirement Benefits Adjustment, Net of Tax	Total
January 1, 2020	\$ 1.6	\$ (28.1)	\$ (37.0)	\$ (63.5)
Other comprehensive loss before reclassification	—	(7.2)	—	(7.2)
Amounts reclassified from accumulated other comprehensive loss	—	—	0.4	0.4
Net current period other comprehensive loss	—	(7.2)	0.4	(6.8)
March 31, 2020	1.6	(35.3)	(36.6)	(70.3)
Other comprehensive income before reclassification	(0.3)	2.1	—	1.8
Amounts reclassified from accumulated other comprehensive loss	—	—	0.5	0.5
Net current period other comprehensive income	(0.3)	2.1	0.5	2.3
June 30, 2020	1.3	(33.2)	(36.1)	(68.0)
Other comprehensive income before reclassification	—	6.3	0.1	6.4
Amounts reclassified from accumulated other comprehensive loss	—	—	0.4	0.4
Net current period other comprehensive income	—	6.3	0.5	6.8
September 30, 2020	\$ 1.3	\$ (26.9)	\$ (35.6)	\$ (61.2)

## Note 10 — Stock-Based Compensation

The following table is a summary of the Company's stock-based compensation expense:

(Amounts in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Stock-based compensation expense	\$ 1.6	\$ 1.5	\$ 4.9	\$ 5.1

Stock Options — The following table is a summary of the Company's stock option activity:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (\$000,000)
Options outstanding at December 31, 2020	277,962	\$ 19.58	1.8 years	\$ —
Forfeited/Expired	(98,942)	23.16		
Options outstanding, vested or expected to vest, and exercisable at September 30, 2021	179,020	\$ 17.60	1.4 years	\$ —

As of September 30, 2021, the Company had no unrecognized stock option expense related to outstanding options.

**Restricted Stock Units** — In 2021, the Company granted time-based and performance-based restricted stock units. The time-based restricted stock units vest in three equal installments on each anniversary of the grant date. The performance-based restricted stock units are subject to performance conditions and a one-year performance period. When and if the conditions are satisfied at the end of the one-year performance period, vesting of the performance-based restricted stock units are subject only to the passage of time and vest in three equal installments on each anniversary of the grant date.

The following table is a summary of the Company's restricted stock unit activity:

	Total Shares	Weighted-Average Grant-Date Fair Value	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (in millions)
Restricted stock units outstanding at December 31, 2020	5,158,235	\$ 2.62	0.95 years	\$ 28.2
Granted	1,947,146	5.59		
Vested	(2,250,570)	2.97		
Forfeited	(666,431)	2.66		
Restricted stock units outstanding at September 30, 2021	4,188,380	\$ 3.80	1.1 years	\$ 33.6
Restricted stock units vested and deferred at September 30, 2021	215,021	\$ 3.37		\$ 1.7

The following table is a summary of the Company's restricted stock unit compensation information:

(Amounts in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Weighted-average grant-date fair value of restricted stock units vested during the period	\$ 0.1	\$ —	\$ 6.7	\$ 7.2
Total intrinsic value of vested and converted shares	\$ 0.2	\$ —	\$ 15.5	\$ 2.7

As of September 30, 2021, the Company's outstanding restricted stock units had unrecognized compensation expense of \$11.4 million with a remaining weighted-average vesting period of 1.7 years.

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**Note 11 — Income Taxes**

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For the three months ended September 30, 2021, the Company recognized an income tax benefit of \$5.2 million on a pre-tax loss of \$20.8 million primarily due to state taxes, non-deductible expenses, foreign taxes net of federal income tax benefits, and U.S. taxation of foreign earnings, all of which were partially offset by U.S. general business credits and an increase in valuation allowance.

For the nine months ended September 30, 2021, the Company recognized an income tax benefit of \$5.3 million on a pre-tax loss of \$47.4 million primarily due to non-deductible expenses, foreign taxes net of federal income tax benefits, U.S. taxation of foreign earnings, and an increase in valuation allowance, all of which were partially offset by U.S. general business credits.

For the three months ended September 30, 2020, the Company recognized an income tax expense of \$1.6 million on a pre-tax income of \$12.5 million primarily due to an increase in tax reserves, an increase in the valuation allowance and non-deductible expenses, all of which were partially offset by U.S. tax credits. Additionally, as a result of the issuance of the final Section 951A and Section 954 regulations by the U.S. Treasury Department and the Internal Revenue Service (the "IRS") on July 20, 2020, the Company recorded a discrete tax benefit related to both the direct and indirect effects of the global intangible low taxed income ("GILTI") high-tax exclusions being applied retroactively to tax years 2018 and 2019.

For the nine months ended September 30, 2020, the Company recognized an income tax expense of \$14.0 million on a pre-tax loss of \$1.2 million primarily due to an increase in the valuation allowance, non-deductible expenses, foreign taxes net of federal income tax benefits, U.S. taxation of foreign earnings, an increase in tax reserves, the reversal of tax benefits on share-based compensation and state taxes net of federal income tax benefits, all of which were partially offset by U.S. tax credits. Additionally, as a result of the issuance of the final Section 951A and Section 954 regulations by the U.S. Treasury Department and the IRS on July 20, 2020, the Company recorded a discrete tax benefit related to both the direct and indirect effects of the GILTI high-tax exclusions being applied retroactively to tax years 2018 and 2019. The change in the valuation allowance was triggered in the first quarter by an estimated three-year cumulative pre-tax loss position inclusive of 2020 forecasted earnings. While the Company has a long history of profitable operations prior to recent declines, the previously anticipated cumulative loss position was significant negative evidence in assessing the recoverability of certain deferred tax assets. Therefore, we recorded an additional valuation allowance of \$13.0 million, of which \$11.3 million relates to deferred tax assets that existed at the beginning of the year. The valuation allowance does not, however, impact our cash position, liquidity or tax returns. As of September 30, 2020, the total valuation allowance was \$84.2 million and is primarily attributable to basis differences in revalued investments, capital losses, U.S. tax credits and certain state and foreign tax loss carryovers.

Unrecognized tax benefits are recorded in "Accounts payable and other liabilities" in the Condensed Consolidated Balance Sheets. As of September 30, 2021 and December 31, 2020, the liability for unrecognized tax benefits was \$19.3 million and \$19.7 million, respectively, exclusive of interest and penalties. For the nine months ended September 30, 2021 and 2020, the net amount of unrecognized tax benefits that if recognized could impact the effective tax rate was \$19.3 million and \$18.6 million, respectively. The Company accrues interest and penalties for unrecognized tax benefits through "Income tax (benefit) expense" in the Condensed Consolidated Statements of Operations. For the nine months ended September 30, 2021 and 2020, the Company's accrual for interest and penalties increased by \$0.7 million and \$0.8 million, respectively. As of September 30, 2021 and December 31, 2020, the Company had a liability of \$10.1 million and \$9.4 million, respectively, for accrued interest and penalties within "Accounts payable and other liabilities." As a result of the June 1, 2021 decision reached by the Fifth Circuit and as discussed in more detail in Note 12 — *Commitments and Contingencies*, the Company expects to settle approximately \$21.5 million of state related unrecognized tax benefits, inclusive of interest, with cash over the next 12 months. Additionally, now that the Company has concluded its litigation with the IRS, the Company expects to settle an additional estimated \$1.6 million of other state related unrecognized tax benefits with a combination of cash and state net operating loss carryovers that were pending the outcome of this litigation.

On July 28, 2020, the Company's Board of Directors adopted a Tax Benefits Preservation Plan (the "Rights Agreement") which the Company terminated on June 3, 2021.

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**Note 12 — Commitments and Contingencies**

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*Letters of Credit* — At September 30, 2021, the Company had no borrowings and no outstanding letters of credit under the Revolving Credit Facility.

*Legal Proceedings* — The matters set forth below are subject to uncertainties and outcomes that are not predictable. The Company accrues for these matters as any resulting losses become probable and can be reasonably estimated. Further, the Company maintains insurance coverage for many claims and litigation matters. In relation to various legal matters, including those described below, the Company had \$2.0 million of liability recorded in "Accounts payable and other liabilities" in the Condensed Consolidated Balance Sheets as of September 30, 2021 and December 31, 2020. For the three and nine months ended September 30, 2021 and 2020, a nominal charge was recorded for legal proceedings in "Transaction and operations support" in the Condensed Consolidated Statements of Operations.

**Litigation Commenced Against the Company:**

*Class Action Securities Litigation* — On November 14, 2018, a putative securities class action lawsuit was filed in the United States District Court for the Northern District of Illinois against MoneyGram and certain of its executive officers. The lawsuit asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and alleges that MoneyGram made material misrepresentations regarding its compliance with the stipulated order for permanent injunction and final judgment that MoneyGram entered into with the Federal Trade Commission ("FTC") in October 2009 and with the deferred prosecution agreement (the "DPA") that MoneyGram entered into with the U.S. Attorney's Office for the Middle District of Pennsylvania and the U.S. Department of Justice in November 2012. The lawsuit seeks unspecified damages, equitable relief, interest and costs and attorneys' fees. The Company believes the case is without merit and is vigorously defending this matter. On May 16, 2019, MoneyGram filed a motion to dismiss which the court has yet to rule upon. We are unable to predict the outcome, or the possible loss or range of loss, if any, related to this matter.

*Books and Records Requests* — The Company has received multiple requests from various putative shareholders for inspection of books and records pursuant to Section 220 of the Delaware General Corporation Law relating to the subject matter of the putative class and derivative lawsuits described in the preceding paragraphs. On February 26, 2019, two of these shareholders filed a petition in the Delaware Court of Chancery to compel MoneyGram to produce books and records in accordance with their request but have since dismissed their action. We are unable to predict the outcome, or the possible loss or range of loss, if any, related to these matters.

*Class Action Securities Litigation Relating to XRP Cryptocurrency* — On March 1, 2021, a putative securities class action lawsuit was filed in the United States District Court for the Central District of California against MoneyGram and certain of its executive officers. A second substantially similar putative class action was filed March 10, 2021 in the same court. The lawsuits asserted claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and alleged that MoneyGram made material misrepresentations regarding its business relationship with Ripple Labs, Inc. ("Ripple") and MoneyGram's use of Ripple's XRP cryptocurrency. The lawsuits sought unspecified damages, equitable relief, interest and costs and attorneys' fees. On April 8, 2021, by agreement of the parties, the court consolidated the two lawsuits and transferred the consolidated action to the United States District Court for the Northern District of Texas (the "Court"). On July 20, 2021, the Court-appointed lead plaintiff filed a Notice of Voluntary Dismissal with prejudice prior to the deadline for filing a consolidated amended complaint. On August 2, 2021, the Court terminated the consolidated action described above.

It is possible that additional shareholder lawsuits could be filed relating to the subject matter of the above class actions and Section 220 books and records requests.

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

**Government Investigations:**

*Deferred Prosecution Agreement* — In November 2012, we announced that a settlement was reached with the MDPA and the U.S. DOJ relating to the previously disclosed investigation of transactions involving certain of our U.S. and Canadian agents, as well as fraud complaint data and the consumer anti-fraud program, during the period from 2003 to early 2009. In connection with this settlement, we entered into the DPA with the MDPA and U.S. DOJ (collectively, the "Government") dated November 9, 2012.

On November 8, 2018, the Company announced that it entered into (1) an Amendment to and Extension of Deferred Prosecution Agreement (the "Amended DPA") with the Government and (2) a Stipulated Order for Compensatory Relief and Modified Order for Permanent Injunction (the "Consent Order") with the FTC. The Amended DPA amended and extended the

original DPA entered into on November 9, 2012 by and between the Company and the Government. The DPA, Amended DPA and Consent Order are collectively referred to herein as the "Agreements."

Under the Agreements, the Company agreed to, among other things, (1) pay an aggregate amount of \$125.0 million to the Government, of which \$70.0 million was paid in November 2018 and the remaining \$55.0 million was paid in April 2021. No separate payment to the FTC was required under the Agreements.

On June 9, 2021, the Government filed an Amended Unopposed Motion to Dismiss that provided additional details about the Company's satisfaction of its obligations under the DPA and enhancements to the Company's compliance program. On June 10, 2021, the United States Judge for the Middle District of Pennsylvania signed an Order dismissing the criminal information with prejudice, which effectively discharged the Government's criminal case against the Company and officially ended the matter.

*NYDFS* — On June 22, 2018, the Company received a request for production of documents from the New York Department of Financial Services (the "NYDFS") related to the subject of the DPA and FTC matters described above. This request followed previous inquiries by the NYDFS regarding certain of our New York-based agents. Following the June 22, 2018 request for production, the Company received and responded to several inquiries from the NYDFS related to this matter and continues to meet with the NYDFS to discuss the matter. The NYDFS has not indicated what, if any, action it intends to take in connection with this matter, although it is possible that it could seek additional information, initiate civil litigation and/or seek to impose fines, damages or other regulatory consequences, any or all of which could have an adverse effect on the Company's business, financial condition, results of operations and cash flows. The Company is unable to predict the outcome, or the possible loss or range of loss, if any, that could be associated with this matter.

*CFPB* — On February 12, 2020, the Company received a Report of Examination ("ROE") from the Consumer Financial Protection Bureau ("CFPB") stating that previous findings from a 2019 exam were not remediated, and the matter would be referred to its Enforcement Unit. On March 18, 2020, the Company received a Civil Investigative Demand ("CID") from the CFPB's Enforcement Unit. On June 11, 2020, the Company provided a timely response to the ROE describing the remedial actions taken and that the findings have been substantially remediated. On August 21, 2020, the Company completed its production in response to the CID. On February 25, 2021, the CFPB provided MoneyGram with a Notice and Opportunity to Respond and Advise ("NORA") letter, documenting the CFPB's intent to take legal action against MoneyGram based on four alleged violations under the Remittance Rule, the Electronic Fund Transfer Act and the Consumer Financial Protection Act. MoneyGram provided the CFPB with its written response to the NORA letter on March 17, 2021 and continues to meet with the CFPB to discuss the matter. At this time, it is not possible to determine the outcome of this matter, or the significance, if any, to our business, financial condition or results of operations.

*Other Matters* — The Company is involved in various other government inquiries and other matters that arise from time to time. Management does not believe that after final disposition any of these other matters is likely to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

**Actions Commenced by the Company:**

*Tax Litigation* — The IRS completed its examination of the Company's consolidated income tax returns through 2013 and issued Notices of Deficiency for 2005-2007 and 2009, and an Examination Report for 2008. The Notices of Deficiency and Examination Report disallow, among other items, approximately \$900.0 million of ordinary deductions on securities losses in the 2007, 2008 and 2009 tax returns. In May 2012 and December 2012, the Company filed petitions in the U.S. Tax Court ("Tax Court") challenging the 2005-2007 and 2009 Notices of Deficiency, respectively. In 2013, the Company reached a partial settlement with the IRS allowing ordinary loss treatment on \$186.9 million of deductions in dispute. In January 2015, the Tax Court granted the IRS's motion for summary judgment upholding the remaining adjustments in the Notices of Deficiency. The Company filed a notice of appeal with the Tax Court on July 27, 2015 for an appeal to the U.S. Court of Appeals for the Fifth Circuit ("Fifth Circuit"). Oral arguments were held before the Fifth Circuit on June 7, 2016, and on November 15, 2016, the Fifth Circuit vacated the Tax Court's decision and remanded the case to the Tax Court for further proceedings. The Company filed a motion for summary judgment in the Tax Court on May 31, 2017. On August 23, 2017, the IRS filed a motion for summary judgment and its response to the Company's motion for summary judgment. The Tax Court directed the parties to agree to a joint stipulation of facts, which the parties filed with the court. Each party filed updated memorandums in support of its motions for summary judgment in the Tax Court. The Tax Court held oral arguments on this matter on September 9, 2019 and the Tax Court issued an opinion on December 3, 2019 denying the Company's motion for summary judgment. MoneyGram then filed a Notice of Appeal to the Fifth Circuit on February 21, 2020. Oral arguments were held before a Fifth Circuit panel of judges on March 1, 2021, and the panel affirmed the Tax Court findings on June 1, 2021. As a result of the Fifth Circuit decision, the Company has decided to no longer pursue a remedy for the tax litigation and has determined that it is appropriate



to file amended state returns which we expect will require the Company to make additional cash payments estimated to be \$21.5 million for various state taxes on amounts that have previously been accrued.

The Company's previous reassessment resulted in the Company determining that it is no longer more likely than not that its existing position will be sustained. Accordingly, the Company re-characterized certain deductions relating to securities losses to be capital in nature, rather than ordinary. The Company recorded a full valuation allowance against these losses in the quarter ended March 31, 2015. This change increased "Income tax expense" in the Condensed Consolidated Statements of Operations in the quarter ended March 31, 2015 by \$63.7 million. During 2015, the Company made payments to the IRS of \$61.0 million for federal tax payments and associated interest related to the matter. Neither the November 2016 Fifth Circuit decision to remand the case back to the Tax Court nor the 2021 Fifth Circuit affirmation of the Tax Court findings changed the Company's assessment regarding the likelihood of whether these deductions would ultimately be sustained. Accordingly, no change in the valuation allowance was made for this matter as of September 30, 2021.

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### Note 13 — (Loss) Earnings Per Common Share

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For all periods in which they are outstanding, the shares of Series D Participating Convertible Preferred Stock ("D Stock") and the second lien warrants are included in the weighted-average number of common shares outstanding utilized to calculate basic earnings per common share because the shares of D Stock are deemed a common stock equivalent and the second lien warrants are considered outstanding common shares.

The following table summarizes the weighted-average share amounts used in calculating (loss) earnings per common share:

<i>(Amounts in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Basic and diluted common shares outstanding	96.0	77.9	87.7	77.7
Shares related to restricted stock units	—	4.8	—	—
Shares related to Ripple warrants	—	6.0	—	—
Diluted common shares outstanding	96.0	88.7	87.7	77.7

Potential common shares issuable to employees upon exercise or conversion of shares under the Company's stock-based compensation plans and upon exercise of the Ripple Warrants (as defined below) are excluded from the computation of diluted earnings per common share when the effect would be anti-dilutive. All potential common shares are anti-dilutive in periods of net loss available to common stockholders. Stock options are anti-dilutive when the exercise price of these instruments is greater than the average market price of the Company's common stock for the period, regardless of whether the Company is in a period of net loss available to common shareholders.

The following table summarizes the weighted-average potential common shares excluded from diluted (loss) earnings per common share as their effect would be anti-dilutive:

<i>(Amounts in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Shares related to stock options	0.2	0.3	0.3	0.4
Shares related to restricted stock units	4.0	—	4.3	4.3
Shares related to Ripple Warrants	—	—	1.4	6.0
Shares excluded from the computation	4.2	0.3	6.0	10.7

**Note 14 — Segment Information**

The Company's reporting segments are primarily organized based on the nature of products and services offered and the type of consumer served. The Company has two reporting segments: GFT and FPP. See Note 1 — *Description of the Business and Basis of Presentation* for further discussion on our segments. Walmart Inc. ("Walmart") is our only agent, for both the GFT and FPP segments, that accounts for more than 10% of total revenue. For the three months ended September 30, 2021 and 2020, Walmart accounted for 10% and 13%, respectively, of total revenue, and for the nine months ended September 30, 2021 and 2020, Walmart accounted for 11% and 14%, respectively, of total revenue.

The following table is a summary of the total revenue by segment:

<i>(Amounts in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
<b>GFT revenue</b>				
Money transfer revenue	\$ 296.1	\$ 297.6	\$ 886.4	\$ 806.6
Bill payment revenue	9.9	11.0	31.1	35.2
Total GFT revenue	306.0	308.6	917.5	841.8
<b>FPP revenue</b>				
Money order revenue	10.0	10.4	31.0	33.3
Official check revenue	3.6	4.2	10.5	18.8
Total FPP revenue	13.6	14.6	41.5	52.1
Total revenue	\$ 319.6	\$ 323.2	\$ 959.0	\$ 893.9

The following table is a summary of the gross profit by segment:

<i>(Amounts in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
GFT gross profit	\$ 135.8	\$ 134.2	\$ 404.7	\$ 363.4
FPP gross profit <sup>(1)</sup>	13.3	14.5	40.8	48.7
Total gross profit	\$ 149.1	\$ 148.7	\$ 445.5	\$ 412.1

<sup>(1)</sup> In periods of extremely low interest rates, it is possible for commissions to be close to zero, resulting in abnormally high gross margin.

The following table sets forth assets by segment:

<i>(Amounts in millions)</i>	September 30, 2021	December 31, 2020
GFT	\$ 1,318.8	\$ 1,397.2
FPP	3,144.3	3,247.4
Other	20.8	29.5
Total assets	\$ 4,483.9	\$ 4,674.1

**Note 15 — Revenue Recognition**

The following table is a summary of the Company's revenue streams disaggregated by services and products for each segment and timing of revenue recognition for such services and products excluding other revenue:

<i>(Amounts in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
<b>GFT revenue</b>				
Money transfer fee revenue	\$ 289.5	\$ 292.1	\$ 867.5	\$ 791.6
Bill payment services fee revenue	9.9	10.9	31.1	35.2
Other revenue	6.6	5.6	18.9	15.0
Total GFT fee and other revenue	306.0	308.6	917.5	841.8
<b>FPP revenue</b>				
Money order fee revenue	1.6	1.8	4.9	5.6
Official check outsourcing services fee revenue	1.8	1.9	5.4	5.6
Other revenue	8.3	7.9	25.3	23.5
Total FPP fee and other revenue	11.7	11.6	35.6	34.7
Total fee and other revenue	317.7	320.2	953.1	876.5
Investment revenue	1.9	3.0	5.9	17.4
Total revenue	\$ 319.6	\$ 323.2	\$ 959.0	\$ 893.9
<b>Timing of revenue recognition:</b>				
Services and products transferred at a point in time	\$ 300.8	\$ 304.8	\$ 903.4	\$ 832.4
Products transferred over time	1.8	1.9	5.4	5.6
Total revenue from services and products	302.6	306.7	908.8	838.0
Investment revenue	1.9	3.0	5.9	17.4
Other revenue	15.1	13.5	44.3	38.5
Total revenue	\$ 319.6	\$ 323.2	\$ 959.0	\$ 893.9

Due to the short-term nature of the Company's services and products, the amount of contract assets and liabilities on the Condensed Consolidated Balance Sheets as of September 30, 2021 and December 31, 2020, is negligible. Assets for unsettled money transfers, money orders and consumer payments are included in "Settlement assets" with a corresponding liability recorded in "Payment service obligations" on the Condensed Consolidated Balance Sheets. For more information on these assets and liabilities see Note 3 — *Settlement Assets and Payment Service Obligations*.

**Note 16 — Related Parties**

On March 7, 2021, the Company and Ripple signed an agreement to terminate, effective immediately, the commercial agreement between the parties that was originally entered into in June of 2019. The Company had ceased transacting under the commercial agreement in early December 2020. The Company did not resume transacting under the commercial agreement from that period through the termination date and as such, will not receive any market development fees in 2021.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The purpose of this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is to provide an understanding of MoneyGram International, Inc.'s ("MoneyGram," the "Company," "we," "us" and "our") financial condition, results of operations and cash flows by focusing on changes in certain key measures. This MD&A is provided as a supplement to, and should be read in conjunction with, our unaudited condensed consolidated financial statements and related Notes included in this Quarterly Report on Form 10-Q and the Consolidated Financial Statements and Notes included in our Annual Report on Form 10-K for the year ended December 31, 2020. This discussion contains forward-looking statements that involve risks and uncertainties. MoneyGram's actual results could differ materially from those anticipated due to various risks and factors discussed above under *Cautionary Statements Regarding Forward-Looking Statements* and elsewhere in this Quarterly Report on Form 10-Q and in our 2020 Form 10-K, as well as any additional risk factors that may be described in our other periodic filings with the SEC from time to time.

The comparisons presented in this MD&A refer to the same period in the prior year, unless otherwise noted. This MD&A is organized in the following sections:

- Overview
- Results of Operations
- Liquidity and Capital Resources
- Critical Accounting Policies and Estimates

### OVERVIEW

MoneyGram is a global leader in cross-border P2P payments and money transfers. Our consumer-centric capabilities enable the quick and affordable transfer of money to family and friends around the world. Whether through online and mobile platforms, integration with mobile wallets, kiosks, or any one of the hundreds of thousands of agent locations in over 200 countries and territories, with 103 now digitally enabled, the innovative MoneyGram platform connects consumers in ways designed to be convenient for them. In the U.S. and in select countries and territories, we also provide bill payment services, issue money orders and process official checks. We primarily offer our services and products through our Digital Channel and third-party agents. The Digital Channel includes MGO (our direct-to-consumer business), digital partners, direct transfers to bank accounts, mobile wallets and debit card solutions such as Visa Direct. Digital revenue for the three months ended September 30, 2021 was \$69.5 million, or 23% of money transfer revenue, compared to \$54.5 million or 18% for the same period in the prior year. Total digital money transfer transactions represented 34% and 27% of money transfer transactions for the three months ended September 30, 2021 and 2020, respectively. Total MGO Money Transfer revenue increased to \$46.9 million representing 34% year-over-year growth. Third-party agents include retail chains, independent retailers, post offices and financial institutions. MoneyGram also has a limited number of Company-operated retail locations.

We manage our revenue and related commissions expense through two reporting segments: GFT and FPP. The GFT segment provides global money transfer services in more than 430,000 agent locations. Our global money transfer services are our primary revenue driver, accounting for 93% and 92% of total revenue for the three and nine months ended September 30, 2021. The GFT segment also provides bill payment services to consumers through substantially all of our money transfer agent locations in the U.S., at certain agent locations in select Caribbean and European countries and through our Digital Channel. The FPP segment provides money order services to consumers through retail locations and financial institutions located in the U.S. and Puerto Rico and provides official check services to financial institutions in the U.S.

### COVID-19 Update

#### *General Economic Conditions and MoneyGram Impact*

The global spread and unprecedented impact of COVID-19 is complex and ever-evolving. In March 2020, the World Health Organization declared COVID-19 a global pandemic and recommended extensive containment and mitigation measures worldwide. The outbreak is global and reaches all the countries in which we do business. Since the outbreak, we have seen the profound effect it is having on human health, the global economy and society at large. Public and private sector policies aimed at reducing the transmission of COVID-19 have varied significantly in different regions of the world, but have resulted in shelter-in-place orders and the mandatory closing of various businesses across many of the countries in which we operate. Variants of COVID-19 combined with a lack of vaccinations in many countries have resulted in new waves of infections and new restrictions. These restrictions often have an impact on the ability of consumers to transact at agent locations, which can cause temporary reductions in remittance activity. Several countries and municipalities mandated closures of their borders and incorporated shelter-in-place orders in the third quarter of 2021.

It is impossible to predict the scope and duration of the impact of the COVID-19 pandemic as the situation has been different on a country by country basis. The impact of COVID-19 in 2021 and beyond will depend on the duration and severity of economic

conditions resulting from the crisis, its impact on public health, public policy actions, vaccination rates and expansion and duration of returns to lockdowns and shelter-in-place orders by governments, as well as changes in consumer behavior over the long term.

We continue to place a priority on business continuity and contingency planning, including for potential extended closures of any key agents or disruptions related to our contractual counterparties that might arise as a result of COVID-19. While disruptions in our service offerings have occurred from time to time from temporary agent location closures, the inability of labor markets to return to normal mobility can represent a longer impact on the Company. We cannot reasonably estimate the potential impact or timing of those events, and we may not be able to mitigate such impact.

### **Business Environment**

The competitive environment continues to change as both established players and new, digital-only entrants work to innovate and deliver an affordable and convenient customer experience to win market share. Our competitors include a small number of large money transfer and bill payment providers, financial institutions, banks and a large number of small niche money transfer service providers that serve select regions. We generally compete on the basis of customer experience, price, agent commissions, brand awareness and convenience.

We continue to invest in innovative products and services, such as our leading mobile app and integrations with mobile wallets and account deposit services, to position the Company to meet consumer needs. Furthermore, our partnership with Visa Direct provides consumers with additional choices on how to receive funds across a broader number of countries. We believe that combining our cash and digital capabilities enables us to differentiate against digital-only competitors who are not able to serve a significant portion of the remittance market that relies on cash.

In addition to the changes in the competitive environment, MoneyGram's global compliance requirements have remained complex, which has affected our top line growth and profit margin in certain markets. We continue to enhance and automate our compliance tools to comply with various government and other regulatory programs around the world, as well as address Corridor-specific risks associated with fraud and money laundering.

### **Recent Developments**

On October 6, 2021, the Company announced an agreement with the Stellar Development Foundation ("SDF"), a non-profit organization that supports the development and growth of Stellar, an open-source public blockchain that allows money to be tokenized and transferred anywhere in the world. MoneyGram's network, integrated with the Stellar blockchain and facilitated through Circle's stablecoin USDC, will enable cash funding and payout in local currency for consumers using USDC, as well as near-instant back-end settlement capabilities. For consumers, this agreement will provide the ability to seamlessly convert USDC to cash, or cash to USDC.

On July 21, 2021, the Company entered into a new credit agreement (the "New Credit Agreement") with the lenders from time to time party thereto, and Bank of America, N.A., as administrative agent, and completed its previously announced private offering of \$415.0 million aggregate principal amount of 5.375% senior secured notes due 2026 (the "Senior Secured Notes" or "notes") and related guarantees. The New Credit Agreement provides for (i) a senior secured five-year term loan in an aggregate principal amount of \$400.0 million (the "Term Loan") and (ii) a senior secured four-year revolving credit facility that may be used for revolving credit loans, swingline loans and letters of credit up to an initial aggregate principal amount of \$32.5 million (the "Revolving Credit Facility") and, together with the Term Loan, the "New Credit Facilities").

The proceeds from the notes offering, together with borrowings under the Term Loan, were used to prepay the full amount of outstanding indebtedness under the Existing Credit Facilities and to pay related accrued interest, fees and expenses. Simultaneous with the prepayment, the Existing Credit Facilities were terminated.

As a result of the implementation of this new long-term financing, we expect our interest expense to decline by approximately \$47.0 million on an annualized basis and cash payments for interest to decline by approximately \$36.0 million on an annualized basis.

On January 11, 2021, MoneyGram committed to an operational plan to reduce overall operating expenses, including the elimination of approximately 110 positions across the Company and certain actions to reduce other ongoing operating expenses, including real estate-related expenses (the "2021 Organizational Realignment"). The actions are designed to streamline operations and structure the Company in a way that will be more agile and aligned around its plan to execute market-specific strategies. The initial total expected cost of the 2021 Organizational Realignment was approximately \$9.7 million, which included \$6.2 million in one-time cash severance expenditures and \$3.5 million in real estate-related and other cash expenditures. In the third quarter of 2021, we revised the total expected cost of the 2021 Organizational Realignment to \$9.0 million. The Company expects the 2021 Organizational Realignment to reduce operating expenses by approximately \$18.0 million on an annualized basis. The Company anticipates related cash expenditures to be substantially paid out by the first quarter of 2022. See Note 2 — *Reorganization Costs* for additional information related to our 2021 Organizational Realignment.

## **Anticipated Trends**

This discussion of trends expected to impact our business in 2021 is based on information presently available and reflects certain assumptions, including assumptions regarding future economic conditions. Differences in actual economic conditions compared with our assumptions could have a material impact on our results. See *Cautionary Statements Regarding Forward-Looking Statements* and Part II, Item 1A, *Risk Factors* of this Quarterly Report on Form 10-Q and Part I, Item 1A, *Risks Factors* of our 2020 Form 10-K for additional factors that could cause results to differ materially from those contemplated by the following forward-looking statements.

In 2021, MoneyGram continues to focus on positioning the Company to better compete by building and expanding customer-direct capabilities, accelerating digital growth, expanding service agreements and modernizing operations.

Through 2021, we believe the industry will continue to see a number of trends: the growth of digital transactions, aggressive pricing strategies, continuing improvements to customer experience and disruptions resulting in weakening regional economies throughout the world. To position the Company to respond to these trends, we are continuing to focus on our strategy to deliver a differentiated customer experience, scale our digital properties, be the preferred partner for agents in cross-border transactions, capture new revenue by monetizing our capabilities and continue to improve the cost structure and efficiency of the Company. We will continue to broaden our global digital footprint while continuing to focus on enhancing our direct to account reach and real-time deposit capabilities.

We expect a high level of competition for agents and customers, along with competitive pricing to be a continuous challenge through 2021. Currency volatility, liquidity pressure on certain central banks, immigration restrictions, and continuing immobility of labor throughout the world may also continue to impact our business. We anticipate continuing prioritization of our cost structure related to transactions, and expect to remain price competitive across our product line.

For our FPP segment, we expect the decline in overall paper-based transactions to continue primarily due to continued gradual migration by customers to other payment methods. Our investment revenue, which consists primarily of interest income generated through the investment of cash balances received from the sale of our FPP, is dependent on the prevailing short-term interest rate environment in the United States. The Company would see a positive impact on its investment revenue if U.S. money market rates rise, and conversely, a negative impact if interest rates decline.

## Financial Measures and Key Metrics

This Quarterly Report on Form 10-Q includes financial information prepared in accordance with U.S. GAAP as well as certain non-GAAP financial measures that we use to assess our overall performance.

**U.S. GAAP Measures** — We utilize certain financial measures prepared in accordance with U.S. GAAP to assess the Company's overall performance. These measures include fee and other revenue, commissions and other fee expense, fee and other revenue less commissions, gross profit, operating income and operating margin.

**Non-GAAP Measures** — Generally, a non-GAAP financial measure is a numerical measure of financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with U.S. GAAP. The non-GAAP financial measures should be viewed as a supplement to, and not a substitute for, financial measures presented in accordance with U.S. GAAP and are not necessarily comparable with similarly named metrics of other companies. We strongly encourage investors and stockholders to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure. We believe that the non-GAAP financial measures enhance investors' understanding of our business and performance because they are an indicator of the strength and performance of ongoing business operations. The non-GAAP measures are commonly used as a basis for investors, analysts and other interested parties to evaluate and compare the operating performance and value of companies within our industry. They are also used by management in reviewing results of operations, forecasting, allocating resources or establishing employee incentive programs. The following are non-GAAP financial measures we use to assess our overall performance:

**EBITDA** (Earnings before interest, taxes, depreciation and amortization, including agent signing bonus amortization).

**Adjusted EBITDA** (EBITDA adjusted for certain significant items) — Adjusted EBITDA does not reflect cash requirements necessary to service interest or principal payments on our indebtedness or tax payments that may result in a reduction in cash available.

**Adjusted Free Cash Flow** (Adjusted EBITDA less cash interest, cash taxes, cash payments for capital expenditures and cash payments for agent signing bonuses) — Adjusted Free Cash Flow does not reflect cash payments related to the adjustment of certain significant items in Adjusted EBITDA.

**Constant Currency** — Constant currency metrics assume that amounts denominated in non-U.S. dollars are translated to the U.S. dollar at rates consistent with those in the prior year.

## RESULTS OF OPERATIONS

The following table is a summary of the results of operations:

<i>(Amounts in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
<b>Revenue</b>				
Fee and other revenue	\$ 317.7	\$ 320.2	\$ 953.1	\$ 876.5
Investment revenue	1.9	3.0	5.9	17.4
Total revenue	319.6	323.2	959.0	893.9
<b>Cost of revenue</b>				
Commissions and other fee expense	154.6	161.3	465.8	445.9
Investment commissions expense	0.3	0.2	0.7	3.4
Direct transaction expense	15.6	13.0	47.0	32.5
Total cost of revenue	170.5	174.5	513.5	481.8
Gross profit	149.1	148.7	445.5	412.1
<b>Operating expenses</b>				
Compensation and benefits	53.8	56.3	175.0	162.9
Transaction and operations support	39.1	24.3	122.8	83.6
Occupancy, equipment and supplies	15.3	15.6	47.1	44.7
Depreciation and amortization	14.1	15.9	43.5	49.2
Total operating expenses	122.3	112.1	388.4	340.4
Operating income	26.8	36.6	57.1	71.7
<b>Other expenses</b>				
Interest expense	13.0	23.0	57.8	69.5
Loss on early extinguishment of debt	33.6	—	43.9	—
Other non-operating expense	1.0	1.1	2.8	3.4
Total other expenses	47.6	24.1	104.5	72.9
(Loss) income before income taxes	(20.8)	12.5	(47.4)	(1.2)
Income tax (benefit) expense	(5.2)	1.6	(5.3)	14.0
Net (loss) income	\$ (15.6)	\$ 10.9	\$ (42.1)	\$ (15.2)

### Revenue

Revenue declined by \$3.6 million for the three months ended September 30, 2021, due to a decrease in GFT revenue of \$2.6 million and a decrease in FPP revenue of \$1.0 million. Revenue increased by \$65.1 million for the nine months ended September 30, 2021, due to an increase in GFT revenue of \$75.7 million, partially offset by a decrease in FPP revenue of \$10.6 million. See the "Segments Results" section below for a detailed discussion of revenues by segment.

### Cost of Revenue

Cost of revenue decreased by \$4.0 million for the three months ended September 30, 2021, due to a decrease in GFT cost of revenue. Cost of revenue increased by \$31.7 million for the nine months ended September 30, 2021, due to an increase in GFT cost of revenue of \$34.4 million, partially offset by a decrease in FPP cost of revenue of \$2.7 million. See the "Segments Results" section below for further discussions.

### Compensation and Benefits

Compensation and benefits decreased by \$2.5 million for the three months ended September 30, 2021, primarily driven by a lower headcount as a result of the 2021 Organizational Realignment. For the nine months ended September 30, 2021, compensation and benefits increased by \$12.1 million primarily driven by severance costs associated with the 2021 Organizational Realignment and certain employee related expenses impacted by the COVID-19 pandemic in the prior year.



### Transaction and Operations Support

Transaction and operations support primarily includes marketing, professional fees and other outside services, telecommunications, agent support costs, including forms related to our products, non-compensation employee costs, including training, travel and relocation costs, non-employee director stock-based compensation expense, bank charges, the impact of non-U.S. dollar exchange rate movements on our monetary transactions and assets and liabilities denominated in a currency other than the U.S. dollar, and Ripple market development fees and related transaction and trading expenses.

Transaction and operations support increased by \$14.8 million for the three months ended September 30, 2021, and increased by \$39.2 million for the nine months ended September 30, 2021, primarily due to:

- The absence of \$8.9 million and \$29.8 million in net benefit from Ripple market development fees, respectively, due to the termination of the commercial agreement with Ripple
- The absence of foreign exchange gains of \$6.3 million and \$11.0 million for the same periods in the prior year
- Reinstatement of expenses such as marketing
- Partially offset by a lower provision for uncollectible accounts

### Occupancy, Equipment and Supplies

Occupancy, equipment and supplies expense includes facilities rent and maintenance costs, software and equipment maintenance costs, freight and delivery costs and supplies. Occupancy, equipment and supplies expense remained relatively flat for the three months ended September 30, 2021, and increased by \$2.4 million for the nine months ended September 30, 2021 primarily due to a gain on XRP cryptocurrency revaluation in the prior period and an increase in maintenance costs related to software and equipment, partially offset by a decrease in facility costs.

### Depreciation and Amortization

Depreciation and amortization includes depreciation on computer hardware and software, agent signage, point of sale equipment, capitalized software development costs, office furniture, equipment and leasehold improvements and amortization of intangible assets. Depreciation and amortization decreased by \$1.8 million for the three months ended September 30, 2021, and decreased by \$5.7 million for the nine months ended September 30, 2021, primarily due to a decrease in purchases of hardware and software as a result of our migration to cloud computing.

### Other Expenses

Interest Expense decreased by \$10.0 million for the three months ended September 30, 2021, and decreased by \$11.7 million for the nine months ended September 30, 2021, primarily due to interest savings as a result of our recent refinancing activities.

Loss on Early Extinguishment of Debt of \$33.6 million for the three months ended September 30, 2021, included \$12.5 million of prepayment call premium and \$21.1 million associated with the write-off of debt issuance costs and debt discounts.

Loss on Early Extinguishment of Debt of \$43.9 million for the nine months ended September 30, 2021, included \$16.5 million of prepayment call premium and \$27.4 million associated with the write-off of debt issuance costs and debt discounts.

Other non-operating expense remained relatively flat.

### Income Tax Expense

For the three months ended September 30, 2021, the Company recognized an income tax benefit of \$5.2 million on a pre-tax loss of \$20.8 million primarily due to state taxes, non-deductible expenses, foreign taxes net of federal income tax benefits, and U.S. taxation of foreign earnings, all of which were partially offset by U.S. general business credits and an increase in valuation allowance.

For the nine months ended September 30, 2021, the Company recognized an income tax benefit of \$5.3 million on a pre-tax loss of \$47.4 million primarily due to non-deductible expenses, foreign taxes net of federal income tax benefits, U.S. taxation of foreign earnings, and an increase in valuation allowance, all of which were partially offset by U.S. general business credits. See Note 11 — *Income Taxes* for additional information related to our unrecognized tax benefits.

## Segments Results

### GFT

The following table sets forth our GFT segment results of operations for the three and nine months ended September 30, 2021:

<i>(Amounts in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Money transfer revenue	\$ 296.1	\$ 297.6	\$ 886.4	\$ 806.6
Bill payment revenue	9.9	11.0	31.1	35.2
Total revenue	306.0	308.6	917.5	841.8
Cost of revenue	170.2	174.4	512.8	478.4
Gross profit	\$ 135.8	\$ 134.2	\$ 404.7	\$ 363.4

#### *Money Transfer Revenue*

Money transfer revenue decreased by \$1.5 million for the three months ended September 30, 2021, primarily due to increased competition in the Walmart marketplace, coupled with recent COVID-19 pandemic restrictions primarily in the Asian Pacific region, offset by higher transactions driven by the continued strength of the Company's direct-to-consumer business MGO.

Money transfer revenue increased by \$79.8 million for the nine months ended September 30, 2021, driven by continued stabilization in the Company's traditional Retail Channel, coupled with the continued strength of the Company's direct-to-consumer business MGO.

#### *Bill Payment Revenue*

Bill payment revenue decreased by \$1.1 million for the three months ended September 30, 2021 and decreased by \$4.1 million for the nine months ended September 30, 2021, due to lower transactions as a result of increased competition in the Walmart marketplace.

#### *Cost of Revenue*

Cost of revenue decreased by \$4.2 million for the three months ended September 30, 2021, primarily due to a decrease in commissions and other fee expense driven by lower rates in commissions associated with MGO.

Cost of revenue increased by \$34.4 million for the nine months ended September 30, 2021, primarily due to an increase in commissions and other fee expense driven by higher transactions.

### FPP

The following table sets forth our FPP segment results of operations:

<i>(Amounts in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Money order revenue	\$ 10.0	\$ 10.4	\$ 31.0	\$ 33.3
Official check revenue	3.6	4.2	10.5	18.8
Total revenue	13.6	14.6	41.5	52.1
Investment commissions expense	0.3	0.1	0.7	3.4
Gross profit	\$ 13.3	\$ 14.5	\$ 40.8	\$ 48.7

#### *Money Order Revenue*

Money order revenue remained largely flat for the three and nine months ended September 30, 2021.

### Official check revenue

Official check revenue declined \$0.6 million for the three months ended September 30, 2021, and decreased by \$8.3 million for the nine months ended September 30, 2021, primarily due to a decline in investment revenue as a result of lower prevailing interest rates driven by a reduction in the federal funds rate in response to the COVID-19 pandemic.

### Investment Commissions Expense

Investment commissions expense is calculated as a percentage of Investment Revenue. In periods of extremely low interest rates, it is possible for commissions to be at or close to zero, resulting in abnormally high gross margin.

Commissions expense remained relatively flat for the three months ended September 30, 2021, and decreased by \$2.7 million for the nine months ended September 30, 2021, due to lower interest rates.

### EBITDA, Adjusted EBITDA, Adjusted Free Cash Flow and Constant Currency (Non-GAAP Measures)

The following table is a reconciliation of our non-GAAP financial measures to the related U.S. GAAP financial measures:

(Amounts in millions, except percentages)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
(Loss) income before income taxes	\$ (20.8)	\$ 12.5	\$ (47.4)	\$ (1.2)
Interest expense	13.0	23.0	57.8	69.5
Depreciation and amortization	14.1	15.9	43.5	49.2
Signing bonus amortization	13.8	14.6	42.8	39.7
EBITDA	20.1	66.0	96.7	157.2
Significant items impacting EBITDA:				
Loss on early extinguishment of debt	33.6	—	43.9	—
Stock-based, contingent and incentive compensation	1.6	1.5	4.9	5.1
Compliance enhancement program	0.9	0.5	2.2	3.7
Restructuring and reorganization costs	0.2	(0.2)	8.3	1.0
Legal and contingent matters	0.1	—	0.1	0.6
Direct monitor costs	—	1.0	4.9	8.9
Severance and related costs	—	—	0.2	0.2
Adjusted EBITDA	\$ 56.5	\$ 68.8	\$ 161.2	\$ 176.7
Adjusted EBITDA change, as reported	(18)%		(9)%	
Adjusted EBITDA change, constant currency adjusted	(21)%		(15)%	
Adjusted EBITDA	\$ 56.5	\$ 68.8	\$ 161.2	\$ 176.7
Cash payments for interest	(7.6)	(23.2)	(46.6)	(57.6)
Cash payments for taxes, net of refunds	(1.7)	5.8	(0.5)	3.3
Cash payments for capital expenditures	(10.2)	(10.7)	(31.4)	(30.6)
Cash payments for agent signing bonuses	(3.5)	(15.3)	(26.2)	(45.0)
Adjusted Free Cash Flow	\$ 33.5	\$ 25.4	\$ 56.5	\$ 46.8

See "Results of Operations" and "Analysis of Cash Flows" sections for additional information regarding these changes.

**LIQUIDITY AND CAPITAL RESOURCES**

We have various resources available for purposes of managing liquidity and capital needs, including our investment portfolio, credit facilities and letters of credit. We refer to our cash and cash equivalents, settlement cash and cash equivalents, interest-bearing deposits and available-for-sale interest-bearing investments collectively as our "investment portfolio." The Company utilizes cash and cash equivalents in various liquidity and capital assessments.

**Cash and Cash Equivalents, Settlement Assets and Payment Service Obligations**

The following table shows the components of the Company's cash and cash equivalents and settlement assets:

<i>(Amounts in millions)</i>	September 30, 2021	December 31, 2020
Cash and cash equivalents	\$ 152.6	\$ 196.1
Settlement assets:		
Settlement cash and cash equivalents	1,799.6	1,883.2
Receivables, net	810.7	825.0
Interest-bearing investments	992.6	991.2
Available-for-sale investments	3.1	3.5
Total settlement assets	<u>\$ 3,606.0</u>	<u>\$ 3,702.9</u>
Payment service obligations	<u>\$ (3,606.0)</u>	<u>\$ (3,702.9)</u>

Our primary sources of liquidity include cash flows generated by the sale of our payment instruments, our cash and cash equivalents and interest-bearing deposit balances and proceeds from our investment portfolio. Our primary operating liquidity needs are related to the settlement of payment service obligations to our agents and financial institution customers, general operating expenses and debt service.

To meet our payment service obligations at all times, we must have sufficient highly-liquid assets and be able to move funds globally on a timely basis. On average, we receive in and pay out a similar amount of funds on a daily basis to collect and settle the principal amount of our payment instruments sold and related fees and commissions with our end-consumers and agents. This pattern of cash flows allows us to settle our payment service obligations through existing cash balances and ongoing cash generation rather than liquidating investments or utilizing our New Credit Facilities. We have historically generated, and expect to continue generating, sufficient cash flows from daily operations to fund ongoing operational needs.

We preposition cash in various countries and currencies to facilitate settlement of transactions. We also maintain funding capacity beyond our daily operating needs to provide a cushion through the normal fluctuations in our payment service obligations, as well as to provide working capital for the operational and growth requirements of our business. We believe we have sufficient liquid assets and funding capacity to operate and grow our business for the next 12 months. Should our liquidity needs exceed our operating cash flows, we believe that external financing sources, including availability under our New Credit Facilities, will be sufficient to meet our anticipated funding requirements.

**Cash and Cash Equivalents and Interest-bearing Investments**

To ensure we maintain adequate liquidity to meet our payment service obligations at all times, we keep a significant portion of our investment portfolio in cash and cash equivalents and interest-bearing investments at financial institutions rated A- or better by two of the following three rating agencies: Moody's, S&P and Fitch; and in AAA rated U.S. government money market funds. If the rating agencies have split ratings, the Company uses the lower of the highest two out of three ratings across the agencies for disclosure purposes. If the institution has only two ratings, the Company uses the lower of the two ratings for disclosure purposes. As of September 30, 2021, cash and cash equivalents (including unrestricted and settlement cash and cash equivalents) and interest-bearing investments totaled \$2.9 billion. Cash and cash equivalents consist of interest-bearing deposit accounts, non-interest-bearing transaction accounts and money market securities; interest-bearing investments consist of time deposits and certificates of deposit with maturities of up to 24 months.

**Available-for-sale Investments**

Our investment portfolio includes \$3.1 million of available-for-sale investments as of September 30, 2021. U.S. government agency residential mortgage-backed securities comprise \$2.5 million of our available-for-sale investments, while asset-backed and other securities compose the remaining \$0.6 million.

## Credit Facilities and Notes

The following is a summary of the Company's outstanding debt:

<i>(Amounts in millions, except percentages)</i>	September 30, 2021		December 31, 2020	
5.00% Term Loan due 2026	\$	400.0	\$	—
5.38% Senior Secured Notes due 2026		415.0		—
7.00% First Lien Credit Facility due 2023		—		635.3
13.00% Second Lien Credit Facility due 2024		—		254.6
Total debt at face value		815.0		889.9
Unamortized debt issuance costs and debt discounts		(13.1)		(32.1)
Total debt, net	\$	801.9	\$	857.8

As of September 30, 2021, the Company had no borrowings and no outstanding letters of credit under its Revolving Credit Facility and had \$32.5 million of availability. See Note 7 — *Debt* of the Notes to the Unaudited Condensed Consolidated Financial Statements for additional disclosure related to the credit facilities.

On June 28, 2021, the Company prepaid \$100.0 million of principal balance under its Second Lien Credit Agreement utilizing the proceeds under the ATM Program plus cash on hand as defined and further discussed in Note 9 — *Stockholders' Deficit*. On July 21, 2021, the proceeds from the notes offering, together with borrowings under the Term Loan, were used to prepay the full amount of outstanding indebtedness under the Existing Credit Facilities and to pay related accrued interest, fees and expenses. Simultaneous with the prepayment, the Existing Credit Facilities were terminated.

The Company recorded a loss on early extinguishment of debt of \$43.9 million which included \$16.5 million of prepayment call premium and \$27.4 million associated with the write-off of debt issuance costs and debt discounts. The Company also paid accrued interest of \$7.0 million.

## Credit Ratings

As of July 7, 2021, our credit rating from Moody's was upgraded from B3 with a negative outlook to B2 with a stable outlook and our credit rating from S&P was unchanged at B with a stable outlook. Our credit ratings, among other factors, allowed us to access financing on more favorable terms and conditions. The Company does not have rating triggers associated with its New Credit Agreement or its regulatory capital requirements.

## Analysis of Cash Flows

<i>(Amounts in millions)</i>	Nine Months Ended September 30,			2021 vs 2020
	2021	2020		
Net cash (used in) provided by operating activities	\$ (0.6)	\$ 52.2	\$	(52.8)
Net cash used in investing activities	(31.4)	(30.6)		(0.8)
Net cash used in financing activities	(11.5)	(5.5)		(6.0)
Net change in cash and cash equivalents	\$ (43.5)	\$ 16.1	\$	(59.6)

### Cash Flows from Operating Activities

For the nine months ended September 30, 2021, net cash used in operating cash activities increased by \$52.8 million primarily due to the \$55.0 million payment to the Government pursuant to the Amended DPA.

### Cash Flows from Investing Activities

For the nine months ended September 30, 2021, net cash used in investing activities increased by \$0.8 million, primarily due to an increase in capital expenditures.

### Cash Flows from Financing Activities

During the nine months ended September 30, 2021, net cash used in financing activities increased by \$6.0 million, primarily due to the net impact of the ATM Program and transactions related to the recent refinancing of our Existing Credit Facilities.

## **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The preparation of financial statements in conformity with U.S. GAAP requires estimates and assumptions that affect the reported amounts and related disclosures in the unaudited condensed consolidated financial statements. Actual results could differ from those estimates. On a regular basis, management reviews its accounting policies, assumptions and estimates to ensure that our financial statements are presented fairly and in accordance with U.S. GAAP. Our significant accounting policies are discussed in Note 2 — *Summary of Significant Accounting Policies* of the Notes to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

Critical accounting policies are those policies that management believes are very important to the portrayal of our financial position and results of operations, and that require management to make estimates that are difficult, subjective or complex. There were no changes to our critical accounting policies and estimates during the quarter ended September 30, 2021. For further information regarding our critical accounting policies and estimates, refer to Part II, Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates* in the Company's 2020 Form 10-K.

## **RECENT ACCOUNTING PRONOUNCEMENTS**

See Note 1 — *Description of the Business and Basis of Presentation* of the Notes to the Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report for information regarding recent accounting pronouncements.

## **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

There have been no material changes in our market risk since December 31, 2020. For further information on market risk, refer to Part II, Item 7A, *Quantitative and Qualitative Disclosures about Market Risk* in the Company's 2020 Form 10-K.

## **ITEM 4. CONTROLS AND PROCEDURES**

As of the end of the period covered by this report (the "Evaluation Date"), the Company carried out an evaluation, under the supervision and with the participation of management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures were effective.

### *Changes in Internal Control over Financial Reporting*

There were no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the quarter ended September 30, 2021, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

A description of our legal proceedings is included in and incorporated by reference to Note 12 — *Commitments and Contingencies* of the Notes to the Unaudited Condensed Consolidated Financial Statements contained in Part I, Item 1 of this report.

### ITEM 1A. RISK FACTORS

The following risk factor disclosures should be read in conjunction with the risk factors described in the Company's 2020 Form 10-K and subsequent periodic filings with the SEC. We are supplementing the risk factors previously disclosed in such filings to include the following updated risk factors:

***Investors in our common stock may be subject to state money transmitter change of control notice and approval requirements if their aggregate ownership equals or exceeds 10% of our outstanding voting or non-voting shares.***

MoneyGram Payment Systems, Inc., one of our wholly owned subsidiaries, owns a money transmitter license, or the statutory equivalent, in each of the 49 U.S. states that require such a license to operate, as well as in certain U.S. territories. While state statutes governing money transmitters vary, most require investors to receive the approval of, or provide notice to, the relevant licensing authority before exceeding a certain ownership threshold, including indirect ownership, in a licensed money transmitter. These ownership thresholds vary by state, with the lowest being at 10% of voting or non-voting shares outstanding. Accordingly, current or prospective investors seeking to acquire 10% or greater ownership of MoneyGram in the aggregate would need to first obtain such regulatory approvals or provide such notices to the relevant regulators.

**ITEM 6. EXHIBITS**

The following exhibits are filed or incorporated by reference herein in response to Item 601 of Regulation S-K. The Company files Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K pursuant to the Exchange Act under Commission File No. 1-31950.

<b>Exhibit Number</b>	<b>Description</b>
3.1	<u>Amended and Restated Certificate of Incorporation of MoneyGram International, Inc., dated June 28, 2004 (Incorporated by reference from Exhibit 3.1 to Registrant's Annual Report on Form 10-K filed on March 15, 2010).</u>
3.2	<u>Certificate of Amendment of Amended and Restated Certificate of Incorporation of MoneyGram International, Inc., dated May 12, 2009 (Incorporated by reference from Exhibit 3.1 to Registrant's Annual Report on Form 10-K filed March 15, 2010).</u>
3.3	<u>Certificate of Amendment of Amended and Restated Certificate of Incorporation of MoneyGram International, Inc., dated May 18, 2011 (Incorporated by reference from Exhibit 3.1 to Registrant's Current Report on Form 8-K filed May 23, 2011).</u>
3.4	<u>Certificate of Amendment of Amended and Restated Certificate of Incorporation of MoneyGram International, Inc., dated November 14, 2011 (Incorporated by reference from Exhibit 3.1 to Registrant's Current Report on Form 8-K filed November 14, 2011).</u>
3.5	<u>Amended and Restated Bylaws of MoneyGram International, Inc., as amended and restated October 28, 2015 (Incorporated by reference from Exhibit 3.5 to Registrant's Quarterly Report on Form 10-Q filed on November 2, 2015).</u>
3.6	<u>Amendment to the Amended and Restated Bylaws of MoneyGram International, Inc., dated March 2, 2016 (Incorporated by reference from Exhibit 3.6 to Registrant's Annual Report on Form 10-K filed on March 2, 2016).</u>
3.7	<u>Amended and Restated Certificate of Designations, Preferences and Rights of Series D Participating Convertible Preferred Stock of MoneyGram International, Inc., dated May 18, 2011 (Incorporated by reference from Exhibit 3.2 to Registrant's Current Report on Form 8-K filed May 23, 2011).</u>
4.2	<u>Indenture, dated as of July 21, 2021, by and among MoneyGram International, Inc., the guarantors party thereto, and Wells Fargo Bank, National Association, as trustee and notes collateral agent (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed with the Commission on July 26, 2021).</u>
4.3	<u>Form of 5.375% Senior Secured Notes due 2026 (included as Exhibit A to the Indenture incorporated by reference herein as Exhibit 4.1).</u>
10.1	<u>Purchase Agreement, dated July 14, 2021, by and between MoneyGram International, Inc. and BofA Securities, Inc., on behalf of itself and as the Representative of the several Initial Purchasers named in Schedule A to the Purchase Agreement (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the Commission on July 15, 2021).</u>
10.2	<u>Credit Agreement, dated as of July 21, 2021, by and between MoneyGram International, Inc., as borrower, the lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent and as Collateral Agent (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the Commission on July 26, 2021).</u>
10.3*	<u>Letter Agreement Amendment dated August 9, 2021, to Credit Agreement, dated as of July 21, 2021, by and between MoneyGram International, Inc., as borrower, the lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent and as Collateral Agent (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the Commission on July 26, 2021).</u>
31.1*	<u>Section 302 Certification of Chief Executive Officer</u>
31.2*	<u>Section 302 Certification of Chief Financial Officer</u>
32.1**	<u>Section 906 Certification of Chief Executive Officer</u>
32.2**	<u>Section 906 Certification of Chief Financial Officer</u>
101.INS**	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104**	Cover Page Interactive Data File (embedded within the Inline XBRL document contained in Exhibit 101).
*	Filed herewith.
**	Furnished herewith.



**SIGNATURES**

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

October 29, 2021

By:

**MoneyGram International, Inc.**  
(Registrant)

/s/ CHRISTOPHER RUSSELL

Christopher Russell  
Chief Accounting Officer  
(Duly Authorized Officer and Principal Accounting Officer)

**MONEYGRAM INTERNATIONAL, INC.**  
**2828 N. Harwood Street, 15th Floor**  
**Dallas, TX 75201**

August 9, 2021

Bank of America, N.A., as Administrative Agent  
 Agency Management  
 555 California Street, 4th Floor  
 Mail Code: CA5-705-04-09  
 San Francisco, CA 94104

Attention: Kevin Ahart

Re: Credit Agreement dated July 21, 2021 referred to below

Reference is made to that certain Credit Agreement, dated as of July 21, 2021, by and among MoneyGram International, Inc., a Delaware corporation (the “**Borrower**”), as the borrower, the lenders from time to time party thereto and Bank of America, N.A., in its capacity as administrative agent (as amended, supplemented or otherwise modified from time to time, the “**Credit Agreement**”). Unless otherwise defined in the body of this letter, capitalized terms used herein shall have the meanings assigned to such terms in the Credit Agreement.

The Administrative Agent and the Borrower acknowledge and agree that there is a typographical error in the definition of “Applicable Margin” in the Credit Agreement signed on July 21, 2021 (the “**Typographical Error**”). With respect to Term Loans, the Applicable Margin applicable to Floating Rate Advances should be 3.50% and the Applicable Margin applicable to Eurodollar Rate Advances should be 4.50%. In accordance with Section 8.04 of the Credit Agreement, the Administrative Agent and the Borrower hereby agree that the table in the definition of “Applicable Margin” shall be restated in its entirety to read as set forth below to correct the Typographical Error. The Borrower (i) agrees with the Administrative Agent, on behalf of the Term Lenders, to perform its obligations under the Credit Agreement and the other Loan Documents as if the table in the definition of “Applicable Margin” had been restated as below and (ii) agrees that the Term Lenders may rely on this letter agreement.

<b>Facility</b>	<b>Floating Rate</b>	<b>Floating Rate during Step-Down Period</b>	<b>Eurodollar Rate</b>	<b>Eurodollar Rate during Step-Down Period</b>
Revolving Loan.....	3.25%	3.00%	4.25%	4.00%
Term Loan.....	3.50%	N/A	4.50%	N/A
Swing Line Loan.....	3.25%	3.00%	N/A	N/A

This letter agreement shall constitute a Loan Document for all purposes of the Credit Agreement and the other Loan Documents. The provisions of Section 9.09 (Confidentiality), Section 14.01 (Counterparts; Effectiveness), Section 14.02 (Electronic Execution of Assignments), Section 15.01 (Choice of Law), Section 15.02 (Consent to Jurisdiction) and Section 15.03 (Waiver of Jury Trial) shall apply to this letter agreement, *mutatis mutandis*.

[Remainder of page intentionally left blank]

Very truly yours,

MONEYGRAM INTERNATIONAL, INC.

By: Lawrence Angelilli /s/ Lawrence  
Angelilli Chief  
Financial Officer

[Signature Page to Letter Agreement (MGI Credit Agreement)]

**Acknowledged and Agreed:**

BANK OF AMERICA, N.A.,  
as Administrative Agent

By: /s/ Kevin L. Ahart  
Kevin L. Ahart  
Vice President

[Signature Page to Letter Agreement (MGI Credit Agreement)]

**Certification Pursuant to Section 302 of the  
Sarbanes-Oxley Act of 2002**

I, W. Alexander Holmes, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MoneyGram International, Inc. for the **period** ended September 30, 2021;
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 the 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: October 29, 2021

/s/ W. Alexander Holmes

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W. Alexander Holmes  
Chairman and Chief Executive Officer  
(Principal Executive Officer)

**Certification Pursuant to Section 302 of the  
Sarbanes-Oxley Act of 2002**

I, Lawrence Angelilli, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MoneyGram International, Inc. for the **period** ended September 30, 2021;
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 the 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: October 29, 2021

/s/ Lawrence Angelilli

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Lawrence Angelilli  
Chief Financial Officer  
(Principal Financial Officer)

**Certification Pursuant to 18 U.S.C. §1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q (the "Report") of MoneyGram International, Inc. (the "Company") for the period ended September 30, 2021, as filed with the Securities and Exchange Commission on the date hereof, I, W. Alexander Holmes, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 29, 2021

/s/ W. Alexander Holmes

W. Alexander Holmes  
Chairman and Chief Executive Officer  
(Principal Executive Officer)



**Certification Pursuant to 18 U.S.C. §1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q (the "Report") of MoneyGram International, Inc. (the "Company") for the period ended September 30, 2021, as filed with the Securities and Exchange Commission on the date hereof, I, Lawrence Angelilli, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 29, 2021

/s/ Lawrence Angelilli

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Lawrence Angelilli  
Chief Financial Officer  
(Principal Financial Officer)