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

FORM 10-K

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

For the fiscal year ended December 31, 2025

or

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

Commission File Number 001-35872

EVERTEC, Inc.
(Exact name of registrant as specified in its charter)

Puerto Rico	**66-0783622**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. employer identification number)**
Cupey Center Building, Road 176, Kilometer 1.3, San Juan, Puerto Rico	**00926**
(Address of principal executive offices)	**(Zip Code)**

(787) 759-9999
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value per share	EVTC	New York Stock Exchange

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

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

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

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

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

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

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

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

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

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

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

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

The aggregate market value of the common stock held by non-affiliates of EVERTEC, Inc. was approximately $2,293,153,226 based on the closing price of $36.05 as of the close of business on June 30, 2025.

As of February 20, 2026, there were 61,758,703 outstanding shares of common stock of EVERTEC, Inc.

Documents Incorporated by Reference:

Specifically identified portions of the registrant's definitive Proxy Statement relating to its 2026 Annual Meeting of Stockholders are incorporated by reference in Part III of this Annual Report on Form 10-K where indicated. The Registrant's definitive proxy statement will be filed with the U.S. Securities and Exchange Commission (the "SEC") within 120 days after the end of the registrant's fiscal year ended December 31, 2025.

EVERTEC, Inc.
2025 Annual Report on Form 10-K

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Forward-Looking Statements and Risk Factor Summary

This Annual Report on Form 10-K (this "Report") contains "forward-looking statements" within the meaning of, and subject to the protection of, the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical fact contained in this Report, including, without limitation, statements regarding our position as a leader within our industry; our future results of operations and financial position; our business strategies; objectives of management for future operations, including, among others, statements regarding our expected growth, international expansion and future capital expenditures; the impact of market conditions and other macroeconomic factors on our business, financial condition and results of operations; the sufficiency of our cash and cash equivalents; our future capital expenditures and debt service obligations; and the expectations, anticipated benefits of and costs associated with acquisitions, are forward-looking statements.

Words such as "believes," "expects," "anticipates," "intends," "projects," "estimates," and "plans" and similar expressions of future or conditional verbs such as "will," "should," "would," "may" and "could" or the negatives of these terms or variations of them or similar terminology are generally forward-looking in nature and not historical facts. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and may involve significant risks and uncertainties, and that actual results may vary materially from those in the forward-looking statements as a result of various factors. Among the factors that significantly impact our business and could impact our business in the future are:

- our reliance on our relationship with Popular, Inc. ("Popular") for a significant portion of our revenues pursuant to our second Amended and Restated Master Services Agreement ("A&R MSA") with them, and as it may impact our ability to grow our business;
- our ability to renew our client contracts on terms favorable to us, including but not limited to the current term and any extension of the A&R MSA with Popular and Amended and Restated Independent Sales Organization Sponsorship and Services Agreement (the "A&R ISO Agreement") with Banco Popular;
- our reliance on our information technology systems, employees and certain suppliers and counterparties, and certain failures or disruptions in those systems or chains could materially adversely affect our operations;
- the risk of security breaches or other confidential data theft from our systems;
- our ability to recruit, retain and develop qualified personnel;
- fraud by merchants or others;
- the credit risk of our merchant clients, for which we may also be liable;
- our use of artificial intelligence ("AI") and machine learning tools and the evolving regulatory framework governing such technology;
- a decreased client base due to consolidations and/or failures in the financial services industry;
- our ability to comply with existing and future rules and regulations in the jurisdictions in which we operate;
- a reduction in consumer confidence, whether as a result of a global economic downturn or otherwise, which leads to a decrease in consumer spending;
- our dependence on payment card network or other network rules, standards, mandates or fees;
- the geographical concentration of our business in Puerto Rico, including our business with the government of Puerto Rico and its instrumentalities, which are facing fiscal challenges and the effects of potential natural disasters;
- risks associated with our presence in international markets, including global political, social and economic instability;
- operating an international business in Latin America, Puerto Rico and the Caribbean, in jurisdictions with potential political and economic instability;
- the impact of exposure to foreign exchange fluctuations and capital controls on our costs, earnings and the value of some of our assets; our ability to protect our intellectual property rights against infringement and to defend ourselves against potential intellectual property infringement claims and the potential impact on our business of such claims, whether or not correct;
- the possibility that we could lose our preferential tax rate in Puerto Rico;
- the effect of purchases of our common stock pursuant to our stock repurchase plan on the value of our common stock;

- the impact of our leverage on our ability to raise additional capital, that our leverage may limit our ability to react to changes in the economy or our industry, expose us to interest rate risk and prevent us from meeting our obligations with respect to our substantial indebtedness, and that we and our subsidiaries may be able to incur significant additional indebtedness, which could further increase such risks; and
- the other factors set forth under "Part I, Item 1A. Risk Factors" in this Report.

The forward-looking statements in this Report are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements are subject to a number of important factors that could cause actual results to differ materially from those in the forward-looking statements, and should, therefore, be considered in light of various factors, including those set forth under "Part I, Item 1A. Risk Factors," in "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Report. These forward-looking statements speak only as of the date of this Report, and, except as may be required by law, we do not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Report or to reflect the occurrence of unanticipated events. Additionally, certain information we may disclose (either herein or elsewhere) is informed by the expectations of various stakeholders or third-party frameworks and, as such, may not necessarily be material for purposes of our filings under U.S. federal securities laws, even if we use "material" or similar language in discussing such matters.

WHERE YOU CAN FIND MORE INFORMATION

All reports we file with the SEC are available free of charge via the Electronic Data Gathering Analysis and Retrieval (EDGAR) System on the SEC's website at www.sec.gov. We also provide copies of our SEC filings at no charge upon request and make electronic copies of our reports available for download through our website at www.evertecinc.com as soon as reasonably practicable after filing such material with the SEC.

INDUSTRY AND MARKET DATA

This Report includes industry data that we obtained from periodic industry publications, including the 2026 World Payments Report. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable. This Report also includes market share and industry data that were prepared primarily based on management's knowledge of the industry and industry data. Unless otherwise noted, statements as to our market share and market position relative to our competitors are approximated and based on management estimates using the above-mentioned latest-available third-party data and our internal analysis and estimates. While we are not aware of any misstatements regarding any industry data presented herein, our estimates, in particular as they relate to market share and our general expectations, involve risks and uncertainties and are subject to change based on various factors, including those discussed under "Risk Factors," "Forward-Looking Statements and Risk Factor Summary" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Report.

Part I

Item 1. Business

Except as otherwise indicated or unless the context otherwise requires, (a) the terms "EVERTEC," "we," "us," "our," "our Company" and "the Company" refer to EVERTEC, Inc. and its subsidiaries on a consolidated basis and, (b) the term "EVERTEC Group" refers to EVERTEC Group, LLC and its predecessor entities and their subsidiaries on a consolidated basis. EVERTEC Inc.'s subsidiaries include Holdings, EVERTEC Group; EVERTEC Dominicana, SAS; Evertec Chile Holdings SpA; Evertec Chile SpA; Evertec Chile Global SpA; Evertec Chile Servicios Profesionales SpA; Paytrue S.A.; Caleidon; S.A.; Evertec Brasil Solutions Informática S.A. ("EVERTEC BR"); EVERTEC Panamá, S.A.; EVERTEC Costa Rica, S.A. ("EVERTEC CR"); Zunify Payments Ltda; EVERTEC Guatemala, S.A.; Evertec Colombia, SAS;, EVERTEC USA, LLC; OPG Technology Corp.; Evertec Placetopay, SAS ("PlacetoPay"); BBR Chile, SpA and BBR Perú, S.A.C.,(collectively "BBR"); Paysmart Pagamentos Eletronicos Ltda, Issuer Holding Ltda. and Issuer Instituição de Pagamentos Ltda (collectively "paySmart"); EVERTEC México Servicios de Procesamiento, S.A. de C.V.; Sinqia S.A.,Torq. Inovação Digital Ltda, Sinqia Tecnologia Ltda., Homie do Brasil Informática S.A., Rosk Software S.A., Lote 45 Participações S.A., and Compliasset S.A. (collectively "Sinqia"); Grandata, Inc., Grandata Mexico, S.A. de C.V., Grandata USA, Inc. and Big Data Analytics SA (collectively "Grandata"); and Nubity S.R.L., Nubity Inc., Nubity Cloud, S.A.P.I. de C.V. (collectively "Nubity") and Tecnobank Tecnologia Bancária S.A. ("Tecnobank"). Neither EVERTEC nor EVERTEC Intermediate Holdings, LLC conducts any operations other than with respect to its indirect or direct ownership of EVERTEC Group.

Company Overview

EVERTEC is a leading full-service transaction-processing business and financial technology provider in Latin America, Puerto Rico and the Caribbean, providing a broad range of merchant acquiring, payment services and business solutions. We believe we are one of the largest merchant acquirers in Latin America based on total number of transactions and we also believe we are the largest merchant acquirer in the Caribbean. We serve 26 countries out of 24 offices, including our headquarters in Puerto Rico. We own and operate the ATH network, which we believe is one of the leading debit networks in Latin America. We process over ten billion transactions annually through a system of electronic payment networks in Puerto Rico and Latin America and provide a comprehensive suite of services for core banking, cash processing, fulfillment in Puerto Rico and a "one stop shop" set of products for the financial sector in Latin America, which include solutions such as core banking, investments, asset management, pension funds and consortium. Additionally, we offer managed services, managed security services and payment transactions fraud monitoring to all the regions where we do business. We serve a diversified customer base of leading financial institutions, merchants, corporations, and government agencies with "mission-critical" technology solutions that enable them to issue, process and accept transactions securely. We believe our business is well-positioned to continue to expand across the fast-growing Latin America region.

We are differentiated, in part, by our diversified business model, which enables us to provide our varied customer base with a broad range of transaction-processing services from a single source across numerous channels and geographic markets. We believe this capability provides several competitive advantages that will enable us to continue to penetrate our existing customer base with complementary new services, gain new customers, develop new sales channels, and enter new markets. We believe these competitive advantages include:

- Our ability to provide competitive products;
- Our ability to provide in one package a range of services that traditionally had to be sourced from different vendors;
- Our ability to serve customers with disparate operations in several geographies with technology solutions that enable them to manage their business as one enterprise; and
- Our ability to capture and analyze data across the transaction-processing value chain and use that data to provide value-added services that are differentiated from those offered by pure-play vendors that serve only one portion of the transaction-processing value chain (such as only merchant acquiring or only payment services).

Our broad suite of services spans the entire payment processing value chain and includes a range of front-end customer-facing solutions such as the electronic capture and authorization of transactions at the point-of-sale for both card present transactions and card-not-present transactions, as well as back-end support services such as the clearing and settlement of transactions and account reconciliation for card issuers. These include: (i) merchant acquiring services, which enable point of sales ("POS") and e-commerce merchants to accept and process electronic methods of payment such as debit, credit, prepaid and electronic benefit transfer ("EBT") cards; (ii) payment processing services, which enable financial institutions and other issuers to manage, support and facilitate the processing for credit, debit, prepaid, automated teller machines ("ATM") and EBT card programs; and (iii) business process management solutions, which provide "mission-critical" technology solutions such as core bank processing, as well as IT outsourcing and cash management services to financial institutions, corporations and governments.

We provide these services through scalable, end-to-end technology platforms that we manage and operate in-house and that generate significant operating efficiencies that enable us to maximize profitability.

We sell and distribute our services primarily through a proprietary direct sales force with established customer relationships. We continue to pursue joint ventures and merchant acquiring alliances. We benefit from an attractive business model, the hallmarks of which are recurring revenue, scalability, significant operating margins and moderate capital expenditure requirements. Our revenue is predominantly recurring in nature because of the mission-critical and embedded nature of the services we provide. In addition, we generally enter into multi-year contracts with our customers. We believe our business model should enable us to continue to grow our business organically in the primary markets we serve without significant incremental capital expenditures.

For the year ended December 31, 2025, approximately 29% of our revenue was generated from our relationship with Popular. The revenue concentration with Popular makes our MSA with them our most significant client contract.

See "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors and Trends Affecting the Results of Our Operations—Relationship with Popular."

Recent Acquisitions

On October 1, 2025, Evertec Brasil Informática S.A. ("Evertec BR"), a wholly-owned subsidiary of EVERTEC, Inc., completed the purchase of 75% of the share capital of Tecnobank Tecnologia Bancária S.A. ("Tecnobank"). Tecnobank is a leading fintech vendor in Brazil's digital vehicle financing contract registration sector.

We plan on leveraging our existing client base to accelerate the growth of this acquisition similar to what we have been able to do with other business acquisitions.

Industry Trends

Accelerated Shift to Digital Payment Methods

In recent years, consumer preference has accelerated its shift away from cash and paper payment methods, noting increased demand for omni-channel payment services that facilitate cashless and contactless transactions. The ongoing migration to digital payment methods continues to benefit the transaction-processing industry globally. Technologies such as contactless payments, QR codes, tap-on-phone, mobile commerce, "e-wallets" and advanced and smart POS devices continue to drive the shift away from cash and other traditional payment methods. The Company has benefited from an increase in transaction volumes for these types of payment solutions. As consumers and merchants increase demand for contactless and mobility-based solutions, the Company has continued to innovate and invest, expanding the footprint and functionality of digital solutions such as PlacetoPay (e-commerce gateway), our wallet ATH Movil and ATH Business, and PayStudio our issuing and acquiring processing platform. Additionally, aligned with this trend, the Company has also developed multiple channel options to connect to Brazil's fastest instant money transfer system called PIX. We believe that the ongoing shift to digital payments will continue to generate substantial growth opportunities for our business.

Fast Growing Latin American and Caribbean Financial Services and Payments Markets

The markets in which we operate, particularly in the Latin America region, continue to grow as consumers and businesses adopt digital payment schemes. Innovation and the introduction of new payment methods, such as digital wallets and QR codes, has also boosted the use of non-cash methods of payment. According to the 2026 World Payments report, Latin America has a projected CAGR of 17.4% over the next five years. Additionally, Latin America grew 22.4% from 2024 to 2025, fueled by mobile-first economies, regional real-time payments adoption, and digital commerce. Non-cash transaction volumes are expected to grow to 383.1 million in 2029 from 140.3 million in 2023 according to the 2026 World Payments report. The region's fintech sector is also driving change via new contactless payment technologies that are becoming popular alternatives to cash payments. We continue to believe that the attractive characteristics of our markets and our position across multiple services and sectors will continue to drive growth and profitability in our businesses.

Ongoing Technology Outsourcing Trends

We benefit from the trend of financial institutions and government agencies outsourcing technology systems and processes. Financial institutions globally are facing significant challenges including the entrance of non-traditional competitors, the compression of margins on traditional products, significant channel proliferation and increasing regulation that could potentially curb profitability. Many of these institutions have traditionally fulfilled their IT needs through legacy computer systems, operated by the institution itself. Legacy systems are generally highly proprietary, inflexible, and costly to operate and maintain. Many medium and small-size institutions in the Latin American markets in which we operate have outdated computer systems and updating these legacy systems is financially and logistically challenging, which presents a business opportunity for the Company.

Our Competitive Strengths

Market Leadership in Latin America and the Caribbean

We believe we have an inherent competitive advantage relative to competitors based on our first-hand knowledge of the Latin American and Caribbean markets and technology needs, language, and culture. We have built leadership positions across the transaction-processing value chain and the financial technology space in the key geographic markets that we serve, which we believe will enable us to continue to penetrate our core markets and provide advantages to enter new ones. We own and operate the ATH network, which we believe is one of the leading debit networks in Latin America. According to management's estimates, ATH branded products are the most frequently used electronic method of payment in Puerto Rico. We own Sinqia, which we believe is one of the leading providers of technology for financial institutions in Brazil. Our scale and customer base of top tier financial institutions and government entities ensures we are the leading card issuer and core bank processors in the Caribbean and the only non-bank provider of cash processing services to the U.S. Federal Reserve in the Caribbean. We believe our competitive position and brand recognition increases card acceptance, driving usage of our proprietary network, and presents opportunities for future strategic relationships.

Broad and Deep Customer Relationships and Recurring Revenue Business Model

We have built a strong and long-standing portfolio of financial institution, merchant, fintech, corporate and government customers across Latin America and the Caribbean, which provides us with a reliable, recurring revenue base and powerful references that have helped us expand into new businesses, new channels and geographic markets. Most of the revenue generated from each of our segments, Payment Services - Puerto Rico & Caribbean, Latin America Payments and Solutions and Merchant Acquiring segments, as well as certain business lines representing the majority of our Business Solutions are recurring in nature. We receive recurring revenues from services based on our customers' on-going daily commercial activity such as hosting accounts and information on our servers, processing financial products (credits, investments, foreign exchange, mutual funds, consortium) and processing everyday payments at grocery stores, gas stations and similar establishments. We generally provide these services under one to six-year contracts, often with automatic renewals. We also provide a few project-based services that generate non-recurring revenues in our Business Solutions segment and our Latin America Payments and Solutions segment, such as IT consulting for a specific project or integration or one-time license sales. Additionally, we provide a number of critical payment services, core banking services, managed services and managed security services to Popular as part of the A&R MSA through September 2028 and benefit from the bank's distribution network and continued support. Through our long-standing and diverse customer relationships, we can gain valuable insight into trends in the marketplace that allows us to identify new market opportunities. In addition, we believe the recurring nature of our business model provides us with revenue and earnings stability.

Highly Scalable, End-to-End Technology Platform

Our diversified business model is supported by our scalable, end-to-end technology platforms that allow us to provide a broad range of transaction-processing services and develop and deploy technology solutions for our customers at low incremental costs and increasing operating efficiencies. We have spent over $404 million over the last five years on technology investments, including POS terminals, enhancements to the functionality and capacity of our platforms and we have been able to achieve attractive economies of scale with flexible product development capabilities. We believe that our platforms will allow us to provide differentiated services to our customers and facilitate further expansion into new sales channels and geographic markets.

Experienced Management Team with a Strong Track Record of Execution

We have grown our revenue organically and inorganically which has enabled us to introduce new products and services and expand our geographic footprint throughout Latin America. We have a proven track record of creating value from operational and technology improvements and capitalizing on cross-selling opportunities. EVERTEC's management team brings many years of industry experience, with long-standing leadership at the operating business level and collectively benefits from an average of over 20 years of industry experience. We believe our leadership team is well positioned to continue to drive growth across business lines and regions.

Our Growth Strategy

We intend to grow our business by continuing to execute on the following business strategies:

Continue Cross-Sales to Existing Customers

We seek to grow revenue by selling additional products and services to our existing merchant, financial institution, corporate and government customers. We intend to broaden and deepen our customer relationships by leveraging our full suite of end-to-end technology solutions. We have also been successful exporting our regional products into the different markets in which we operate, tailoring to the specific needs and regulatory environments of each. We continue to believe that there is opportunity to cross-sell our financial technology solutions and our payment products. We will also seek to continue to cross-sell value-added services into our existing client base.

Leverage Our Franchise to Attract New Customers in the Markets We Currently Serve

We intend to attract new customers by leveraging our comprehensive product and services offering, the strength of our brand and our leading end-to-end technology platform. Furthermore, we believe we are well positioned to develop new products and services and take advantage of our access and position in markets we currently serve. For example, in markets we serve outside of Puerto Rico, we believe there is a good opportunity to penetrate small to medium and some larger financial institutions, fintech companies and medium to large retailers with our products and services.

Expand in the Latin America Region

We believe there is an opportunity to expand our businesses in Latin America, both organically through new business wins and inorganically through mergers and acquisitions. We believe that we have a competitive advantage relative to our peers based on our first-hand knowledge of the Latin American and Caribbean markets and their technological needs, our physical presence in the region, language, and culture. We believe significant growth opportunities exist in several large markets such as Brazil, Colombia, México, and Chile, as well as in smaller markets in Central America where expanding our presence could have a significant impact on our growth. We also believe that there is an opportunity to provide our services to existing fintech and financial institution customers in other regions where they operate. We continually evaluate our strategic plans for geographic expansion, which can be achieved through joint ventures, partnerships, or alliances and the pursuit of business acquisitions.

Develop New Products and Services

At the core of EVERTEC's value proposition is innovation. We must take advantage of the changing consumer and market dynamics and build innovative solutions for our clients. Our close relationship with customers and deep understanding of the markets where we operate, together with a proprietary intellectual property around our products and offerings, allow EVERTEC to continuously explore and develop new products and services that tend to our customer's needs.

We plan to continue investing and growing our merchant, financial institution, fintech, corporate and government customer base by investing in core products, including (i) processing platforms, such as Paystudio, (ii) data and fraud management solutions, such as Risk Center, Scudo and 3DS, (iii) merchant capture channels, such as ATH Movil for person-to-person, and person-to-merchant digital transactions, PVOT for Smart POS and Placetopay for card-not-present and omni-channel experiences, (iv) Sinqia suite of products for financial institutions. We also invest in value-added services such as API enablement, tokenization, loyalty, digital on-boarding, artificial intelligence and predictive models. We intend to continue to focus on these and some of the new products added to our portfolio thru acquisitions to take advantage of our leadership position in the transaction-processing and financial services industry in the Latin American and Caribbean region.

Our Business

We offer our customers end-to-end products and solutions across the transaction-processing value chain from a single source across numerous channels and geographic markets, as further described below.

Payment Services

Our merchant acquiring business provides services to merchants that allow them to accept electronic methods of payment such as debit, credit, prepaid and EBT cards carrying the ATH, Visa, MasterCard, Discover and American Express brands. We offer a full suite of merchant acquiring services that includes, but is not limited to, the underwriting of each merchant's contract, the deployment and rental of POS devices and other equipment necessary to capture merchant transactions, the processing of transactions at the point-of-sale, processing of transactions digitally through our online payment gateway, the settlement of funds with the participating financial institution, detailed sales reports, and customer support. We also offer integrated and semi-integrated payment solutions to our merchants, which either connect to or convert their existing cash registers into points-of-sale that allow them to capture payment transactions using EVERTEC rails, consolidating payment transactions in a single device.

We provide financial institutions and fintechs with processing, network and financial technology solutions and we believe we are the largest card processor and card network service provider in the Caribbean. Our main service offerings include authorization, switching, settlement, issuer credit and debit card processing, acquiring processing, and management and monitoring of ATMs and POS. At the point-of-sale, we sell transaction-processing technology solutions, similar to the services in our merchant acquiring business, to other merchant acquirers enabling them to service their own merchant customers. Additionally, through our payment gateway, we allow merchants to capture and process digital transactions. We also offer terminal driving solutions to merchants, merchant acquirers (including our merchant acquiring business) and financial institutions, which provide the technology to securely operate, manage and monitor POS terminals and ATMs. We also rent POS devices to financial institution customers who seek to deploy them across their own businesses. For our processing services, revenues are primarily driven by the number of transactions processed and the number of accounts on file / system (card accounts in the case of Issuers, merchant accounts in the case of Acquirers). These services provide our clients with the technology necessary to facilitate the processing and routing of payments across the transaction-processing value chain. We also provide value adding services for payment transactions such as fraud monitoring, management and control.

To enable financial institutions, governments and other businesses to issue and operate a range of payment products and services, we offer an array of card processing and other payment technology services, such as bill payment systems and EBT solutions. Financial institutions and certain retailers outsource to us certain card processing services such as card issuance, processing card applications, cardholder account maintenance, transaction authorization and posting, high volume payment processing fraud and risk management services, and settlement. Our payment products include electronic check processing, automated clearing house ("ACH"), lockbox, interactive voice response and web-based payments through personalized websites, among others.

To connect the merchants to card issuers, we own and operate the ATH network, which we believe is one of the leading PIN debit networks in Latin America. The ATH network connects the merchant or merchant acquirer to the card issuer and enables transactions to be routed or "switched" across the transaction-processing value chain. The ATH network offers the technology, communications standards, rules and procedures, security and encryption, funds settlement and common branding that allow consumers, merchants, merchant acquirers, ATMs, card issuer processors and card issuers to conduct commerce seamlessly, across a variety of channels, similar to the services provided by Visa and MasterCard. We also own and operate ATH Movil and ATH Movil Business which is an ATH network product that allows individuals to (i) transfer money instantly to other individuals and merchants using only their phone number, and (ii) transfer money between an individual's registered cards. ATH Business enables businesses through the download of the application to accept payments instantly for their services or products from individuals with ATH Movil in real time and to donate to non-profit organizations.

Our EBT application allows certain agencies to deliver government benefits to participants through a magnetic card system in Puerto Rico.

Business Solutions

We serve our financial institutions, corporate and government customers with a wide suite of business process management solutions, some of which used to provide financial products in areas such as core banking, credit, investments, payments, foreign exchange, mutual funds, pension funds and consortium, in addition to software used to execute processes such as digital onboarding, digital signature and digital collection, as well as network hosting and management, IT consulting, business process outsourcing, item and cash processing, and fulfillment. In addition, we believe we are the only non-bank provider of cash processing services to the U.S. Federal Reserve in the Caribbean as well as the leading provider of a "one stop shop" set of products for the financial sector in Brazil.

With the acquisition of Tecnobank, we entered a new regulated market in Brazil. Tecnobank operates as a trusted third party between lending institutions (banks, credit organizations, etc.) and state traffic departments. When a loan secured by a vehicle is originated, the lender submits the contract to Tecnobank. Tecnobank verifies the legitimacy of the contract and, once validated, instructs the traffic department to record a restriction in the vehicle documentation, preventing its sale until the loan is fully repaid.

Competition

Competitive factors impacting the success of our services include the quality of the technology-based application or service, application features and functions, ease of delivery and integration, ability of the provider to maintain, enhance and support the applications or services, and price. We believe that we compete well in each of these categories. In addition, we believe that scale and financial institution industry expertise, combined with our ability to offer multiple applications, services and integrated solutions to individual customers, enhances our competitiveness against companies with more limited offerings and helps us compete with large global competitors with similar assets to ours.

In payment services, we compete with several other third-party card processors, debit networks, and financial technology providers, including Tecnocom Telecomunicaciones y Energía, S.A., Galileo Financial Technologies, LLC, Marqeta, Inc., Fidelity National Information Services, Inc., Fiserv, Inc., Total System Services, Inc., MasterCard, Inc., Visa, Inc., American Express, Discover, Global Payments, Inc., dLocal Corp. LLP., Rappi Inc. and PayPal Holdings, Inc. Also, card associations and payment networks are increasingly offering products and services that compete with our products and services. The main competitive factors are price, system performance and reliability, system functionality, security, service capabilities and disaster recovery and business continuity capabilities. In merchant acquiring, we compete with several other service providers and financial institutions that are either in our markets or represented through Independent Sales Organizations ("ISO"), including Fidelity National Information Services, Inc., Fiserv, Inc., Global Payments, Inc., Elavon, Inc., PayPal Holdings, Inc., Block, Inc., and some local banks. Also, the card associations and payment networks are increasingly offering products and services that compete with ours. The main competitive factors are price, reliability of service, brand awareness, strength of the relationship with financial institutions, system functionality, integration service capabilities and innovation. Our business is also impacted by the expansion of new payments methods and devices, card association business model expansion, and bank consolidation.

In business solutions, our main competition includes internal technology departments within financial institutions, retailers, data processing or software development departments of large companies, large technology and consulting companies, and/or financial technology providers, such as Fidelity National Information Services, Inc., Jack Henry & Associates, Inc., CGI Inc., HCL Technologies Limited, and Fiserv, Inc., Totvs S.A., and Stefanini S.A. The main competitive factors are organizational capabilities, portfolio comprehensiveness, price, system performance and reliability, system functionality, security, service capabilities, and disaster recovery and business continuity capabilities.

Intellectual Property

We own numerous registrations for several trademarks in different jurisdictions, pursue the registration of domain names for websites that we use and that we consider material to the marketing of our products, including the *evertecinc.com* domain, and own or have licenses to use certain software and technology, which are critical to our business and future success. For example, we own the ATH and EVERTEC trademarks in several jurisdictions, which are associated by the public, financial institutions and merchants with high quality and reliable electronic commerce, payments, and debit network solutions and services. Such goodwill allows us to be competitive, retain our customers and expand our business. Further, we also use a combination of (i) proprietary software, and (ii) duly licensed third-party software to operate our business and deliver secure and reliable products and services to our customers. The licensed software is subject to terms and conditions that we consider within the industry standards. Most are perpetual licenses, and the rest are term licenses with renewable terms. In addition, we monitor these license agreements and maintain close contact with our suppliers to ensure their continuity of service.

We seek to protect our intellectual property rights by securing appropriate statutory intellectual property protection in the relevant jurisdictions. We also protect proprietary know-how and trade secrets through our confidentiality policies, licenses, programs, and contractual agreements. However, we cannot guarantee that all applicable parties have executed such agreements. Such agreements can also be breached, and we may not have adequate remedies for such breach.

Intellectual property laws, procedures, and restrictions provide only limited protection, and any of our intellectual property rights may be challenged, invalidated, circumvented, infringed, misappropriated, or otherwise violated. Furthermore, the laws of certain countries do not protect intellectual property and proprietary rights to the same extent as the laws of the United States, and we therefore may be unable to protect our proprietary technology in certain jurisdictions.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or obtain and use our technology to develop products and services with the same functionality as our products. Policing unauthorized use of our technology is difficult. Our competitors could also independently develop technologies like ours, and our intellectual property rights may not be broad enough for us to prevent competitors from selling products and services incorporating those technologies.

People and Culture

On December 31, 2025, we had approximately 5,327 employees, 45% located in Brazil, 23% in Puerto Rico and the United States, and 32% located across Latin America and the Caribbean, including the Dominican Republic, Mexico, Guatemala, Costa Rica, Panama, Colombia, Chile, Peru, Argentina and Uruguay.

In Brazil, we have approximately 2,330 unionized employees covered by industry-specific collective agreements. These agreements align with both industry standards and Brazilian labor laws to establish a fair and transparent framework for employment. We believe they contribute to a positive and collaborative work environment, supporting the overall success and sustainability of our operations in Brazil.

None of our other employees are otherwise represented by any labor organization. Our company has maintained a strong record of operational continuity, having never experienced any work stoppages related to employee matters. By fostering open communication, proactive engagement, and fair employment practices, we strive to create an environment where employee concerns are addressed promptly and effectively.

Inclusion and Belonging

Our culture is built on our core values, including a strong commitment to inclusion and belonging, an essential driver of innovation and brilliant ideas. We strive to integrate, leverage, and promote a sense of belonging across generations, cultures, abilities, and lifestyles to develop creative solutions that address our client's needs, while positively impacting our communities and business outcomes.

We foster an inclusive culture across our people, products, and services. Our regional model enables us to incorporate a variety of perspectives, ensuring that mindsets from a variety of backgrounds are reflected in our business strategies and decisions.

We estimate our workforce is approximately 34% female and approximately 66% male, and we believe our female representation is above the technology industry average. Additionally, due in large to the location of our employee base, approximately 99.79% of our employees and 99.86% of our managers are Hispanic or Latino.

Additionally, we periodically conduct gender gap pay analyses for our employee population.

Employee Engagement

Fostering strong employee engagement is a key component of our high-performance culture. We take a multifaceted approach to creating an environment where our workforce feels valued, heard, and motivated. Regular employee surveys are central to our strategy, providing a structured platform to gather feedback on various aspects of the workplace, including job satisfaction, communication, and opportunities for growth.

Additionally, our internal newsletters on Evertec's intranet are thoughtfully curated to feature relevant content, recognizing achievements, highlight milestones, and spotlighting employee contributions. Continuous team meetings and town halls further facilitate open communication, allowing for transparent discussions about company goals, challenges, and future initiatives.

As part of our commitment to recognizing and rewarding excellence, we have an employee recognition program called "Valoro". This program includes a platform that allows us to acknowledge employees for their outstanding work and embodiment of our corporate values. Also, twice per year, we recognize employees who perform exceptionally in special projects. Additionally, we honor our top talent with the prestigious Chairman Award, the highest recognition within the Company, celebrating our top talent.

By combining these initiatives, we aim to foster a dynamic and inclusive environment that promotes employee engagement, fosters a sense of community, and empowers our team members to actively contribute to the success of the organization. We strive to continually refine and expand these efforts to promote the overall well-being of the organization.

Recruiting and Development Initiatives

Evertec actively aims to draw from the broadest feasible talent pool, regardless of background, and is an equal opportunity employer, committed to hiring the most qualified candidates for available positions. We promote based on merit. The Company currently offers a hybrid (on site/remote) work environment to most of our workforce, in order to provide flexibility for our employees.

Evertec is dedicated to equipping our employees with the tools they need for career development. Our Evertec University platform offers learning opportunities to our workforce, featuring a curriculum that includes both online courses and external training. As part of our organizational development framework, we have developed a leadership program that includes a 360-degree assessment, feedforward sessions, a leadership on-boarding program and a leadership academy. The Talent Development program identifies emerging leaders within the organization and equips them with training and development opportunities to prepare them as successors for senior management. Aligned with our Wellness core value, as part of our health and wellness educational programs, we offer company wide health and safety educational sessions, with on-site clinics and external health consultations by healthcare professionals.

Our People and Culture values are aligned with our commitment to environmental, social and governance (ESG) principles. For more information, refer to our 2025 ESG Summary available on our website at https://ir.evertecinc.com/ESG as well as Vision, Mission and Values section in our most recent proxy statement. Nothing on our website shall be deemed incorporated by reference into this Report.

Government Regulation and Payment Network Rules

Examinations

As a technology service provider to financial institutions, we are also subject to regulatory oversight and examination by the Federal Financial Institutions Examination Council (the "FFIEC"), an interagency body of federal financial regulators that includes the Board of Governors of the Federal Reserve System (known as the Federal Reserve Board). The Federal Deposit Insurance Corporation and the office of the Commissioner of Financial Institutions of Puerto Rico also participate in such examinations by the FFIEC. In addition, independent auditors annually review several of our operations to provide reports on internal controls for our clients' auditors and regulators. We are also subject to examinations from regulatory bodies in all other regions in which we operate.

Regulatory Reform and Other Legislative Initiatives

The payment card industry is subject to scrutiny from lawmakers and regulators. The Dodd-Frank Wall Street Reform and Protection Act (the "Dodd-Frank Act") set forth significant structural and other changes to the regulation of the financial services industry, including the establishment of the Consumer Financial Protection Bureau (the "CFPB"). The CFPB has broad supervisory, enforcement and rulemaking authority over consumer financial products and services (including many offered by us and by our clients) and certain bank and non-bank providers of such products and services. In addition, Section 1075 of the Dodd-Frank Act (commonly referred to as the "Durbin Amendment") imposes restrictions on card networks and debit card issuers. More specifically, the Durbin Amendment provides that the interchange transaction fees that a card issuer or payment network may receive or charge for an electronic debit transaction must be "reasonable and proportional" to the cost incurred by the card issuer in authorizing, clearing, and settling the transaction.

The Durbin Amendment currently has capped debit interchange that an issuer may receive (unless such issuer is otherwise exempt). The Durbin Amendment is subject to revision by the Federal Reserve and any future revisions may lower the maximum interchange fee which could impact our business. In addition, the Federal Reserve could also revise rules requiring that issuers enable at least two unaffiliated payment card networks on their debit cards without regard to authentication method; and prohibiting card issuers and payment card networks from entering into exclusivity arrangements for debit card processing, as well as restricting card issuers and payment networks from inhibiting the ability of merchants to direct the routing of debit card transactions over networks of their choice.

The CFPB is responsible for many of the regulatory functions with respect to consumer financial products and services. In addition to rulemaking authority over several enumerated federal consumer financial protection laws, the CFPB is authorized to issue rules prohibiting unfair, deceptive, or abusive acts or practices in connection with the offering of a consumer financial product or service or any transaction with a consumer for such product or service. The CFPB also has authority to examine supervised entities for compliance with, and to enforce violations of, consumer financial protection laws.

We are subject to the supervision, enforcement, and rulemaking authority of the CFPB as a nonbank and as a service provider to insured depository institutions with $10 billion or more in total consolidated assets and to larger participants in markets for consumer financial products and services. CFPB rules, examinations and enforcement actions now and as they may be enacted in the future may require us to adjust our activities and may increase our compliance costs.

From time to time, various legislative initiatives are introduced in Congress and state legislatures, and changes in regulations or agency policies, or in the interpretation of such regulations and policies, are proposed by regulatory agencies. Such legislation or changes in regulation could affect our operating environment in substantial and unpredictable ways. If adopted, such legislation or changes in regulation could increase the cost of doing business. We cannot predict whether any such legislation will be enacted, and, if enacted, the effect that it, or any implementing regulations or related policies and guidance, would have on our financial condition or results of operations.

Other Government Regulations

Our services are also subject to a broad range of complex federal, state, and foreign regulation, including privacy laws, international trade regulations, anti-money laundering laws, anti-trust and competition laws, the U.S. Internal Revenue Code, the PR Code, the Employee Retirement Income Security Act, the Health Insurance Portability and Accountability Act and other laws and regulations. Failure of our services to comply with applicable laws and regulations could result in restrictions on our ability to provide such services, as well as the imposition of civil fines and/or criminal penalties. The principal areas of regulation (in addition to the ones described above) that impact our business are described below.

Privacy and Information Security Regulations

We and our financial institution clients are required to comply with various U.S. state, federal and foreign privacy laws and regulations, including those imposed under the Gramm-Leach-Bliley Act of 1999 which applies directly to a broad range of financial institutions and to companies that provide services to financial institutions. These laws and regulations place restrictions on the collection, processing, storage, use and disclosure of certain personal information, require disclosure to individuals of detailed privacy practices and provide them with certain rights to prevent the use and disclosure of protected information. The regulations, however, permit financial institutions to share information with non-affiliated parties who perform services for the financial institutions. These laws also impose requirements for safeguarding personal information through the issuance of data security standards or guidelines. Certain state laws impose similar privacy obligations, as well as, in certain circumstances, obligations to provide notification to affected individuals, states officers and consumer reporting agencies, as well as businesses and governmental agencies that own data, of security breaches of computer databases that contain personal information. In addition, U.S. state and federal government agencies have been contemplating or developing new initiatives to safeguard privacy and enhance data and information security. Some foreign privacy laws may be stricter than those applicable under U.S. federal, state, or Puerto Rican law. The Brazilian General Data Protection Law contains specific provisions and requirements related to the processing, collection, storage and use of personal data of individuals in Brazil. As a provider of services to financial institutions, we are required to comply with applicable privacy and cybersecurity regulations and are bound by the same limitations on disclosure of the information received from our customers as applied to the financial institutions themselves. See "Part I, Item 1A. Risk Factors—Risks Related to Our Business—*We are subject to security breaches or other confidential data theft from our systems, which can adversely affect our reputation and business.*"

Anti-Money Laundering and Office of Foreign Assets Control Regulation

Since we provide data processing services to both foreign and domestic financial institutions, we are required to comply with certain anti-money laundering and terrorist financing laws and economic sanctions imposed on designated foreign countries, nationals, and others. Certain of our services must adhere to the requirements of the Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001 (collectively, the "BSA") regarding processing and facilitation of financial transactions, as well as other state, local and foreign laws relating to money laundering. Furthermore, as a data processing company that provides services to foreign parties and facilitates financial transactions between foreign parties, we are obligated to screen transactions for compliance with the sanctions programs administered by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"). These regulations prohibit us from entering into or facilitating a transaction to or from or dealings with specified countries, their governments and, in certain circumstances, their nationals and others, such as narcotics traffickers and terrorists or terrorist organizations designated by the U.S. Government under one or more sanctions regimes.

A major focus of governmental policy in recent years has been aimed at combating money laundering and terrorist financing. Preventing and detecting money laundering and other related suspicious activities at their earliest stages warrants careful monitoring. Anti-money laundering laws impose various reporting and record-keeping requirements concerning currency and other types of monetary instruments. Similar anti-money laundering, counter-terrorist financing and proceeds of crime laws apply to movements of currency and payments through electronic transactions and to dealings with persons specified on lists maintained by organizations similar to OFAC in several other countries and which may impose specific data retention obligations or prohibitions on intermediaries in the payment process. These laws and regulations impose obligations to maintain appropriate policies, procedures, and controls to detect, prevent and report money laundering and terrorist financing and to verify the identity of their customers. Failure to maintain and implement adequate programs to combat money laundering and terrorist financing, or to comply with all the relevant laws or regulations, could have serious legal and reputational consequences for us. We may also be subject to enforcement actions and as a result may incur losses and liabilities that may impact our business.

Federal Trade Commission Act and Other Laws Impacting our Customers' Business

All persons engaged in commerce, including, but not limited to, us and our merchant and financial institution customers are subject to Section 5 of the Federal Trade Commission Act prohibiting Unfair or Deceptive Acts or Practices ("UDAP"). In addition, there are other laws, rules and/or regulations, including the Telemarketing Sales Act, that may directly impact the activities of our merchant customers and in some cases may subject us, as the merchant's payment processor, to investigations, fees, fines, and disgorgement of funds in the event we are deemed to have aided and abetted or otherwise provided the means and instrumentalities to facilitate the illegal activities of the merchant through our payment processing services. Federal and state regulatory enforcement agencies including the Federal Trade Commission, or FTC, and the states' attorneys general have authority to take action against nonbanks that engage in UDAP or violate other laws, rules, and regulations. To the extent we process payments for a merchant that may be in violation of these laws, rules, and regulations, we may be subject to enforcement actions and as a result may incur losses and liabilities that may impact our business.

Anti-trust and Competition Laws

We are required to comply with various federal, local, and foreign competition and anti-trust laws, including the Sherman Act, Clayton Act, Hart-Scott-Rodino Antitrust Improvements Act, Robinson-Patman Act, Federal Trade Commission Act and Puerto Rico Anti-Monopoly Act. In general, competition laws are designed to protect businesses and consumers from anti-competitive behavior. Competition and anti-trust law investigations can be lengthy, and violations are subject to civil and/or criminal fines and other sanctions for both corporations and individuals that participate in the prohibited conduct. Class action civil anti-trust lawsuits can result in significant judgments, including in some cases, payment of treble damages and/or attorneys' fees to the successful plaintiff. See "Part I, Item 1A. Risk Factors—Risks Related to Our Business—*We are subject to extensive government regulation and oversight. Failure to comply with existing and future rules and regulations in the jurisdictions in which we operate could materially adversely affect the operations of one or more of our businesses in those jurisdictions*."

Foreign Corrupt Practices Act ("FCPA"), Export Administration and Other

As a data processing company that services both foreign and domestic clients, our business activities in foreign countries, and in particular our transactions with foreign governmental entities, subject us to the anti-bribery provisions of the FCPA, as well as the laws and regulations of the foreign jurisdiction where we operate. Pursuant to applicable anti-bribery laws, our transactions with foreign government officials and political candidates are subject to certain limitations. Finally, in the course of business with foreign clients and subsidiaries, we export certain software and hardware that is regulated by the Export Administration Regulations from the United States to the foreign parties. Together, these regulations place restrictions on who we can transact with, what transactions may be facilitated, how we may operate in foreign jurisdictions and what we may export to foreign countries.

The preceding list of laws and regulations is not exhaustive, and the regulatory framework governing our operations changes continuously. The enactment of new laws and regulations may increasingly affect directly and indirectly the operation of our business, which could result in substantial regulatory compliance costs, litigation expense, loss of revenue, decreased profitability and/or adverse publicity.

Association and Network Rules

Several of our subsidiaries are registered with or certified by card associations and payment networks, including the ATH network, MasterCard, Visa, American Express, Discover and numerous debit and EBT networks as members or as service providers for member institutions in connection with the services we provide to our customers. As such, we are subject to applicable card association and network rules, which could subject us to a variety of fines or penalties that may be levied by the card associations or networks for certain acts and/or omissions by us, our acquirer customers, processing customers and/or merchants. For example, "Contactless" is a credit and debit card authentication methodology that the card associations are mandating to processors, issuers, and acquirers in the payment industry. Compliance deadlines for Contactless mandates vary by country and by payment network. We have invested significant resources and man-hours to develop and implement this methodology in all our payment related platforms. However, we are not certain if or when our financial institution customers will use or accept the methodology and the time it will take for this technology to be rolled-out to all customer ATM and POS devices connected to our platforms or adopted by our card issuing clients. Non-compliance with Contactless mandates could result in lost business or financial losses from fraud or fines from network operators. We are also subject to network operating rules promulgated by the National Automated Clearing House Association relating to payment transactions processed by us using the Automated Clearing House Network and to various government laws regarding such operations, including laws pertaining to EBT.

Payment Card Industry Data Security Standard

Additionally, we are subject to the Payment Card Industry Data Security Standard (the "PCI DSS"), issued by the Payment Card Industry Security Standards Council. The PCI DSS contains compliance requirements regarding our security surrounding the physical and electronic storage, processing and transmission of cardholder data. Non-compliance with the security standards required by PCI DSS may subject us to fines, restrictions and expulsion from card acceptance programs, which could materially and adversely affect our business.

Geographic Concentration

For the year ended December 31, 2025, 61% of revenues were generated from our business in Puerto Rico, while the remaining 39% was generated from Latin America and the Caribbean. Latin America includes, among others, Costa Rica, México, Guatemala, Colombia, Chile, Uruguay, Brazil, Peru and Panamá. The Caribbean primarily represents the Dominican Republic and the U.S. and British Virgin Islands. See Note 26 to the Audited Consolidated Financial Statements included elsewhere in this Report for additional information related to geographic areas.

Seasonality

Our payment businesses generally experience increased activity during the traditional holiday shopping periods and around other nationally recognized holidays, which follow consumer spending patterns.

Available Information

EVERTEC’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and amendments to such reports (if applicable) filed or furnished pursuant to Sections 13(a) or 15(d) of the Exchange Act are available free of charge, through our website, http://www.evertecinc.com, as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. In addition, we make available on our website under the heading of “Governance Documents” our: (i) Code of Ethics; (ii) Code of Ethics for Service Providers; (iii) Corporate Governance Guidelines; (iv) the charters of the Audit, Compensation and Nominating and Corporate Governance committees, and we intend to disclose any amendments to the Code of Ethics. The information found on our website is not part of this or any other report we file with, or furnish to, the SEC. The aforementioned reports and materials can also be obtained free of charge upon written request or telephoning to the following address or telephone number:

EVERTEC, Inc.
Cupey Center Building
Road, 176, Kilometer 1.3
San Juan, Puerto Rico 00926
(787) 759-9999

Our filings with the SEC can also be accessed through the SEC's website at http://www.sec.gov.

Our Corporate Information

We were incorporated on April 13, 2012 in Puerto Rico under the name Evertec, Inc. Our principal executive offices are located at Cupey Center Building, Road 176, Kilometer 1.3, San Juan, Puerto Rico 00926, and our telephone number is (787) 759-9999.

Item 1A. Risk Factors

Readers should carefully consider, in connection with other information disclosed in this Report, the risks and uncertainties described below. The following discussion sets forth risks that we believe are material to our stockholders and prospective stockholders. The occurrence of any of the following risks might cause our stockholders to lose all or a part of their investment in our Company. Some statements contained in this Report, including statements in the following risk factors section, constitute forward-looking statements. Please also refer to the section titled “Forward- Looking Statements and Risk Factor Summary” at the beginning of this Report.

Risks Related to Our Business

Our services to Banco Popular, our largest customer, account for a significant portion of our revenues, and we expect that our services to Popular will continue to represent a significant portion of our revenues for the foreseeable future. If Popular were to terminate or fail to make required payments under the A&R MSA, or our other material agreements with Popular, or if Popular were to significantly reduce the services it receives from us under such agreements, our revenues could be materially reduced and our profitability and cash flows could also be materially reduced, all of which would have a material adverse effect.

For the year ended December 31, 2025, approximately 29% of our revenue was attributable to Banco Popular, a wholly-owned subsidiary of Popular. The A&R MSA by and among Popular, Banco Popular de Puerto Rico and EVERTEC Group, is our most significant client contract, and was amended and restated to include a term ending in 2028. If Popular were to terminate or fail to make required payments under the A&R MSA, or our other material agreements with Popular, or if Popular were to significantly reduce the services it receives from us under such agreements, our revenues could be materially reduced and our profitability and cash flows could also be materially reduced, all of which would have a material adverse impact on our financial condition and results of operations.

If we are unable to maintain our merchant relationships and our alliance with Popular, our business may be materially adversely affected.

Growth in our merchant acquiring business is derived primarily from acquiring new merchant relationships, new and enhanced product and service offerings, cross selling products and services into existing relationships, the shift of consumer spending to increased usage of electronic forms of payment, and the strength of our existing commercial relationship with Banco Popular. A substantial portion of our business is generated from our Amended and Restated Independent Sales Organization Sponsorship and Services Agreement (the “A&R ISO Agreement”) with Banco Popular, which ends in 2035.

Banco Popular acts as a merchant referral source and provides sponsorship into the ATH, Visa, Discover and MasterCard networks for merchants, as well as card association sponsorship, clearing and settlement services. We provide transaction-processing and related functions. Both we and Popular, as alliance partners, may provide management, sales, marketing, and other administrative services to merchants. Although Banco Popular is not our sole distribution channel, it is the most significant. We rely on the continuing growth of our merchant relationships, which in turn is dependent upon our alliance with Banco Popular and other distribution channels. There can be no guarantee that this growth will continue and the loss or deterioration of these relationships, whether due to the termination or non-renewal of the A&R ISO Agreement or otherwise, could negatively impact our business and result in a material reduction of our revenue and income.

If we are unable to renew or negotiate extensions for our A&R MSA with Popular, A&R ISO Agreement with Banco Popular and A&R ATH Network Participation Agreement with Banco Popular (the “A&R BPPR ATH Agreement”), or if we are required to provide significant concessions to Popular or Banco Popular to secure extensions or otherwise, our ability to renegotiate our debt, secure additional debt, results of operations, financial condition and trading price of our common stock may be materially adversely affected.

We cannot be certain that we will be able to negotiate an extension to the A&R MSA upon its current expiration date, which is scheduled for 2028. Even if we can negotiate an extension of the A&R MSA, any new master services agreement may be materially different from the existing A&R MSA. Further, Popular may require significant concessions from us with respect to pricing, services, and other key terms, both in respect of the current term and any future extension of the A&R MSA. We regularly discuss with Popular the terms of the A&R MSA and the services we provide Popular thereunder and make modifications to such terms. Any such events may materially and negatively impact our financial condition, results of operations and trading price of our common stock, as well as potentially limit our ability to renegotiate our debt.

Our A&R ISO Agreement with Banco Popular, which sets our merchant acquiring relationship with Popular, includes revenue sharing provisions with Popular, as well as a split of merchant agreements in the event of termination or non-renewal. Banco Popular sponsors us as an independent sales organization with respect to certain payment card network and is required to exclusively refer to us any merchant that inquires about the service, requests or otherwise shows interest in merchant and other services. If the A&R ISO Agreement is not renewed or is terminated, we will have to seek other card association sponsors, we may have to assign to Banco Popular up to 50% our merchant contracts, we will not benefit from Banco Popular referral of merchants and we may experience the loss of additional merchants if Banco Popular itself enters the merchant acquiring business or agrees to sponsor another independent sales organization. Any of these events may negatively impact our financial condition and results of operations.

Under such agreements, among other things, we provide Banco Popular certain ATM and POS services in connection with our ATH network; we grant a license to use the ATH logo, word mark and associated trademarks; and Banco Popular agrees to support, promote, and market the ATH network and brand and to issue debit cards bearing the symbol of the ATH network. If one or both of the A&R BPPR ATH Agreements are not extended, our ATH brand and network could be negatively impacted, and our financial condition and results of operations also be materially adversely affected.

The A&R MSA, A&R ISO Agreement, and A&R BPPR ATH Agreement have terms ending in 2028, 2035, and 2030, respectively.

Our inability to renew or continue to maintain client contracts on favorable terms or at all may materially adversely affect our results of operations and financial condition.

Our contracts with private clients generally run for a period of one to six years, and usually contain automatic renewal periods. Our government contracts typically run for one year and do not include automatic renewal periods due to government procurement rules and related fiscal funding requirements. Our standard merchant contract has an initial term of up to three years, with automatic one-year renewal periods. If we are not successful in achieving high renewal rates and/or contract terms that are favorable to us, our results of operations and financial condition may be adversely affected.

We also depend on our payment processing clients to comply with their contractual obligations, applicable laws, regulatory requirements and payment card networks rules or standards. A client's failure to comply with any such laws or requirements could force us to declare a breach of contract and terminate the client relationship. The termination of such contracts or relationships, as well as any inability to collect any damages caused, could have a material adverse effect on our business, financial condition, and results of operations. Additionally, any such failure by clients to comply could also result in fines, penalties or obligations imputed to EVERTEC, which could also have a material adverse effect on our business.

We rely on our information technology systems, employees and certain suppliers and counterparties, and certain failures or disruptions in those systems or chains could materially adversely affect our operations.

We rely on computer systems, hardware, software, technology infrastructure, and online sites for both internal and external operations that are critical to our business (collectively, "IT Systems"). For example, we use our IT Systems to connect with our clients, business partners, people, and others. We own and manage some of these IT Systems, but also rely on third parties for a range of IT Systems and related products and services, including but not limited to cloud computing services. We and certain of our third-party providers also collect, store, transfer, process, and use business, personal, and financial data about our own business, clients, employees, business partners, and others, including information about individuals and proprietary information belonging to our business such as trade secrets.

We face numerous and evolving cybersecurity risks that threaten the confidentiality, integrity, and availability of our IT Systems and data. These cybersecurity risks may arise from diverse threat actors, such as state-sponsored organizations and opportunistic hackers and hacktivists, as well as through diverse attack vectors, such as social engineering/phishing, malware (including ransomware), malfeasance by insiders, human or technological error, and as a result of malicious code embedded in open-source software, or misconfigurations, "bugs" or other vulnerabilities in commercial software that is integrated into our (or our suppliers' or service providers') IT Systems, products or services. Additionally, hardware, applications, or services that we develop or procure from third parties may contain defects in design or manufacture or other problems that could compromise the confidentiality, integrity, or availability of our data or IT Systems. Given the nature of complex systems, software and services like ours and the scanning tools that we deploy, we regularly identify and track security vulnerabilities. We are unable to comprehensively apply patches or mitigating measures for all vulnerabilities at all times or guarantee that patches will be applied before vulnerabilities can be exploited by a threat actor.

Cybersecurity threats and attacks, including computer viruses, malware, hacking, ransomware or other destructive or disruptive software, are constantly evolving and pose a risk to our IT Systems and data. Cybersecurity attacks are expected to accelerate on a global basis in frequency and magnitude as threat actors are becoming increasingly sophisticated in using techniques and tools - including artificial intelligence - that circumvent security controls, evade detection, and remove forensic evidence. As a result, we may be unable to detect, investigate, remediate, or recover from future attacks or incidents, or to avoid a material adverse impact to our IT Systems, data, or business.

There can also be no assurance that our cybersecurity risk management program and processes, including our policies, controls, or procedures, will be fully implemented, complied with, or effective in protecting our IT Systems and data, and our systems and processes may be unable to prevent material security breaches. Security breaches, improper use of our systems, and unauthorized access to our data and information by employees and others pose a risk that data may be exposed to unauthorized persons or to the public. Such occurrences could adversely affect our business, results of operations, financial position, and reputation, and could result in litigation (including class actions) or regulatory investigations or enforcement actions.

We make extensive use of third-party service providers, including providers that store, transmit and process data. These third-party service providers are also subject to malicious attacks and cybersecurity threats that could adversely affect our business, results of operations, financial condition, and reputation. In addition, because our services are connected to or integrated with some of our customers' systems, the circumvention or failure of our cybersecurity defenses or measures could compromise the confidentiality, integrity, and availability of our customers' own IT Systems and sensitive information.

Many of our services are based on sophisticated software, technology, computing systems, and other IT Systems, and we may encounter delays when developing new technology solutions and services. We and our third-party providers regularly experience cyberattacks and other incidents, and we expect such attacks and incidents to continue in varying degrees. In particular, we have experienced actual and attempted cyber-attacks of our IT Systems, such as through phishing scams, ransomware, exploitation of vulnerabilities in our IT Systems, and other methods of attack. Even though some of these attacks have been successful, none of these actual or attempted cyber-attacks has had a material adverse impact on our operations or financial condition but we cannot guarantee that material incidents will not occur in the future.

Our businesses are dependent on our ability to reliably process, record and monitor a large number of transactions. We settle funds on behalf of financial institutions, other businesses and consumers and process funds transactions from clients, card issuers, payment networks and consumers on a daily basis for a variety of transaction types. Transactions facilitated by us include debit card, credit card, electronic bill payment transactions, ACH payments, electronic benefits transfer ("EBT") transactions and check clearing that supports consumers, financial institutions, and other businesses. These payment activities rely upon technology infrastructure that facilitates the verification of activity with counterparties, the facilitation of the payment and, in some cases, the detection or prevention of fraudulent payments. If any of our financial, accounting, or other data processing systems or applications or other IT Systems fail or experience other significant shortcomings, our ability to serve our clients and accordingly our results of operations could be materially adversely affected. Such failures or shortcomings could be the result of events that are beyond our control, which may include, for example, computer viruses, fires, electrical or telecommunications outages, natural disasters, future disease pandemics or other public health crisis, terrorist acts, political instability, or other unanticipated damage to property or physical assets. Certain of these events may become more frequent or intense as a result of climate change or other environmental or social pressures. Any such shortcoming could also damage our reputation, require us to expend significant resources to correct the defect, and may result in liability to third parties, especially since some of our contractual agreements with financial institutions require the crediting of certain fees if our systems do not meet certain specified service levels.

There is also a risk that we may lose critical data or experience IT System failures. We perform the vast majority of disaster recovery operations ourselves, though we utilize select third parties for some aspects of recovery. To the extent we outsource our disaster recovery, we are at risk of the vendor's unresponsiveness in the event of breakdowns in our IT Systems. Our property, business interruption, and cybersecurity insurance may not be adequate to compensate us for all losses or failures that may occur.

We are similarly dependent on our employees to maintain our IT Systems. Our operations could be materially adversely affected if one or more employees cause a significant operational breakdown or failure, either intentionally or as a result of human error. Suppliers and third parties with which we do business could also be sources of operational risk to us, including relating to breakdowns or failures of such parties' own systems or employees. Any of these occurrences could diminish our ability to operate one or more of our businesses, or result in potential liability to clients, reputational damage and regulatory intervention or fines, any of which could materially adversely affect our financial condition or results of operations.

We are subject to security breaches or other confidential data theft from our systems, which can adversely affect our reputation and business.

As part of our business, we electronically receive, process, store and transmit a wide range of confidential information, including sensitive customer information and personal consumer data, such as names and addresses, social security numbers, driver's license numbers, cardholder data and payment history records, as well as proprietary information belonging to our business or to our business partners (collectively, "Confidential Information"). We also operate payment, cash access and electronic card systems. Attacks on IT Systems continue to grow in frequency, complexity and sophistication, a trend we expect will continue. The objectives of these attacks include, among other things, gaining unauthorized access to systems to facilitate financial fraud, disrupt operations, cause denial of service events, corrupt data, and steal non-public information. Such attacks have become a point of focus for individuals, businesses, and governmental entities.

Unauthorized access to our or third-party IT Systems could result in the theft or publication, the deletion or modification or other compromise to the confidentiality, integrity or availability of Confidential Information and could disrupt successful operations of our businesses. These risks increase when we transmit information over the Internet as our visibility in the global payments industry attracts hackers to conduct attacks on our systems. Our security measures may also be breached due to the mishandling or misuse of Confidential Information; for example, if such information were erroneously provided to parties who are not permitted to have the information, either by employees acting contrary to our policies or as a result of a fault in our systems. For instance, in August 2025, Sinqia identified unauthorized activity in its environment of the Brazilian Central Bank ("BCB") real-time payment system known as Pix. In response, Sinqia promptly halted transaction processing, engaged external cybersecurity forensic experts, and notified relevant authorities and affected customers. Approximately R$710 million in unauthorized transactions affected two Sinqia customers. Within days of the incident, the two affected Sinqia customers confirmed they had successfully recovered significant portions of such unauthorized transaction amounts. We determined that the incident did not have a material adverse impact on our operations or financial condition.

Actual or perceived vulnerabilities or data breaches may lead to claims against us, which may require us to spend significant additional resources to remediate by addressing problems caused by breaches and further protect against security or privacy breaches. Additionally, while we maintain insurance policies specifically for cyber-attacks, our current insurance policies may not be adequate to reimburse us for losses caused by security breaches, and we may not be able to collect fully, if at all, under these insurance policies. A significant security breach, such as loss of credit card numbers or other Confidential Information, could have a material adverse effect on our reputation, expose us to significant liability and result in a loss of customers. Some of our IT Systems have experienced in the past and may experience in the future security breaches and, although they did not have a material adverse effect on our results of operations or reputation, there can be no assurance of a similar result in the future. We cannot assure you that our security measures will prevent security breaches or that failure to prevent them will not have a material adverse effect on our business, results of operations, financial condition, and reputation. Any breaches of network or data security at our customers, partners or vendors could have similar negative effects.

Our ability to recruit, retain and develop qualified personnel is critical to our success and growth.

All our businesses require a wide range of expertise and intellectual capital to adapt to the rapidly changing technological, social, economic and regulatory environments. In order to successfully compete and grow, we must recruit, retain and develop personnel who can provide the necessary expertise across a broad spectrum of intellectual capital needs. In addition, we must develop, maintain and, as necessary, implement appropriate succession plans to assure we have the necessary human resources capable of maintaining continuity in our business and the businesses we acquire. The market for qualified personnel is competitive and we may not succeed in recruiting additional personnel or may fail to effectively replace current personnel who depart with qualified or effective successors. In addition, from time to time, there may be changes in our management team that may be disruptive to our business. If our management team, including new hires that we make, fails to work together effectively and to execute our plans and strategies on a timely basis, our business could be harmed. Our effort to retain and develop personnel may also result in significant additional expenses, which could adversely affect our profitability. We cannot assure that key personnel, including our executive officers, will continue to be employed or that we will be able to attract and retain qualified personnel in the future. Failure to recruit, retain or develop qualified personnel could adversely affect our business, financial condition or results of operations.

Failure to comply with federal, state and foreign laws and regulations relating to data privacy and security, or the expansion of current, or the enactment of new, laws or regulations relating to data privacy and security, could adversely affect our business, financial condition and operating results.

While we are not a direct-to-consumer business, we do collect, process, store, use and share personal data of our employees and business partners, which is governed by a variety of U.S. federal and state and foreign laws and regulations. Laws and regulations relating to data privacy and security are complex and rapidly evolving and subject to potentially differing interpretations. These requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another or may conflict with other rules or our practices. As we seek to expand our business, we are, and may increasingly become, subject to various laws, regulations, standards, and contractual obligations relating to data privacy and security in the jurisdictions in which we operate.

Most states and countries where we conduct our business have adopted privacy and security laws that may apply to our business. These laws generally require companies to implement specific privacy and information security controls and legal protections to protect certain types of personal information and to collect or use it subject to disclosures. Additional compliance investment and potential business process changes may continue to be required as these laws and others go into effect. Further, in order to comply with the varying state laws around data breaches, we must maintain adequate security measures, which require significant investments in resources and ongoing attention. Additionally, our customers and business partners are imposing more stringent obligations on us in the form of contracts regarding privacy and information security. Laws, rules and regulations relating to privacy and data security are, in some cases, relatively new and the interpretation and application of these laws are uncertain.

Despite our efforts, our practices may not comply, now or in the future, with all such laws, regulations, requirements, and obligations. Any failure, or perceived failure, by us to comply with our posted privacy and security-related policies or with any current or future federal or state data privacy or security-related laws, regulations, regulatory guidance, orders, or other legal obligations relating to privacy or security could adversely affect our reputation, brand and business, and may result in claims, proceedings, or actions against us by governmental entities, expose us to liabilities, or require us to change our operations and/or cease using certain data sets, and may otherwise adversely affect our financial condition and operating results. We have historically been and may continue in the future to be contractually required to indemnify and hold harmless third parties from the costs or consequences of non-compliance with any laws, regulations, or other legal obligations relating to privacy or security or any inadvertent or unauthorized use or disclosure of data that we store or handle as part of operating our business, which could result in a material adverse effect on our business.

Fraud by merchants or others could adversely affect our business, financial condition or results of operations.

Under certain circumstances, we may be liable for certain fraudulent transactions and/or credits initiated by merchants or others. For instance, if we were to process payments for a merchant that engaged in unfair or deceptive trade practices, we may be subject to certain fines or penalties. Examples of merchant fraud include merchants or other parties knowingly using a stolen or counterfeit credit, debit or prepaid card, card number, or other credentials to record a false sales or credit transaction, processing an invalid card, selling goods or services that are considered forbidden by the payment card networks, or intentionally failing to deliver the merchandise or services sold in an otherwise valid transaction. Criminals and other misfeasors are using increasingly sophisticated methods to engage in forbidden and/or illegal activities such as counterfeiting and fraud. A single significant incident of fraud, or increases in the overall level of fraud, involving our services, could result in reputational damage to us, which could reduce the use and acceptance of our solutions and services or lead to greater regulation that would increase our compliance costs. Failure to effectively manage risk and prevent fraud could increase our chargeback liability or cause us to incur other liabilities, and our insurance coverage may be insufficient or inadequate to compensate us. It is possible that incidents of fraud could increase in the future. Increases in chargebacks or other liabilities could adversely affect our business, financial condition or results of operations.

We are subject to the credit risk that our merchants will be unable to satisfy obligations for which we may also be liable.

We are subject to the credit risk of our merchants being unable to satisfy obligations for which we also may be liable. For example, as the merchant acquirer, we are contingently liable for transactions originally acquired by us that are disputed by the cardholder and charged back to the merchants. For certain merchants, if we are unable to collect amounts paid to cardholders in the form of refunds or chargebacks from the merchant, we bear the loss for those amounts. A default on payment obligations by one or more of our merchants could have a material adverse effect on our business.

Our ability to adopt technology to changing industry and customer needs or trends may affect our competitiveness or demand for our products, which may adversely affect our results of operations.

Changes in technology may limit the competitiveness of and demand for our services. Our businesses operate in industries that are subject to technological advancements, developing industry standards and changing customer needs and preferences. Our business strategy may not effectively respond to these changes, and we may fail to recognize and position ourselves to capitalize upon market opportunities. Also, our customers continue to adopt new technology for business and personal uses. We must anticipate and respond to these industry and customer changes in order to remain competitive within our relative markets. Doing so has historically required and will continue to require significant investment of resources in anticipating and adapting to such changes in technology. Our inability to respond to new competitors and technological advancements could impact all of our businesses. For example, the inability to adopt technological advancements surrounding POS technology otherwise generally available to merchants could have a material and adverse impact on our merchant acquiring business.

Our use of artificial intelligence and machine learning tools may subject us to additional risks and may adversely impact our reputation and the performance of our products, service offerings and business.

We currently use machine learning, artificial intelligence ("AI"), and automated decision-making technologies, including proprietary AI and machine learning algorithms throughout our business, and are making significant investments to continuously improve our use of such technologies. Our research and development of such technology remains ongoing, and AI presents numerous risks and challenges that could adversely affect our business. If we fail to keep pace with rapidly evolving AI technological developments, especially in the financial technology sector, our competitive position and business results may suffer.

AI and machine-learning models require training on datasets prior to production use, and in some instances, AI algorithms or training methodologies may be flawed. Datasets may be overbroad, insufficient, or contain biased information. Training on incomplete, inadequate, inaccurate, biased or otherwise poor quality data may result in models failing to provide acceptable results. Content generated by AI systems also may be offensive, illegal, or otherwise harmful. Further, such content may appear correct but is factually inaccurate, misleading or otherwise flawed, or that results in unintended biases and discriminatory outcomes, which could negatively impact our users, harm our reputation and business, and expose us to liability. Ineffective or inadequate AI development or deployment practices by us or others could result in incidents that impair the acceptance of AI solutions or cause harm to individuals, users, or society, or result in our products and services not working as intended. Human review of certain outputs may be required. Our implementation of AI systems could result in legal liability, regulatory action, brand, reputational, or competitive harm, or other adverse impacts that could adversely affect our business, financial condition, cash flows and results of operations.

In addition, certain AI and machine-learning models that we utilize may incorporate data and inputs from third-party sources. If third parties allege that our AI and machine learning models violate copyright law, or that our use of training data violates applicable law or the rights of a third party, we may be subject to legal liability or we may be forced to retrain our models or different datasets, which could result in unexpected costs, and adversely affect the availability of our offerings, their reliability, or otherwise make them less useful for their intended uses.

The regulatory framework governing the use of AI and machine learning technology is rapidly evolving, and we cannot predict how future legislation and regulation will impact our ability to offer products or services that we develop which leverage artificial intelligence and machine learning technology.

Our business relies on machine learning, AI, and automated decision-making technologies. The regulatory framework for AI and machine learning technology is rapidly evolving, and many federal, state, and foreign governments have introduced or are currently considering new laws and regulations relating to such technology. As a result, implementation standards and enforcement practices are also likely to remain uncertain for the foreseeable future, and we cannot determine the impact future laws, regulations, or standards may have on our business, or how best to respond to them in future.

Any failure or perceived failure by us to comply with AI technology-related laws, rules, and regulations could result in proceedings or actions against us by individuals, consumer rights groups, government agencies, or others. We could incur significant costs in investigating and defending such claims and, if found liable, pay significant damages or fines or be required to make changes to our business. Further, these proceedings and any subsequent adverse outcomes may subject us to significant negative publicity, and an erosion of trust. Moreover, it is possible that new laws and regulations will be adopted in the United States and in other non-U.S. jurisdictions, or that existing laws and regulations, including competition and antitrust laws, may be interpreted in ways that would limit our ability to use AI and machine learning technologies for our business, or require us to change the way we use AI and machine learning technologies in a manner that negatively affects our businesses. If any of these events were to occur, our business, financial condition, cash flows and results of operations could be materially adversely affected.

There may be a decline in the use of cards as a payment mechanism for consumers or adverse developments with respect to the card industry in general.

If the number of electronic and digital payment transactions of the type we process does not continue to grow, if there are other, more attractive emerging means of payments or if businesses or consumers discontinue adopting our services, it could have a material adverse effect on the profitability of our business, financial position, and results of operations. We believe future growth in the use of credit, debit and other electronic and digital payments will be driven by the cost, ease-to-use, availability, and quality of products and services offered to customers and businesses. So that we may consistently increase and maintain our profitability, businesses and consumers must continue to use electronic and digital payment methods that we process, including credit and debit cards. Consumer preference has accelerated the shift away from cash and paper payment methods, with increased demand for omni-channel payment services that facilitate cashless and contactless transactions. If consumers and businesses discontinue the use of credit, debit or prepaid cards as a payment mechanism for their transactions or if there is a change in the mix of payments between cash, alternative currencies and technologies, it could have a material adverse effect on our business, results of operations and financial condition.

Changes in payment card network or other network rules, standards or mandates could adversely affect our business.

In order to provide our transaction-processing services, several of our subsidiaries are registered with or certified by Visa, Mastercard, American Express, Discover and other payment networks as members or as third-party providers for member institutions. As such, we and many of our customers are subject to payment card network rules that subject us or our customers to a variety of fines or penalties levied by the networks for certain acts or omissions by us, acquirer customers, processing customers and merchants. Visa, Discover, MasterCard and other networks, some of which are our competitors, set the standards with which we must comply. The termination of Banco Popular's or our subsidiaries' member registration or our subsidiaries' status as a registered and certified third party service provider, or any changes in payment network rules, standards or mandates, including interpretation and implementation of the rules, standards or mandates, that increase the cost of doing business or limit our ability to provide transaction-processing services to or through our customers, could have an adverse effect on our business, results of operations and financial condition.

Additionally, we are subject to the Payment Card Industry's Data Security Standards ("PCI DSS"), promulgated by the Payment Card Industry Security Standards Council. The PCI DSS contains compliance requirements regarding our security surrounding the physical and electronic storage, processing, and transmission of cardholder data. If we or our service providers are unable to comply with the security standards required by PCI DSS, we may be subject to fines, restrictions, and expulsion from card acceptance programs, which would materially and adversely affect our business. Additionally, costs and potential problems and interruptions associated with the implementation of new or upgraded IT Systems such as those necessary to maintain compliance with the PCI DSS or with maintenance or adequate support of existing systems could also disrupt or reduce the efficiency of our operations. Any material interruptions or failures in our payment related systems could have a material adverse effect on our business, financial condition and results of operations.

Changes in interchange fees charged by payment card networks could increase our costs or otherwise materially adversely affect our business.

From time to time, payment card networks change interchange, processing, and other fees, which could impact our merchant acquiring and payment services businesses. Competitive pressures could result in our merchant acquiring and payment services businesses absorbing a portion of such increases in the future, which would increase our operating costs, reduce our profit margin, and adversely affect our business, results of operations and financial condition. There is currently proposed federal (and state) legislation that, if implemented, may impact credit card interchange and, as a result, impact our business.

We are subject to extensive government regulation and oversight. Failure to comply with existing and future rules and regulations in the jurisdictions in which we operate could materially adversely affect the operations of one or more of our businesses in those jurisdictions.

Our business is subject to the laws, rules, regulations, and policies in the jurisdictions in which we operate, as well as the legal interpretation of such regulations by administrative bodies and the judiciary of those jurisdictions. The expansion of our business may also result in increased regulatory oversight and enforcement, as well as any claims by regulatory agencies and courts that we are required to obtain licenses to engage in certain business activity.

Enforcement of, failure, or perceived failure to comply with laws, rules, regulations, policies, or licensing requirements could result in criminal or civil lawsuits, penalties, fines, regulatory investigations, forfeiture of significant assets, an outright or partial restriction on our operations, enforcement in one or more jurisdictions, additional compliance and licensure requirements, reputational damage and force us to change the way we or our users do business. Any changes in our or our users' business methods could increase cost or reduce revenue.

The laws, rules, regulations, and policies in the markets in which we operate include, but are not limited to, privacy and user data protection, banking, money transmission, antitrust, anti-money laundering and the export, re-export, and re-transfer abroad of covered items. In addition, our operations in most of the countries where we operate are subject to risks related to compliance with the U.S. Foreign Corrupt Practices Act and other applicable U.S. and other local laws prohibiting corrupt payments to government officials and other third parties.

Privacy and Data Protection

Our business relies on the processing of data in multiple jurisdictions and the movement of data across national borders. Legal requirements relating to the collection, storage, handling, use, disclosure, transfer, and security of personal data continues to evolve, and regulatory scrutiny in this area is increasing around the world. Significant uncertainty exists as privacy and data protection laws may differ from country to country and may create inconsistent or conflicting requirements. Our ongoing efforts to comply with privacy, cybersecurity, and data protection laws may entail expenses, may divert resources from other initiatives and projects, and could limit the service we are able to offer. Enforcement actions and investigations by regulatory authorities related to data security incidents and privacy actions or investigations could damage our reputation and impact us through increased costs or restrictions on our business, and noncompliance could result in regulatory penalties and significant legal liability.

Although we make reasonable efforts to comply with all applicable data protection laws and regulations, our interpretations and efforts may have been or may prove to be insufficient or incorrect. We also make public statements about our use and disclosure of personal information through our privacy policy, information provided on our website and other public statements. Although we endeavor to ensure that our public statements are complete, accurate and fully implemented, we may at times fail to do so or be alleged to have failed to do so. We may be subject to potential regulatory or other legal action if such policies or statements are found to be deceptive, unfair or misrepresentative of our actual practices. In addition, from time to time, concerns may be expressed about whether our products and services compromise the privacy of our customers and others. Any concerns about our data privacy and security practices (even if unfounded), or any failure, real or perceived, by us to comply with our posted privacy policies or with any legal or regulatory requirements, standards, certifications or orders or other privacy or consumer protection-related laws and regulations applicable to us, could cause our customers, riders and users to reduce their use of our products and services.

Banking

In general, financial institution regulators require their supervised institutions to cause their service providers to agree to certain terms and to agree to supervision and oversight by applicable financial regulators, primarily to protect the safety and soundness of the financial institution. We have agreed to such terms and provisions in many of our service agreements with financial institutions.

We and our customers are also generally subject to U.S. federal, Puerto Rico and other countries' laws, rules and regulations that affect the electronic payments industry, including with respect to activities in the countries where we operate and due to our relationship with customers that are subject to banking and financial regulation, including Popular.

Regulation of the electronic payment card industry has increased significantly in recent years. There is also continued scrutiny by the U.S. Congress of the manner in which payment card networks and card issuers set various fees. Banking regulators have been strengthening their examination guidelines with respect to relationships between banks and their third-party service providers, such as us. Any such heightened supervision of our relationship with our banking and financial services customers, including Popular, could have an effect on our contractual relationship with our customers as well as on the standards applied in the evaluation of our services. See "Part I, Item 1. Business—Government Regulation and Payment Network Rules—Regulatory Reform and Other Legislative Initiatives."

Export

We are also subject to the Export Administration Regulations ("EAR"), which regulates the export, re-export and re-transfer abroad of covered items made or originating in the United States as well as the transfer of covered U.S.-origin technology abroad. There can be no assurance that we have not violated the EAR in past transactions or that our new policies and procedures will prevent us from violating the EAR in every transaction in which we engage. Any such violations of the EAR could result in fines, penalties or other sanctions being imposed on us, which could negatively affect our business, results of operations and financial condition.

We and our subsidiaries conduct business with financial institutions and/or card payment networks operating in countries whose nationals, including some of our customers, engage in transactions in countries that are the target of U.S. economic sanctions and embargoes, including Cuba. As a U.S.-based entity, we and our subsidiaries are obligated to comply with the economic sanctions regulations administered by OFAC. These regulations prohibit U.S.-based entities from entering into or facilitating unlicensed transactions with, for the benefit of, or in some cases involving the property and property interests of, persons, governments, or countries designated by the U.S. government under one or more sanctions regimes. Various state and municipal governments, universities and other investors maintain prohibitions or restrictions on investments in companies that do business involving sanctioned countries or entities.

Because we process transactions on behalf of financial institutions through the payment networks, we have processed a limited number of transactions potentially involving sanctioned countries and there can be no assurances that, in the future, we will not inadvertently process such transactions. Due to a variety of factors, including technical failures and limitations of our transaction screening process, conflicts between U.S. and local laws, political or other concerns in certain countries in which we and our subsidiaries operate, and/or failures in our ability to effectively control employees operating in certain non-U.S. subsidiaries, we have not rejected every transaction originating from or otherwise involving sanctioned countries, or persons and there can be no assurances that, in the future, we will not inadvertently fail to reject such transactions.

Antitrust

Due to our ownership of the ATH network and our merchant acquiring and payment services business in Puerto Rico, we are involved in a significant percentage of the debit and credit card transactions conducted in Puerto Rico each day. We have in the past been subject to regulatory investigations and any future regulatory scrutiny of, or regulatory enforcement action in connection with, compliance with U.S. state and federal antitrust requirements could potentially have a material adverse effect on our reputation and business. In addition, we are subject to applicable antitrust requirements in each of the countries in which we operate. All of these laws and requirements may affect potential acquisitions in the relevant jurisdictions.

Puerto Rico's fiscal crisis could have a material adverse effect on our business and the trading price of our common stock.

For the years ended December 31, 2025 and 2024, approximately 61% and 64%, respectively, of our total revenues were generated from our operations in Puerto Rico. Some revenues that are generated from our operations outside Puerto Rico are dependent upon our operations in Puerto Rico. As a result, our financial condition and results of operations are highly dependent on the economic and political conditions in Puerto Rico, and could be significantly impacted by adverse economic or political developments in Puerto Rico, including adverse effects on the trading price of our common stock, our customer base, general consumer spending and the timeliness of the government's payments, thus increasing our government accounts receivable, and potentially impairing the collectability of those accounts receivable. As of December 31, 2025, we had net receivables of $14.3 million from the Government and certain public corporations.

Puerto Rico's economy, including the ongoing financial crisis and the effects of potential natural disasters, including weather events connected to climate change, or future disease pandemics or other public health crises, could have a prolonged negative impact on the countries and markets in which we operate and, as a result, could have a material adverse effect on our business and results of operations.

Puerto Rico's location in the Caribbean exposes the island to increased risk of hurricanes and other severe tropical weather conditions and natural disasters. Hurricanes and other natural disasters including earthquakes and wildfires, and their potential aftermaths, such as widespread power outages in Puerto Rico, damage to infrastructure and communications networks, and the temporary cessation and slow pace of reestablishment of regular day-to-day commerce, may severely impact the economies of Puerto Rico and the Caribbean more generally. These events have accelerated and could continue to accelerate the ongoing emigration trend of Puerto Rico residents to the United States. Prolonged delays in the repairs to the island's infrastructures, decline in business volumes, insufficient federal recovery and rebuilding assistance and any other economic declines due to natural disasters and their aftermaths may impact the demand for our services and could have a material adverse effect on our business and results of operations. Additionally, future pandemics or any other public health crises may materially adversely affect our business, results of operations and financial condition. Prolonged economic uncertainties could limit our ability to grow our business and negatively affect our operating results. Moreover, the global electronic payments industry and the banking and financial services industries depend heavily upon the overall levels of consumer, business and government spending. Adverse economic conditions could result in a decrease in consumers' use of banking services and financial service providers resulting in significant decreases in the demand for our products and services which could adversely affect our business and operating results.

As a result of Puerto Rico's high cost of electricity and governmental financial crisis, businesses may be reluctant to establish or expand their operations in Puerto Rico and the Caribbean, or might consider closing operations currently in such locations. If companies in the financial services and related industries decide not to commence new operations or not to expand their existing operations in Puerto Rico, or consider closing operations in Puerto Rico, the demand for our services could be negatively affected.

We are exposed to risks associated with our presence in international markets, including global political, social and economic instability.

Our financial performance and results of operations may be adversely affected by general economic, political, and social conditions and uncertainty in the international markets in which we operate. Many countries in Latin America have suffered significant political, social and economic crises in the past and these events may occur again in the future. Instability in Latin America has been caused by many different factors, including (i) exposure to foreign exchange variation, (ii) significant governmental influence over local economies; (iii) substantial fluctuations in economic growth; (iv) instability in the banking sector and high inflation levels or domestic interest rates; (v) wage, price or exchange controls, or restrictions on expatriation of earnings; (vi) changes in governmental economic or tax policies or unexpected changes in regulation which may restrict the movement of funds or results in the deprivation of contract or property rights; (vii) imposition of trade barriers; (viii) terrorist attacks and other acts of violence or war; (ix) high unemployment; and (x) overall political, social, and economic disruptions. Any of these events in the markets in which we operate could result in a material adverse impact on our customers and our business. Further, changes in laws or policies governing the terms of foreign trade, and in particular increased trade restrictions, tariffs or taxes on imports or exports from or to countries where the Company operates, may affect the Company's business.

Failure to protect our intellectual property rights and defend ourselves from potential intellectual property infringement claims may diminish our competitive advantages or restrict us from delivering our services, which could result in a material and adverse impact on our business operations.

Our trademarks, proprietary software, and other intellectual property, including technology/software licenses, are important to our future success. Limitations or restrictions on our ability to use such marks or a diminution in the perceived quality associated therewith could have an adverse impact on the growth of our businesses. It is possible that others will independently develop the same or similar software or technology, which would permit them to compete with us more efficiently.

Unauthorized parties may attempt to copy or misappropriate certain aspects of our services, infringe upon our rights, or to obtain and use information that we regard as proprietary. Policing such unauthorized use of our proprietary rights is often very difficult and, therefore, we are unable to guarantee that the steps we have taken will prevent misappropriation of our proprietary software/technology or that the agreements entered into for that purpose will be effective or enforceable in all instances. Misappropriation of our intellectual property or potential litigation concerning such matters could have a material adverse effect on our results of operations or financial condition. Our registrations and/or applications for trademarks, copyrights, and patents could be challenged, invalidated, or circumvented by others and may not be of sufficient scope or strength to provide us with maximum protection or meaningful advantage. The laws of certain foreign countries in which we do business or contemplate doing business in the future may not protect intellectual property rights to the same extent as do the laws of the United States or Puerto Rico. Adverse determinations in judicial or administrative proceedings related to intellectual property or licenses could prevent us from selling our services and products or prevent us from preventing others from selling competing services, impose liability costs on us, or result in a non-favorable settlement, all of which could result in a material adverse effect on our business, financial condition and results of operations.

Assertions by third parties of infringement or other violations by us of their intellectual property rights, whether or not correct, could result in significant costs and harm our business and operating results.

Third parties have and may in the future assert claims of infringement, misappropriation or other violations of intellectual property rights against us. They may also assert such claims against our customers or reseller partners, whom we typically indemnify against claims that our products and services infringe, misappropriate, or otherwise violate the intellectual property rights of third parties. If we were found to be infringing a third party's rights and are unable to provide a sufficient workaround, we may need to negotiate with holders of those rights to obtain a license to those rights or otherwise settle any infringement claim as a party that makes a claim of infringement against us may obtain an injunction preventing us from shipping products containing the allegedly infringing technology. As the number of products and competitors in our market increase and overlaps occur, claims of infringement, misappropriation and other violations of intellectual property rights may increase. Any claim of infringement, misappropriation or other violation of intellectual property rights by a third party, even those without merit, could cause us to incur substantial costs defending against the claim and could distract our management from our business.

We incorporate technology and components from third parties into our products, and our inability to obtain or maintain rights to such technology could harm our business.

We incorporate technology and software from third parties into our products. We cannot be certain that our vendors and licensors are not infringing the intellectual property rights of third parties or that the vendors and licensors have sufficient rights to the software and technology in all jurisdictions in which it may sell our products. If we are unable to obtain or maintain rights to any of this software or technology because of intellectual property infringement claims brought by third parties against our vendors and licensors or against us, or if we are unable to continue to obtain such software and technology or enter into new agreements on commercially reasonable terms, our ability to develop and sell products, subscriptions and services containing such software and technology could be severely limited, and our business could be harmed. Further, disputes with vendors and licensors over uses or terms could result in the payment of additional royalties or penalties by us, cancellation or non-renewal of the underlying license or litigation. Any such event could have a material and adverse impact on our business, financial condition, and results of operation. Additionally, if we are unable to obtain necessary software or technology from third parties, we may be forced to acquire or develop alternative software and technology, which may require significant time, cost and effort and may be of lower quality or performance standards. This would limit or delay our ability to offer new or competitive products and increase our costs. If alternative software or technology cannot be obtained or developed, we may not be able to offer certain functionality as part of our products, subscriptions and services. As a result, our margins, market share and results of operations could be significantly harmed.

Our use of "open source" software could subject our proprietary software to general release, negatively affect our ability to offer our products and subject us to possible litigation.

We have used “open source” software (“OSS”) in connection with the development and deployment of some of our software products, and we expect to continue to use OSS in the future. Certain OSS licenses may give rise to requirements to disclose or license our proprietary source code or make available any derivative works or modifications of the OSS on unfavorable terms or at no cost, and we may be subject to such terms if we combine, link or otherwise integrate our proprietary software with OSS in certain ways. The terms of many OSS licenses to which we are subject have not been interpreted by U.S. or foreign courts, and there is a risk that OSS licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide or distribute our products or services.

If we were found to be non-compliant with any OSS license terms, third parties could claim ownership of, or demand release of, the OSS or derivative works that we developed using such software, which could include our proprietary source code, or could otherwise seek to enforce the terms of the applicable OSS license, which could subject us to certain requirements, including requirements that we offer our software that incorporates or links to the OSS at a reduced cost or for free, or that we make available the proprietary source code for such software, which we consider to be a trade secret, to the general public. Any such claim could result in costly litigation and could require us to make our software source code freely available, purchase a costly license or cease offering the implicated products or services unless and until we can re-engineer them to avoid infringement, which may be a costly and time-consuming process. In any such event, we could be required to seek licenses from third parties and pay royalties in order to continue using the OSS necessary to operate our business or we could be required to discontinue use of our services and other software in the event re-engineering cannot be accomplished on a timely basis. Any of the foregoing could require us to devote additional research and development resources to re-engineer our services, could result in user dissatisfaction, could allow our competitors to create similar platforms with lower development effort and time and may adversely affect our business, financial condition, cash flows and results of operations. Moreover, any actual or claimed requirement to disclose our proprietary source code or pay damages for breach of contract could harm our business and could help third parties, including our competitors, develop products and services that are similar to or better than ours.

While we monitor our use of OSS and try to ensure that none is used in a manner that would require us to disclose our proprietary source code or that would otherwise breach the terms of an open source agreement, we cannot guarantee that we will be successful, that all OSS is reviewed prior to use in our products, that our developers have not incorporated OSS into our products that we are unaware of or that they will not do so in the future.

In addition to risks related to license requirements, use of certain OSS carries greater technical and legal risks than does the use of third-party commercial software. To the extent that our products depend upon the successful operation of OSS, any undetected errors or defects in OSS that we use could prevent the deployment or impair the functionality of our systems and injure our reputation. In addition, the public availability of such software may make it easier for others to compromise our products. Any of the foregoing risks could materially and adversely affect our business, financial condition, and results of operations.

Confidentiality arrangements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information.

We have devoted substantial resources to the development of our technology, business operations and business plans. In order to protect our trade secrets and proprietary information, we rely in significant part on confidentiality arrangements with our employees, licensees, independent contractors, advisors, suppliers, reseller partners, and customers. Despite these efforts, these arrangements may not be effective to prevent disclosure of confidential information, including trade secrets, and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. Unauthorized parties may also attempt to copy or reverse engineer certain aspects of our technologies that we consider proprietary. In addition, if others independently develop equivalent knowledge, methods, and know-how, we would not be able to assert trade secret rights against such parties. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we have taken to protect our proprietary information will be effective.

EVERTEC Group has a preferential tax exemption grant from the Government of Puerto Rico. If EVERTEC fails to renew or extend such grant or fails to comply with its terms, we could have a material adverse effect on our financial condition, results of operations and our stock price.

EVERTEC Group has a tax exemption grant under the Tax Incentive Act No. 73 of 2008 from the Government of Puerto Rico. Under this grant, EVERTEC Group will benefit from a preferential income tax rate of 4% on industrial development income, as well as from tax exemptions with respect to its municipal and property tax obligations for certain activities derived from its data processing operations in Puerto Rico. The grant has a term of 15 years effective as of January 1, 2012 with respect to income tax obligations and July 1, 2013 and January 1, 2013 with respect to municipal and property tax obligations, respectively. More than 90% of our Puerto Rico taxable income benefits from the preferential tax rates under the grant.

The grant contains customary commitments, conditions, and representations that EVERTEC Group is required to comply with in order to maintain the grant. The more significant commitments include: (i) maintaining at least 750 employees in EVERTEC Group's Puerto Rico data processing operations during 2012 and at least 700 employees for the remaining years of the grant, (ii) investing at least $200.0 million in building, machinery, equipment or computer programs to be used in Puerto Rico during the effective term of the grant (to be made over four year capital investment cycles in $50.0 million increments), (iii) an additional best efforts capital investments requirement of $75.0 million by December 31, 2026 (to be made over four year capital investment cycles in $20.0 million the first three increments and $15.0 million the last increment); and (iv) 80% of EVERTEC Group employees must be residents of Puerto Rico. Failure to meet the requirements could result, among other things, in reductions in the benefits of the grant, tax penalties, other payment obligations or revocation of the grant in its entirety. In addition, if Evertec Group fails to renew or extend the decree, all preferential tax benefits will expire on December 31, 2026 for income tax purposes, December 31, 2027 and June 30, 2028 for property and municipal license tax obligations respectively. Any of these potential outcomes could have a material adverse effect on our financial condition and results of operations.

The enactment of legislation implementing changes in tax legislation or policies in different geographic jurisdictions including the United States could materially impact our business, financial condition and results of operations.

We conduct business and file income tax returns in several jurisdictions. Our consolidated effective income tax rate could be materially adversely affected by several factors, including: changing tax laws, regulations and treaties, or the interpretation thereof; tax policy initiatives and reforms (such as those related to the One Big Beautiful Bill Act, or OBBBA, Organization for Economic Co-Operation and Development's ("OECD") Base Erosion and Profit Shifting, or BEPS, project and other initiatives); the practices of tax authorities in jurisdictions in which we operate; the resolution of issues arising from tax audits or examinations and any related interest or penalties. Such changes may include (but are not limited to) the taxation of operating income, investment income, dividends received or (in the specific context of withholding tax) dividends, royalties and interest paid.

The OBBBA includes provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework, and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates beginning in 2025.

Various foreign taxing jurisdictions enacted local legislation formally adopting the Global Anti-Base Erosion Model Rules ("Pillar Two"), which generally provides for a minimum effective tax rate of 15%, as established by the OECD Pillar Two Framework. The Group of Seven (G7) countries have agreed that U.S. Multi-National Entities ("MNEs") should be excluded from certain aspects of the Pillar Two global minimum tax rules in exchange for the U.S. not imposing retaliatory taxes. On

January 5, 2026, the OECD released additional guidance and announced the Side-by-Side package which introduces simplifications and new safe harbors for U.S. MNEs.

The OBBBA and Pillar Two did not have a material effect on our financial statements for the year ended December 31, 2025, and we are continuing to evaluate the potential effect on future periods.

Our tax returns and positions are subject to review and audit by federal, state, local and international taxing authorities. An unfavorable outcome to a tax audit could result in higher tax expense, thereby adversely affecting our business, financial condition, results of operations and cash flows. We exercise significant judgment and make estimates that we believe to be reasonable in calculating our worldwide provision for income taxes and other tax liabilities. However, relevant tax authorities may disagree with our estimates, interpretations or tax treatment of certain material items. Failure to sustain our position in these matters could adversely affect our business, financial condition, results of operations and cash flows.

We are unable to predict what tax reforms may be proposed or enacted in the future or what effect such changes would have on our business, but such changes, to the extent they are brought into tax legislation, regulations, policies or practices in jurisdictions in which we operate, could increase the estimated tax liability that we have expensed to date and paid or accrued on our Consolidated Statement of Financial Position, and otherwise affect our future results of operations, cash flows in a particular period and overall or effective tax rates in the future in countries where we have operations, reduce post-tax returns to our stockholders and increase the complexity, burden and cost of tax compliance.

Exposure to foreign exchange fluctuations and capital controls may adversely affect our costs, earnings and the value of some of our assets.

Our reporting currency is the U.S. dollar; however we conduct a portion of our business in currencies other than the U.S. dollar, as an example the Brazilian Real, the Chilean Peso and the Costa Rica Colon. Some currencies have been historically volatile and may devalue. Our consolidated financials are directly impacted by movements from foreign currencies to U.S. dollar exchange rate. For example, an appreciation of the U.S. dollar against a foreign currency would reduce the U.S. dollar value of our results while any depreciation of the U.S. dollar would increase our costs.

Further, strengthening of the U.S. dollar could create inflationary pressures and cause foreign governments to, among other measures, increase interest rates. Restrictive macroeconomic policies could reduce the stability of foreign economies and harm our results of operations and profitability.

We are exposed to fluctuations in inflation, which could negatively affect our business, financial condition and results of operations.

The markets in which we operate have experienced historically high levels of inflation. Though inflation rates have declined compared to prior years, if they were to increase again, it may affect our expenses, including, but not limited to, increased employee compensation expenses and benefits as well as increased general administrative costs as was the case in prior high inflationary periods. In addition, inflation has driven in the past and may in the future drive a rising interest rate environment, which has had and may in the future have an adverse effect on our cost of funding, as well as led and may in the future lead to enhanced volatility on foreign currency exchange rates.

In the event inflation increases again, we may seek to increase the sales prices of our products and services in order to maintain satisfactory margins. Any attempts to offset cost increases with price increases may result in reduced sales, increase customer dissatisfaction or otherwise harm our reputation. Moreover, to the extent inflation has other adverse effects on the market, it may adversely affect our business, financial condition and results of operations.

Acquisitions, strategic investments, partnerships, or alliances could be difficult to identify, pose integration challenges, divert the attention of management, disrupt our business, dilute shareholder value, and adversely affect our business, financial condition and results of operations.

We may in the future seek to acquire or invest in businesses, joint ventures, products and platform capabilities, or technologies that we believe could complement or expand our products and platform capabilities, enhance our technical capabilities, or otherwise offer growth opportunities. For example, (i) in November 2023, we completed the Sinqia Transaction, pursuant to which, among other things, Sinqia became a wholly-owned subsidiary of Evertec BR; (ii) in October 2025, we completed the Tecnobank Transaction, pursuant to which Evertec BR became owner of 75% of Tecnobank's share capital; and (iii) in January 2026, we announced the entry into a share purchase agreement to acquire 100% of the share capital of Dimensa S.A. Any such acquisition or investment may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable opportunities, whether or not the transactions are completed, and may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, products and platform capabilities, personnel, or operations of the acquired companies, particularly if we are unable to retain the key personnel of the acquired company, their software is not easily adapted to work with our existing platforms, or we have difficulty retaining customer, vendors and other relationships of any acquired business due to changes in ownership, management, or otherwise. These transactions may also disrupt our business, divert our resources, and require significant management attention that would otherwise be available for development of our existing businesses. Any such transactions that we are able to complete may not result in any synergies or other benefits we had expected to achieve, which could result in substantial impairment charges.

In addition, we may not be able to find and identify desirable acquisition targets or business opportunities or be successful in entering into agreements with any particular strategic partner. We expect that certain of our competitors, many of which have greater resources than we do, will compete with us in acquiring complementary businesses or products. This competition could increase prices for potential acquisitions that we believe are attractive. Also, acquisitions are often subject to various regulatory approvals. If we fail to receive the appropriate regulatory approvals, we may not be able to consummate an acquisition that we believe is in our best interests and may incur significant costs. These transactions could also result in transaction fees, dilutive issuances of our equity securities, incurrence of debt or contingent liabilities, and fluctuations in quarterly results and expenses. Further, if the resulting business from such a transaction fails to meet our expectations, our business, financial condition and results of operations may be adversely affected, or we may be exposed to unknown risks or liabilities.

We may acquire businesses located primarily or entirely outside the United States which could increase our current exposure to international operations located in the Caribbean and Latin America including currency exchange fluctuations, regulatory and organizational complexity, and varying economic, climatic and geopolitical circumstances.

Risks Related to Our Securities, Corporate Structure and Governance

Future sales or the possibility of future sales of a substantial amount of our common stock may depress the price of shares of our common stock.

We may sell additional shares of common stock in subsequent public offerings or otherwise, including financing acquisitions. Our amended and restated certificate of incorporation authorizes us to issue 206,000,000 shares of common stock, of which 61,756,639 are outstanding as of December 31, 2025. All of these shares, other than certain outstanding shares held by our officers and directors as of December 31, 2025, are freely transferable without restriction or further registration under the Securities Act. We cannot predict the size of future issuances of our common stock or the effect, if any that future issuances and sales of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock (including any shares issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices for our common stock.

Purchases of our common stock pursuant to our stock repurchase plan may affect the value of our common stock, and there can be no assurance that our stock repurchase plan will enhance stockholder value.

In 2025, we approved an increase to our existing share repurchase authorization to permit repurchases of up to $150 million in worth of shares of our common stock, including through open market purchases, accelerated share repurchase programs, Rule 10b5-1 plans, or privately negotiated transactions, each in accordance with applicable securities laws and other restrictions. Repurchase activity has previously impacted and could in the future increase (or reduce the size of any decrease in) the market price of our common stock. Additionally, repurchases diminish our cash reserves, which could impact our ability to pursue other possible strategic opportunities or could result in lower overall returns on our cash balances. There can be no assurance that any share repurchases will enhance stockholder value because the market price of our common stock shares could decline. Although the share repurchase program is intended to enhance long-term stockholder value, short-term share price fluctuations could reduce the program’s effectiveness.

We are a holding company and rely on dividends and other payments, advances, and transfers of funds from our subsidiaries to meet our obligations and pay any dividends.

We have no direct operations or significant assets other than the ownership of 100% of the membership interest of Holdings, which in turn has no significant assets other than ownership of 100% of the membership interest of EVERTEC Group. Given that we conduct our operations through our subsidiaries, we depend on those entities for dividends and other payments to generate the funds necessary to meet our financial obligations, and to pay any dividends with respect to our common stock. Legal and contractual restrictions in our existing secured credit facilities and other agreements which may govern future indebtedness of our subsidiaries, as well as the financial condition and operating requirements of our subsidiaries, may limit our ability to obtain cash from our subsidiaries. We are prohibited from paying any cash dividend on our common stock unless we satisfy certain conditions. The secured credit facilities also include limitations on the ability of our subsidiaries to pay dividends to us. The earnings from, or other available assets of, our subsidiaries may not be sufficient to pay dividends or make distributions or loans or enable us to pay any dividends on our common stock or other obligations.

Our organizational documents may impede or discourage a takeover, which could deprive our investors of the opportunity to receive a premium for their shares.

Provisions of our amended and restated certificate of incorporation and amended and restated bylaws may make it more difficult for, or prevent a third party from, acquiring control of us without the approval of our Board. These provisions include:

- prohibiting cumulative voting in the election of directors;
- authorizing the issuance of "blank check" preferred stock without any need for action by stockholders (as further described below);
- prohibiting stockholders from acting by written consent unless the action is taken by unanimous written consent; and
- establishing advance notice requirements for nominations for election to our Board or for proposing matters that can be acted on by stockholders at stockholder meetings.

Our issuance of shares of preferred stock could delay or prevent a change in control of us. Our Board has authority to issue shares of preferred stock. Our Board may issue preferred stock in one or more series, designate the number of shares constituting any series, and fix the rights, preferences, privileges and restrictions thereof, including dividend rights, voting rights, rights and terms of redemption, redemption price or prices and liquidation preferences of such series. The existence of the foregoing provisions could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of us, thereby reducing the likelihood that you could receive a premium for your common stock in an acquisition.

The market price of our common stock may be volatile.

The market price of our common stock may fluctuate significantly in response to a number of factors, some of which may be beyond our control. These factors include the perceived prospects for or actual operating results of our business; changes in estimates of our operating results by analysts, investors or our management; our actual operating results relative to such estimates or expectations; actions or announcements by us, our agents, or our competitors; litigation and judicial decisions; legislative or regulatory actions; and changes in general economic or market conditions. In addition, the stock market in general has from time to time experienced extreme price and volume fluctuations. These market fluctuations could reduce the market price of our common stock for reasons unrelated to our operating performance.

From time to time we are subject to various legal proceedings which could adversely affect our business, financial condition or results of operations.

We are involved in various litigation matters from time to time. Such matters can be time-consuming, divert management's attention and resources and cause us to incur significant expenses. Our insurance or indemnities may not cover all claims that may be asserted against us, and any claims asserted against us, regardless of merit or eventual outcome, may harm our reputation. If we are unsuccessful in our defense in these litigation matters, or any other legal proceeding, we may be forced to pay damages or fines, enter into consent decrees or change our business practices, any of which could adversely affect our business, financial condition or results of operations.

Short sellers of our stock may be manipulative and may drive down the market price of our common stock.

Short selling is the practice of selling securities that the seller does not own, but rather has borrowed or intends to borrow from a third party with the intention of buying identical securities at a later date to return to the lender. A short seller hopes to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. It is therefore in the short seller's interest for the price of the stock to decline, and some short sellers publish, or arrange for the publication of, opinions or characterizations regarding the relevant issuer, often involving misrepresentations of the issuer's business prospects and similar matters calculated to create negative market momentum, which may permit them to obtain profits for themselves as a result of selling the stock short.

As a public entity, we may be the subject of concerted efforts by short sellers to spread negative information in order to gain a market advantage. In addition, the publication of misinformation may also result in lawsuits, the uncertainty and expense of which could adversely impact our business, financial condition, and reputation. There are no assurances that we will not face short sellers' efforts or similar tactics in the future, and the market price of our stock may decline as a result of their actions.

Risks Related to Our Indebtedness

Our leverage could adversely affect our ability to raise additional capital, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk and prevent us from meeting our obligations with respect to our substantial indebtedness, and we and our subsidiaries may be able to incur significant additional indebtedness, which could further increase such risks.

As of December 31, 2025, the total principal amount of our indebtedness was approximately $1,095.7 million. Our degree of leverage could have a significant impact on us, including (i) increasing our vulnerability to adverse economic, industry or competitive developments; (ii) requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, reducing our ability to use our cash flow for other purposes, including for our operations, capital expenditures and future business opportunities; (iii) exposing us to the risk of increased interest rates because our borrowings are predominantly at variable rates of interest; (iv) making it difficult for us to satisfy our indebtedness obligations generally, including complying with restrictive covenants and borrowing conditions, our noncompliance with which could result in an event of default under the agreements setting forth the terms of such indebtedness; (v) restricting us from making strategic acquisitions or causing us to make non-strategic divestitures; (vi) limiting our ability to obtain additional debt or equity financing for working capital, capital expenditures, business development, debt service requirements, acquisitions and general corporate or other purposes; and (vii) limiting our flexibility in planning for, or reacting to, changes in our business or market conditions and placing us at a competitive disadvantage to competitors who may be less highly leveraged.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future, some of which may be secured. In addition to the $184.4 million which was available for borrowing under our revolving credit facility as of December 31, 2025, the terms of the secured credit facilities enable us to increase the amount available under the term loan and/or revolving credit facilities if we are able to obtain loan commitments from banks and satisfy certain other conditions. If new debt is added to our and our subsidiaries' existing debt levels, the related risks that we face would increase.

Further, borrowings under our secured credit facilities are at variable rates of interest and are exposed to market risk due to the floating interest rates. Our results of operations, cash flows and financial position could be affected adversely by significant fluctuations in interest rates from current levels.

If we are unable to comply with covenants in our debt instruments that limit our flexibility in operating our business or obligate us to take action such as deliver financial reports, we may default under our debt instruments and our indebtedness may become due.

The agreement setting forth the terms of the secured credit facilities contains, and any future indebtedness we incur may contain, various covenants that limit our ability to engage in specified types of transactions. These covenants limit our ability and our subsidiaries' ability to, among other things: (i) incur or guarantee additional indebtedness; (ii) pay dividends or other distributions on, or repurchase or make distributions in respect of (or agree not to pay dividends or other distributions on , or repurchase or make distributions in respect of) our capital stock; (iii) make investments; (iv) sell assets; (v) grant (or agree not to grant) liens on our assets; (vi) consummate a consolidation, merger or similar transaction; (vii) enter into transactions with our affiliates; (viii) make payments in respect of certain indebtedness or modify the documents governing such indebtedness; and/or; (ix) modify our organizational documents.

We are also required under the secured credit facilities to maintain compliance with a maximum total net leverage ratio at the end of each fiscal quarter.

As a result of these covenants, we are limited in the manner in which we conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs. A breach of any of these covenants could result in a default under our secured credit facilities and other material agreements, including as a result of cross default provisions. Upon the occurrence of an event of default under the secured credit facilities, the lenders can cease making revolving loans to us and could elect to declare all amounts outstanding under the secured credit facilities to be immediately due and payable and terminate all commitments to extend further credit. Such actions by those lenders could also cause cross defaults under our other indebtedness.

If any such debt is accelerated and we are unable to repay the amounts outstanding thereunder, the lenders under any such secured credit facilities could proceed against the collateral securing such indebtedness. We have pledged a significant portion of our assets as collateral under the secured credit facilities. If the lenders under the secured credit facilities accelerate the repayment of borrowings, the proceeds from the sale or foreclosure upon such assets will first be used to repay debt under our secured credit facilities and we may not have sufficient assets to repay our unsecured indebtedness thereafter. As a result, our common stock could be negatively impacted.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information. Our cybersecurity risk management program includes a cybersecurity incident response plan.

We design and assess our program based on the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF). This does not imply that we meet any particular technical standards, specifications, or requirements, only that we use the NIST CSF as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business.

Our cybersecurity risk management program is integrated into our overall enterprise risk management program, and shares common methodologies, reporting channels and governance processes that apply across the enterprise risk management program to other legal, compliance, strategic, operational, and financial risk areas.

Key elements of our cybersecurity risk management program include but are not limited to:

- risk assessments designed to help identify material cybersecurity risks to our critical systems, information, and digital assets;
- a security team principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our security controls, and (3) our response to cybersecurity incidents;
- the use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security processes;
- cybersecurity awareness training of our employees, incident response personnel, senior management and our Board of Directors;
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents; and
- a third-party risk management process for service providers, suppliers, and vendors, based on their critically and risk profile.

We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected us, including our operations, business strategy, results of operations, or financial condition. We face certain ongoing risks from cybersecurity threats that, if realized, are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition. See "Risk Factors—*We rely on our information technology systems, employees and certain suppliers and counterparties, and certain failures or disruptions in those systems or chains could materially adversely affect our operations.*"

Cybersecurity Governance

Our Board considers cybersecurity risk as part of its risk oversight function and has delegated to the Information Technology Committee (the "IT Committee") oversight of cybersecurity and other information technology risks, which includes, among others things:

- oversight of IT and cybersecurity related risks with regard to the Company’s IT platforms and investments;
- advising and making recommendations to the Board regarding the state of the Company’s cybersecurity preparedness, including review of the threat landscape facing the Company; and
- monitoring and evaluating the effectiveness of IT security and cybersecurity protocols within the Company, including disaster recover capabilities.

The IT Committee receives periodic reports from management regarding the Company’s cybersecurity risks, including updates on the threat environment, risk management priorities, and the overall maturity of the Company’s information security program. Management also updates the Board and IT Committee, as appropriate, regarding any significant cybersecurity incidents and the Company’s response activities.

During 2025, management provided the IT Committee with cybersecurity updates, including briefings in October and December addressing the evolving cybersecurity threat landscape, key risk areas, and ongoing initiatives to strengthen the Company’s security posture, controls, and incident preparedness. Board members also receive presentations on cybersecurity topics from external advisors.

Our management team supervises efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from internal security personnel; threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us; and alerts and reports produced by security tools deployed in the IT environment.

Our Chief Information Security Officer’s experience includes approximately 16 years in different information security roles, including recent roles as Chief Information Security Officer of XUP Payments, Inc. and Vice President of Enterprise Risk & Security of Aaron’s, Inc.

Item 2. Properties

Our principal operations are conducted in Puerto Rico. Our principal executive offices are leased and located at Cupey Center Building, Road 176, Kilometer 1.3, San Juan, Puerto Rico 00926.

We own two properties, one in Costa Rica, in the province of San Jose, which is used by our Costa Rican subsidiary for its payment services business, and one in Tupã, Brazil, which is used by Sinqia for their commercial business. We also lease space in 24 other locations across Latin America and the Caribbean, including various data centers and office facilities to meet our sales and operating needs. We believe that our properties are in good operating condition and adequately serve our current business operations. We also anticipate that suitable additional or alternative space, including those under lease options, will be available at commercially reasonable terms for future expansion.

Item 3. Legal Proceedings

We are defendants in various lawsuits or arbitration proceedings arising in the ordinary course of business. Given that such proceedings are subject to uncertainty, there can be no assurance that such legal proceedings, either individually or in the aggregate, will not have a material adverse effect on our business, results of operations, financial condition or cash flows. See Note 25 to the Audited Consolidated Financial Statements appearing elsewhere in this Report for additional information.

Item 4. Mine Safety Disclosures

Not applicable.

Part II

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

Market Information for Common Stock

Our common stock trades on the NYSE under the symbol "EVTC".

Holders of Record

As of February 22, 2026, there were 295 registered holders of our common stock. Given that many of our shares of common stock are held in "street name" by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

Dividends

The Company has a history of paying cash dividends. The Board anticipates declaring similar dividends in future quarters on a regular basis, however, any ultimate declaration and payment of future dividends to holders of our common stock will be at the discretion of our Board and will depend on many factors, including our financial condition, earnings, available cash, business opportunities, legal requirements, restrictions in our debt agreements and other contracts, capital requirements, level of indebtedness and other factors that our Board deems relevant. The covenants of our secured credit facilities may limit our ability to pay dividends on our common stock and limit the ability of our subsidiaries to pay dividends to us if we do not meet required performance metrics contained in our debt agreements. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Obligations."

We are a holding company and have no direct operations. We will only be able to pay dividends from our available cash on hand and funds received from our subsidiaries, Holdings and EVERTEC Group, whose ability to make any payments to us will depend upon many factors, including their operating results and cash flows. In addition, the secured credit facilities limit EVERTEC Inc.'s ability to pay distributions on its equity interests. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Obligations."

Issuer Purchases of Equity Securities

The following table summarizes repurchases of shares of the Company's common stock in the three-month period ended December 31, 2025:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of a publicly announced program (1)	Approximate dollar value of shares that may yet be purchased under the program
11/1/2025-11/30/2025	1,791,015	29.30	1,791,015	
12/1/2025-12/31/2025	438,159	29.95	438,159	
	2,229,174	29.43	2,229,174	84,396,918

(1) On July 30, 2025 the Board approved an increase to Evertec's existing share repurchase authorization to permit future repurchases of up to an aggregate of $150 million worth of shares of the Company's common stock, par value $0.01 per share by December 31, 2026. Under the repurchase program, the Company may repurchase shares in the open market, through accelerated share repurchase programs, Rule 10b5-1 plans, or in privately negotiated transactions, subject to business opportunities and other factors.

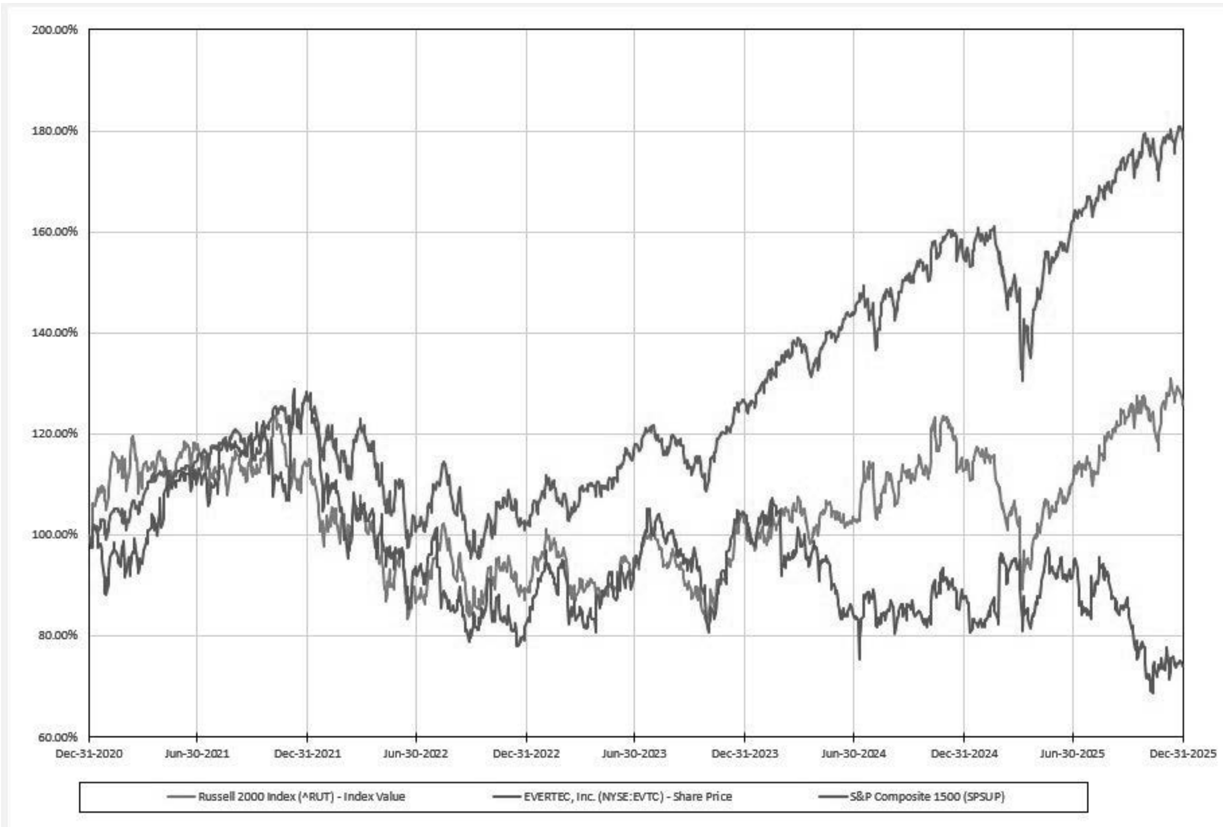
Securities Authorized for Issuance under Equity Compensation Plans

Item 12 of Part III contains information concerning securities authorized for issuance under our equity compensation plans.

Stock Performance Graph

The following Performance Graph shall not be deemed incorporated by reference and shall not constitute soliciting material or otherwise considered filed under the Securities Act or the Exchange Act.

The following graph shows a comparison of the cumulative total return for our common stock, the Russell 2000 Index and the S&P Composite 1500 / Information Technology Index for the five years ended December 31, 2025. The graph assumes that $100 was invested on December 31, 2020 in our common stock and each index and that all dividends were reinvested.



Note that historical stock price performance is not necessarily indicative of future stock price performance.

Item 6. [Reserved]

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

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") focuses on discussion of our 2025 results as compared to our 2024 results. For discussion of our 2024 results as compared to our 2023 results, see "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" within our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC on March 3, 2025. See Note 1 to the Audited Consolidated Financial Statements for additional information about the Company and the basis of presentation of our financial statements. You should read the following discussion and analysis in conjunction with the financial statements and related notes appearing elsewhere herein. This MD&A contains forward-looking statements that involve risks and uncertainties. Our actual results may differ from those indicated in the forward-looking statements. See "Forward-Looking Statements and Risk Factor Summary" for a discussion of the risks, uncertainties and assumptions associated with these statements.

Overview

EVERTEC is a leading full-service transaction-processing business and financial technology provider in Latin America, Puerto Rico and the Caribbean, providing a broad range of merchant acquiring, payment services and business solutions. We believe we are one of the largest merchant acquirers in Latin America based on total number of transactions and we also believe we are the largest merchant acquirer in the Caribbean. We serve 26 countries out of 24 offices, including our headquarters in Puerto Rico. We own and operate the ATH network, which we believe is one of the leading debit networks in Latin America. We process over ten billion transactions annually through a system of electronic payment networks in Puerto Rico and Latin America and provide a comprehensive suite of services for core banking, cash processing, fulfillment in Puerto Rico and a "one stop shop" set of products for the financial sector in Latin America, which include solutions such as core banking, investments, asset management, pension funds and consortium. Additionally, we offer managed services, managed security services and payment transactions fraud monitoring to all the regions where we do business. We serve a diversified customer base of leading financial institutions, merchants, corporations, and government agencies with "mission-critical" technology solutions that enable them to issue, process and accept transactions securely. We believe our business is well-positioned to continue to expand across the fast-growing Latin America region.

We are differentiated, in part, by our diversified business model, which enables us to provide our varied customer base with a broad range of transaction-processing services from a single source across numerous channels and geographic markets. We believe this capability provides several competitive advantages that will enable us to continue to penetrate our existing customer base with complementary new services, gain new customers, develop new sales channels, and enter new markets. We believe these competitive advantages include:

- Our ability to provide competitive products;
- Our ability to provide in one package a range of services that traditionally had to be sourced from different vendors;
- Our ability to serve customers with disparate operations in several geographies with technology solutions that enable them to manage their business as one enterprise; and
- Our ability to capture and analyze data across the transaction-processing value chain and use that data to provide value-added services that are differentiated from those offered by pure-play vendors that serve only one portion of the transaction-processing value chain (such as only merchant acquiring or only payment services).

Our broad suite of services spans the entire payment processing value chain and includes a range of front-end customer-facing solutions such as the electronic capture and authorization of transactions at the point-of-sale for both card present transactions and card-not-present transactions, as well as back-end support services such as the clearing and settlement of transactions and account reconciliation for card issuers. These include: (i) merchant acquiring services, which enable point of sales ("POS") and e-commerce merchants to accept and process electronic methods of payment such as debit, credit, prepaid and electronic benefit transfer ("EBT") cards; (ii) payment processing services, which enable financial institutions and other issuers to manage, support and facilitate the processing for credit, debit, prepaid, automated teller machines ("ATM") and EBT card programs; and (iii) business process management solutions, which provide "mission-critical" technology solutions such as core bank processing, as well as IT outsourcing and cash management services to financial institutions, corporations and governments. We provide these services through scalable, end-to-end technology platforms that we manage and operate in-house and that generate significant operating efficiencies that enable us to maximize profitability.

We sell and distribute our services primarily through a proprietary direct sales force with established customer relationships. We continue to pursue joint ventures and merchant acquiring alliances. We benefit from an attractive business model, the hallmarks of which are recurring revenue, scalability, significant operating margins and moderate capital expenditure requirements. Our revenue is predominantly recurring in nature because of the mission-critical and embedded nature of the services we provide. In addition, we generally enter into multi-year contracts with our customers. We believe our business model should enable us to continue to grow our business organically in the primary markets we serve without significant incremental capital expenditures.

2025 Developments

On July 30, 2025 the Board approved an increase to Evertec's existing share repurchase authorization to permit future repurchases of up to an aggregate of $150 million worth of shares of the Company's common stock, par value $0.01 per share by December 31, 2026. Under the repurchase program, the Company may repurchase shares in the open market, through accelerated share repurchase programs, Rule 10b5-1 plans, or in privately negotiated transactions, subject to business opportunities and other factors.

On October 1, 2025, Evertec Brasil Informática S.A. ("Evertec BR"), a wholly-owned subsidiary of EVERTEC, Inc., completed the previously announced purchase of 75% of the share capital of Tecnobank Tecnologia Bancária S.A. ("Tecnobank"). Tecnobank is a leading fintech vendor in Brazil's digital vehicle financing contract registration sector. This transaction enhances the Company's existing product offerings.

Factors and Trends Affecting the Results of Our Operations

The ongoing migration from cash and paper methods of payment to electronic payments continues to benefit the transaction- processing industry globally. We continue to believe that the penetration of electronic payments in the markets in which we operate is significantly lower relative to the U.S. market, which, together with the ongoing shift from cash and paper methods of payment to electronic payments will continue to generate growth opportunities for our business. For example, the adoption of banking products, including electronic payments, in the Latin America and Caribbean region is lower relative to the mature U.S. and European markets. We believe that the unbanked and underbanked population in our markets will continue to shrink, and therefore drive incremental penetration and growth of electronic payments in Latin America. We also benefit from the outsourcing of technology systems and processes trend for financial institutions and government. Many medium- and small-size institutions in the Latin American markets in which we operate have outdated systems and updating these IT legacy systems is financially and logistically challenging, which presents a business opportunity for us.

In recent years, consumer preference has accelerated its shift away from cash and paper payment methods, noting increased demand for omni-channel payment services that facilitate cashless and contactless transactions. The ongoing migration to digital payment methods continues to benefit the transaction-processing industry globally. Technologies such as contactless payments, QR codes, tap to pay, mobile commerce, "e-wallets" and advanced and smart POS devices continue to drive the shift away from cash and other traditional payment methods. The Company has benefited from an increase in transaction volumes for these types of payment solutions. As consumers and merchants increase demand for contactless and mobility-based solutions, the Company has continued to innovate and invest, expanding the footprint and functionality of digital solutions such as Placetopay, our e-commerce gateway platform, our wallet ATH Movil and ATH Business, and Paystudio our issuing and acquiring processing platform. Additionally, aligned with this trend, the Company has also developed software to take advantage of Brazil's fastest instant money transfer system, Pix. We believe that the ongoing shift to digital payments will continue to generate substantial growth opportunities for our business.

Our payment businesses also generally experience moderate increased activity during the traditional holiday shopping periods and around other nationally recognized holidays, which follow consumer spending patterns.

Finally, our financial condition and results of operations are, in part, dependent on the economic and general conditions of the geographies in which we operate. Rising interest rates, inflationary pressures, foreign currency fluctuations, new or increased tariffs or the imposition of other trade barriers and economic uncertainty in the markets in which we operate may affect consumer confidence, which could result in a decrease in consumer spending and an impact to our financial results.

Relationship with Popular

On September 30, 2010, EVERTEC Group entered into a 15-year Master Service Agreement ("MSA"), and several related agreements with Popular. On July 1, 2022, we modified and extended the main commercial agreements with Popular, including obtaining a 10-year extension of the Merchant Acquiring Independent Sales Organization Agreement, a 5-year extension of the ATH Network Participation Agreement and a 3-year extension of the MSA (as amended, the "A&R ISO Agreement"). The A&R ISO Agreement, which defines our merchant acquiring relationship with Popular, now includes revenue sharing provisions with Popular. The MSA modifications also include the elimination of the exclusivity requirement, the inclusion of annual MSA minimums through September 30, 2028, a 10% discount on certain MSA services beginning in October of 2025 and adjustments to the CPI pricing escalator clause. On the same date, we also sold to Popular certain assets in exchange for 4.6

million shares of EVERTEC common stock owned by Popular (collectively with the contract amendments, the "Popular Transaction"). On August 15, 2022, through a secondary offering, Popular sold its remaining shares of EVERTEC common stock. EVERTEC is no longer deemed a subsidiary of Popular under the Bank Holding Company Act. Popular continues to be the Company's largest customer and during the year ended December 31, 2025 approximately 29% of our revenues were generated from this relationship.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). In connection with the preparation of our consolidated financial statements, we are required to make estimates and assumptions about future events and apply judgments that affect the reported amounts of certain assets and liabilities, and in some instances, the reported amounts of revenues and expenses during the period.

We base our assumptions, estimates, and judgments on historical experience, current events, and other factors that management believes to be relevant at the time our consolidated financial statements are prepared. However, because future events are inherently uncertain and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. A summary of significant accounting policies is included in Note 1 to the Audited Consolidated Financial Statements appearing elsewhere in this Report. We believe that the following accounting estimates are the most critical; require the most difficult, subjective, or complex judgments; and thus, results in estimates that are inherently uncertain.

Revenue Recognition

The Company's revenue recognition policy follows the guidance from Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*, which provide guidance on the recognition, presentation, and disclosure of revenue in the consolidated financial statements. Application of this policy requires us to make certain judgments and estimates.

Complex arrangements with nonstandard terms and conditions may require significant contract interpretation to determine the appropriate accounting. Specifically, when another party is involved in providing goods or services to a customer, the Company evaluates, for each performance obligation, whether it is providing the goods or services itself (i.e., as principal), or if it is only arranging on behalf of the other party. Changes in judgment with respect to assumptions and estimates in revenue recognition could impact the amount of revenue recognized.

Valuation of Goodwill

The valuation of goodwill for impairment requires the use of significant estimates and assumptions. The Company may test for goodwill impairment using a qualitative or a quantitative analysis. In a qualitative analysis, the Company assesses whether it is "more likely than not" that the fair value of a reporting unit is less than its carrying amount. In the quantitative analysis, the Company compares the estimated fair value of the reporting units to their carrying values, including goodwill. The estimated fair value of the reporting units is computed using a combination of an income approach and a market approach. The income approach involves projecting the cash flows that the reporting unit is expected to generate and converting these cash flows into a present value equivalent through discounting. Significant estimates and assumptions used in the cash flow projection include, among others, earnings before interest, taxes, depreciation and amortization ("EBITDA") margins, and the selection of discount rates. Internal projections are based on the Company's historical experience and estimated future business performance. The discount rate used is based on the weighted-average cost of capital, which reflects the rate of return expected to be earned by market participants and the estimated cost to obtain long-term debt financing. The market approach estimates the value of a reporting unit by using multiples of revenue and EBITDA based on the guidelines of publicly traded companies. Valuation using the market approach requires management to make assumptions related to EBITDA multiples. Comparable businesses are selected based on the market in which the reporting units operate, considering size, profitability and growth.

Redeemable Non-controlling Interests

The Company records redeemable non-controlling interests ("RNCI") in consolidated subsidiaries that result from business acquisition transactions where the Company is granted the right to purchase and the sellers are granted the right to sell to the Company the remaining interest at the calculated redemption value and classifies them as mezzanine equity in the consolidated balance sheets as potential redemption is not solely within the Company's control. The acquired RNCI were initially measured at fair value at the acquisition date. The non-controlling interest is adjusted each reporting period for income (loss) attributable to the non-controlling interest and for any dividends declared. Each reporting period, a measurement period adjustment, if any, is then recorded to adjust the non-controlling interest to the higher of either the redemption value, assuming it was redeemable at the reporting date, or its carrying value, but not if such adjustment would result in a redemption value less than the initial fair value of the redeemable non-controlling interest. If and when applicable, these adjustments are recorded in equity and are not reflected in the accompanying consolidated statements of income and comprehensive income (loss).

Income Tax

Income taxes are accounted for under the asset and liability method. A temporary difference refers to a difference between the tax basis of an asset or liability, determined based on recognition and measurement requirements for tax positions, and its reported amount in the financial statements that will result in taxable or deductible amounts in future years when the reported amount of the asset or liability is recovered or settled, respectively. Deferred tax assets and liabilities represent the future effects on income taxes that result from temporary differences and carryforwards that exist at the end of a period. Deferred tax assets and liabilities are measured using enacted tax rates and provisions of the enacted tax law and are not discounted to reflect the time-value of money. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the consolidated statements of income and comprehensive income (loss)in the period that includes the enactment date. A deferred tax valuation allowance is established if it is considered more likely than not that all or a portion of the deferred tax asset will not be realized.

The Company recognizes the benefit of uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement or disposition of the underlying issue with the taxing authority. Accordingly, the amount of benefit recognized in the consolidated financial statements may differ from the amount taken or expected to be taken in the tax return resulting in unrecognized tax benefits (“UTBs”). The Company recognizes the interest and penalties associated with UTBs as part of the provision for income taxes on its consolidated statements of income and comprehensive income (loss). Accrued interest and penalties are included within the related tax liability line in the consolidated balance sheets. Judgment is required to determine whether or not some portion or all deferred tax assets will not be realized. To the extent that the Company will not realize the benefit of some or all of our deferred tax assets, these deferred tax assets are adjusted via a valuation allowance through our provision for income taxes in the period in which this determination is made.

All companies within EVERTEC are legal entities that file separate income tax returns.

Recent Accounting Pronouncements

For a description of recent accounting standards, see Note 2 to the Audited Consolidated Financial Statements included in this Report.

Non-GAAP Financial Measures and Segment Reporting

EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per common share, as presented in this Report for the Company on a consolidated basis, are supplemental measures of our performance that are not required by or presented in accordance with GAAP. They are not measurements of our financial performance under GAAP and should not be considered as alternatives to total revenues, net income or any other performance measures derived in accordance with GAAP or as alternatives to cash flows from operating activities as measures of our liquidity. Adjusted EBITDA at the segment level is reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance. For this reason, Adjusted EBITDA, as it relates to our segments, is presented in conformity with ASC 280, *Segment Reporting*, and is excluded from the definition of non-GAAP financial measures under the Securities and Exchange Commission's Regulation G and Item 10(e) of Regulation S-K.

For more information regarding EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per common share, including a quantitative reconciliation of EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per common share to the most directly comparable GAAP financial performance measure, which is net income, see “—Net Income Reconciliation to EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per common share (Non-GAAP Measures)” and “—Covenant Compliance” below.

Results of Operations

(In thousands)	Years ended December 31, 2025	2024	Variance	
Revenues	$ 931,818	$ 845,486	$ 86,332	10 %
Operating costs and expenses				
Cost of revenues, exclusive of depreciation and amortization shown below	469,128	406,416	62,712	15 %
Selling, general and administrative expenses	154,164	145,558	8,606	6 %
Depreciation and amortization	122,086	127,846	(5,760)	(5)%
Total operating costs and expenses	745,378	679,820	65,558	10 %
Income from operations	$ 186,440	$ 165,666	$ 20,774	13 %

Revenues

Total revenues for the year ended December 31, 2025 was $931.8 million, an increase of $86.3 million or 10% compared with $845.5 million in the prior year period driven by organic growth across all of the Company's segments and the contribution from the acquisitions completed in the fourth quarter of 2025 and 2024. Merchant acquiring revenue benefited from the positive impact from sales volume growth, an improvement in spread, and higher non-transactional revenues. Payments Puerto Rico revenue benefited from ATH Movil transaction and sales volume growth, primarily in the ATH Business as well as POS transaction growth. Latin America revenues were positively impacted by the contribution from acquisitions completed in the current and prior year, continued organic growth across the region, as well as the strong performance in Brazil. Business Solutions revenue increased as a result of higher network services, an increase in consulting services and projects completed throughout the current and prior year, partially offset by the 10% discount to Popular that came into effect in the fourth quarter of 2025.

Cost of revenues

Cost of revenues, exclusive of depreciation and amortization, for the year ended December 31, 2025 amounted to $469.1 million, an increase of $62.7 million or 15% when compared to the same period in the prior year. This increase was primarily related to the expenses associated with contractual claims related to client losses from the Pix incident in Brazil, an increase in cost of sales, an increase in personnel costs, partially due to acquisitions completed in the fourth quarter of the current and prior year coupled with higher professional services related to strategic projects and an increase in cloud services.

Selling, general and administrative

Selling, general and administrative expenses for the year ended December 31, 2025, amounted to $154.2 million, an increase of $8.6 million or 6% when compared to the same period in the prior year. This increase was mainly driven by an increase in personnel costs as well as an increase in cloud services partially offset by lower professional fees.

Depreciation and amortization

Depreciation and amortization expense for the year ended December 31, 2025 amounted to $122.1 million, a decrease of $5.8 million or 5% when compared to the same period in the prior year. The decrease was primarily driven by intangible assets that became fully amortized during the prior year, partially offset by the intangible assets recognized in recent acquisitions.

Non-operating expenses

(In thousands)	Years ended December 31, 2025	2024	Variance	
Interest income	$ 15,035	$ 13,332	$ 1,703	13 %
Interest expense	(68,278)	(74,733)	6,455	(9)%
Gain (loss) on foreign currency remeasurement	592	(5,198)	5,790	(111)%
Earnings from equity investees	5,094	4,298	796	19 %
Other income	15,492	16,261	(769)	(5)%
Total non-operating expenses	$ (32,065)	$ (46,040)	$ 13,975	(30)%

Non-operating expenses for the year ended December 31, 2025 decreased by $14.0 million when compared to the same period in the prior year. The decrease was mainly related to a decrease in interest expense of $6.5 million driven by lower interest rates and repricing of our debt completed in the prior and current year, and a decrease in foreign currency remeasurement losses of $5.8 million, as the current year has a gain compared with losses in the prior year and an increase in interest income of $1.7 million. The year also benefited from $4.0 million incremental gains related to research and development tax credits.

Income tax expense

(In thousands)	Years ended December 31, 2025	2024	Variance	
Income tax expense	$ 9,815	$ 4,847	$ 4,968	102 %

Income tax expense for the year ended December 31, 2025 amounted to $9.8 million, compared to $4.8 million in the prior year. The effective tax rate for the period was 6.4%, compared with 4.1% in the 2024 period. The increase in the effective tax rate was primarily driven by growth in Latin America jurisdictions, which have higher tax rates, lower interest expense driven by the repricing of the Company's debt, a non-recurring discrete item recorded during the current year, and the reversal during the prior year of a potential liability for uncertain tax positions as a result of the expiration of the statute of limitation. These were partially offset by the incremental tax deductions associated with contractual claims related to client losses from the Pix incident in Brazil and higher non-taxable gains recorded in the current year from the benefit of tax credits.

Segment Results of Operations

The Company has four operating and reportable segments: Payment Services - Puerto Rico & Caribbean, Latin America Payments and Solutions, Merchant Acquiring, and Business Solutions based upon organization of the Company by the nature of products and services provided to customers and geography.

The Payment Services - Puerto Rico & Caribbean segment revenues are comprised of revenues related to providing access to the ATH debit network and other card networks to financial institutions, including related services such as authorization, processing, management and recording of ATM and POS transactions, and ATM management and monitoring. The segment revenues also include revenues from card processing services (such as credit and debit card processing, authorization and settlement and fraud monitoring and control to debit or credit issuers), payment processing services (such as payment and billing products for merchants, businesses and financial institutions), ATH Movil (person-to-person) and ATH Business (person-to-merchant) digital transactions and EBT (which principally consist of services to the government of Puerto Rico for the delivery of benefits to participants). For ATH debit network and processing services, revenues are primarily driven by the number of transactions processed. Revenues are derived primarily from network fees, transaction switching and processing fees, and the leasing of POS devices. For card issuer processing, revenues are primarily dependent upon the number of cardholder accounts on file, transactions and authorizations processed, the number of cards embossed and other processing services. For EBT services, revenues are primarily derived from the number of beneficiaries on file.

The Latin America Payments and Solutions segment payment revenues consist of revenues related to providing access to the ATH network of ATMs and other card networks to financial institutions, including related services such as authorization, processing, management and recording of ATM and POS transactions, and ATM management and monitoring. The segment revenues also include revenues from card processing services (such as credit and debit card processing, authorization and settlement and fraud monitoring and control to debit or credit issuers), payment processing services (such as payment and billing products for merchants, businesses and financial institutions), as well as licensed software solutions for risk and fraud management and card payment processing. For network and processing services, revenues are primarily driven by the number of transactions processed. Revenues are derived primarily from transaction switching, processing fees, and the leasing of POS devices. For card issuer processing, revenues are primarily dependent upon the number of cardholder accounts on file, transactions and authorizations processed, the number of cards embossed, and other processing services. Solutions revenues consist of (a) licensing, support and maintenance ("subscription"), implementation and customization of software used to provide financial products in areas such as core banking, credit, investments, payments, foreign exchange, mutual funds, pension funds and consortium, in addition to software used to execute processes such as digital onboarding, digital signature, digital collection, and other digital transaction-related processes, including vehicle financing contract registration; and (b) outsourcing of mission critical IT services. Revenues are based on monthly fixed fees and, in several cases, variable fees based on usage.

The Merchant Acquiring segment consists of revenues from services that allow merchants to accept electronic methods of payment. In the Merchant Acquiring segment, revenues include a discount fee and membership fees charged to merchants, debit network fees and rental fees from POS devices and other equipment, net of credit card interchange and assessment fees charged by credit cards associations (such as VISA or MasterCard) or payment networks. The discount fee is generally a percentage of the transaction value. EVERTEC also charges merchants for other services that are unrelated to the number of transactions or the transaction value.

The Business Solutions segment consists of revenues from a full suite of business process management solutions in various product areas such as core bank processing, network hosting, managed services and managed security services, IT professional services, business process outsourcing, item processing, cash processing, and fulfillment. Core bank processing and network services revenues are derived in part from a recurrent fixed fee and from fees based on the number of accounts on file (i.e., savings or checking accounts, loans, etc.), server capacity usage or computer resources utilized. Revenues from other processing services within the Business Solutions segment are generally volume-based and depend on factors such as the number of accounts processed. In addition, EVERTEC is a reseller of hardware and software products and these resale transactions are generally non-recurring.

The Company's Chief Operating Decision Maker ("CODM") is the President and Chief Executive Officer ("CEO"). The CODM uses revenue and Segment Adjusted EBITDA to evaluate segment performance and allocate resources, and regularly reviews performance at the segment level against budget and forecast when making decisions about the allocation of resources to each segment. Segment Adjusted EBITDA reviewed by the CODM is calculated as EBITDA further adjusted to exclude certain non-cash unrealized items and unusual expenses such as: share-based compensation, restructuring related expenses, fees and expenses from corporate transactions such as M&A activity and financing, equity investment income net of dividends received, and the impact from non-cash unrealized gains and losses on foreign currency remeasurement for assets and liabilities in non-functional currency. Segment Adjusted EBITDA is presented in conformity with ASC Topic 280, *Segment Reporting*, given that it is used by the CODM for purposes of evaluating performance and allocating resources.

Expense information that is regularly provided to the CODM on a consolidated financial statement basis include personnel costs, professional fees, equipment expenses and cost of sales, adjusted primarily for the impact of share-based compensation, restructuring related expenses, and fees and expenses from corporate transactions such as M&A activity and financing.

The Company does not report assets or other balance sheet information to the CODM on a segment basis as the Company's CODM does not assess performance, make strategic decisions, or allocate resources based on this information. No segment expense information is regularly provided to the CODM and therefore the Company does not report significant segment expenses.

See Note 26 to the Audited Consolidated Financial Statements appearing elsewhere in this Report for the reconciliation of segment adjusted EBITDA to consolidated income before taxes.

The following tables set forth information about the Company's operations by its four reportable segments for the periods indicated below.

Payment Services - Puerto Rico & Caribbean

(In thousands)	Years ended December 31, 2025	2024
Total Revenues	$223,266	$214,749
Segment Adjusted EBITDA	124,676	121,390
Adjusted EBITDA margin	55.8 %	56.5 %

Payment Services - Puerto Rico & Caribbean segment revenues for the year ended December 31, 2025 increased by $8.5 million to $223.3 million when compared to the same period in the prior year. The increase in revenues was primarily driven by ATH Movil transactions and sales volume growth, mainly in ATH Business, as well as POS transaction growth, partially offset by lower revenue from services provided to the Latin America Payments and Solutions segment. Adjusted EBITDA increased by $3.3 million to $124.7 million driven by the increase in revenues partially offset by higher infrastructure, maintenance and programming expenses.

Latin America Payments and Solutions

(In thousands)	Years ended December 31, 2025	2024
Total Revenues	$369,467	$302,784
Segment Adjusted EBITDA	107,614	79,681
Adjusted EBITDA margin	29.1 %	26.3 %

Latin America Payments and Solutions segment revenues for the year ended December 31, 2025 increased by $66.7 million to $369.5 million when compared to the same period in the prior year. Revenues benefited from the strong performance in Brazil, the continued organic growth across the entire region, the contribution from acquisitions completed in the fourth quarter of 2025 and 2024, which are contributing at a higher margin, and non-recurring revenue recognized in the first half of the year, partially offset by the impact from foreign currency exchange and client attrition. Adjusted EBITDA increased by $27.9 million when compared to the same period in the prior year driven by the increase in revenue, the decrease in charges from the Payments Puerto Rico segment due to the decrease in transactions processed and the impact of the $2.4 million adjustment for GetNet Chile in the prior year, which was 100% accretive to margin.

Merchant Acquiring

(In thousands)	Years ended December 31, 2025	2024
Total Revenues	$189,913	$180,500
Segment Adjusted EBITDA	78,368	72,632
Adjusted EBITDA margin	41.3 %	40.2 %

Merchant Acquiring segment revenues for the year ended December 31, 2025 increased by $9.4 million to $189.9 million when compared to the same period in the prior year. The revenue increase was primarily driven by sales volume growth, an improvement in spread, and higher non-transactional revenues. Adjusted EBITDA increased by $5.7 million when compared to the same period in the prior year, driven by the increase in revenues, partially offset by processing costs as a result of higher transactions and an increase in revenue sharing expense.

Business Solutions

(In thousands)	Years ended December 31, 2025	2024
Total Revenues	$250,085	$243,975
Segment Adjusted EBITDA	93,936	102,669
Adjusted EBITDA margin	37.6 %	42.1 %

Business Solutions segment revenues for the year ended December 31, 2025 grew by $6.1 million to $250.1 million when compared to the same period in the prior year. Revenues increased as a result of higher network services, an increase in consulting services and projects completed throughout the current and prior year, partially offset by the 10% discount to Popular that came into effect in the fourth quarter of 2025. Adjusted EBITDA decreased by $8.7 million to $93.9 million as compared to the prior year period. This decrease was primarily due to an increase in software maintenance and cloud expenses and incremental professional fees for strategic projects.

Liquidity and Capital Resources

Liquidity

Our principal source of liquidity is cash generated from operations, and our primary liquidity requirements are the funding of working capital needs, capital expenditures, acquisitions, dividend payments, share repurchases and debt service. We also have a $200.0 million Revolving Facility, of which $184.4 million was available for borrowing as of December 31, 2025. The Company issues letters of credit against our Revolving Facility which reduce our availability of funds to be drawn.

As of December 31, 2025, we had cash and cash equivalents of $306.0 million, of which $263.7 million resides in our subsidiaries located outside of Puerto Rico for purposes of (i) funding the respective subsidiary's current business operations and (ii) funding potential future investment outside of Puerto Rico. We intend to reinvest these funds outside of Puerto Rico, and based on our liquidity forecast, we will not need to repatriate this cash to fund the Puerto Rico operations or to meet debt-service obligations. However, if in the future we determine that we no longer need to maintain cash balances within our foreign subsidiaries, we may elect to distribute such cash to the Company in Puerto Rico. Distributions from the foreign subsidiaries to Puerto Rico may be subject to tax withholding and other tax consequences. Additionally, our credit agreement imposes certain restrictions on the distribution of dividends from subsidiaries.

Our primary use of cash is for operating expenses, working capital requirements, capital expenditures, acquisitions, dividend payments, share repurchases, debt service, and other transactions as opportunities present themselves.

Based on our current level of operations, we believe our existing cash flows from operations and the available secured Revolving Facility will be adequate to meet our liquidity needs at least for the next twelve months from the date of this Report. However, our ability to fund future operating expenses, dividend payments, capital expenditures, mergers and acquisitions, and our ability to make scheduled payments of interest, to pay principal on or refinance our indebtedness and to satisfy any other of our present or future debt obligations will depend on our future operating performance, which may be affected by general economic, financial, and other factors beyond our control.

Comparison of the years ended December 31, 2025 and 2024

The following table presents our cash flows from operations for the years ended December 31, 2025 and 2024:

	Years ended December 31,	
(In thousands)	**2025**	**2024**
Cash provided by operating activities	$ 227,007	$ 260,059
Cash used in investing activities	(238,236)	(118,282)
Cash provided by (used in) financing activities	28,448	(152,560)
Effect of foreign exchange rate on cash, cash equivalents and restricted cash	16,261	(18,292)
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 33,480	$ (29,075)

Net cash provided by operating activities for the year ended December 31, 2025 was $227.0 million, a decrease of $33.1 million compared to 2024 driven by working capital requirements.

Net cash used in investing activities was $238.2 million compared to $118.3 million. The increase is primarily attributable to the acquisitions completed during 2025 for $144.4 million compared to $34.0 million for the acquisitions completed in 2024, and an increase in software additions of $5.1 million.

Net cash provided by financing activities for the year ended December 31, 2025 was $28.4 million, compared with cash used of $152.6 million in prior year. The net cash provided by financing activities during 2025 reflects proceeds from issuance of long-term debt of $149.6 million in connection with the acquisition of Tecnobank partially offset by $69.3 million used to repurchase stock.

Capital Resources

Our principal capital expenditures are for hardware and computer software (purchased and internally developed) and additions to property and equipment. During the years ended December 31, 2025 and 2024, the Company invested approximately $91.5 million and $88.4 million, respectively in our capital resources. In addition, during the year ended December 31, 2025 the Company acquired Tecnobank for an aggregated amount of $144.4 million, net of cash acquired, compared to an aggregated amount of $34.0 million, net of cash acquired, for the two acquisitions completed in the prior year. Generally, we fund capital expenditures with cash flow generated from operations and, if necessary, borrowings under our Revolving Facility.

Dividend Payments

The Company pays a regular quarterly dividend on common stock, subject to the declaration thereof by our Board each quarter. Any declaration and payment of future dividends to holders of our common stock will be at the discretion of our Board and will depend on many factors, including our financial condition, earnings, available cash, business opportunities, legal requirements, restrictions in our debt agreements and other contracts, capital requirements, level of indebtedness and other factors that our Board deems relevant. Refer to the table below for details regarding our dividends in 2025 and 2024:

Declaration Date	Record Date	Payment Date	Dividend per share
February 20, 2025	March 3, 2025	March 21, 2025	0.05
May 2, 2025	May 13, 2025	June 6, 2025	0.05
July 24, 2025	August 4, 2025	September 5, 2025	0.05
October 23, 2025	November 3, 2025	December 5, 2025	0.05
February 15, 2024	February 27, 2024	March 15, 2024	0.05
April 18, 2024	April 29, 2024	June 7, 2024	0.05
July 18, 2024	July 29, 2024	September 6, 2024	0.05
October 17, 2024	October 28, 2024	December 6, 2024	0.05

Stock Repurchase

During 2025, the Company repurchased 2,331,064 shares of the Company’s common stock at a cost of $69.3 million. The Company funded such repurchases with cash on hand. At December 31, 2025, the Company's share repurchase program has approximately $84.4 million remaining and approved for future use. The Company may repurchase shares in the open market, through accelerated share repurchase programs, 10b5-1 plans, or in privately negotiated transactions, subject to business opportunities and other factors.

Financial Obligations

Leases

The Company has operating leases for certain office facilities, buildings, telecommunications and other equipment; and finance leases for certain equipment. The Company’s lease contracts have remaining terms ranging from 1 year to 5 years, some of which may include options to extend the leases for up to 5 years, and some which may include the option to terminate the lease within 1 year.

The following table presents the balance of operating lease obligations:

	December 31,	
(In thousands)	2025	2024
Operating lease liability - current	5,878	6,229
Operating lease liability - long-term	33,305	4,924
Total operating lease liabilities	$ 39,183	$ 11,153

See Note 25 to the Audited Consolidated Financial Statements for additional information regarding operating lease obligations.

Secured Credit Facilities

On December 1, 2022, EVERTEC and EVERTEC Group, entered into a credit agreement with a syndicate of lenders and Truist Bank, as administrative agent and collateral agent, providing for (i) a $415.0 million term loan A facility (the "TLA Facility") that matures on December 1, 2027, and a $200.0 million revolving credit facility (the "Revolving Facility") that matures on December 1, 2027 (the "Credit Agreement"). Under the Revolving Facility the Company may request up to $20.0 million as part of the swingline, which consists of short-term borrowings, that allows the Company to obtain same-day, short-duration advances to address immediate liquidity needs. On October 30, 2023, EVERTEC and EVERTEC Group entered into a first amendment to the Credit Agreement with a syndicate of lenders and Truist, as administrative agent and collateral agent, providing for (i) additional term A loans in the amount of $60.0 million and a new tranche of term loan B commitments in the amount of $600.0 million maturing October 30, 2030 (the "TLB Facility"). On May 16, 2024, November 26, 2024 and August 12, 2025, EVERTEC and EVERTEC Group entered into second, third and fourth amendments to its Credit Agreement, each providing for a pricing reduction to its TLB Facility. On November 25, 2025, EVERTEC and EVERTEC Group entered into the fifth amendment to its Credit Agreement which provides for an additional $150.0 million under its TLB facility. Unless otherwise indicated, the terms and conditions detailed below apply to both TLA Facility and TLB Facility (together, the "Term Loan Facilities").

Scheduled Amortization Payments

The TLA Facility amortizes in equal quarterly installments at an amount equal to (a) initially, $5,966,720.78 per quarter and (b) for any installment payments to be made in the calendar year ending 2027, $8,950,081.17 per quarter, with the balance payable on the 2022 Credit Facilities Maturity Date. The TLB Facility amortizes in equal quarterly at a rate equal to 1% per calendar year, with the balance payable on the Term Loan B Maturity Date. Any optional prepayments of the Term Loan Facilities can be applied to the remaining installments. The Revolving Credit Facility terminates on the 2022 Credit Facilities Maturity Date, and loans thereunder may be borrowed, repaid and reborrowed prior thereto.

Voluntary Prepayments and Reduction and Termination of Commitments

Other than as set forth below with respect to the TLB Facility, EVERTEC Group may prepay loans under the Term Loan Facilities and permanently reduce the loan commitments under the Revolving Facility at any time without premium or penalty, subject to compensation for any break funding costs incurred by a lender and timely submission of a notice of prepayment or commitment reduction, as applicable. EVERTEC Group is required to make certain mandatory prepayments of the 2022 Credit Facilities in certain circumstances.

Interest

With respect to the 2022 Facilities and the Incremental TLA Facility, the interest rates under the Credit Facilities denominated in U.S. Dollars, are based on, at EVERTEC Group's option (a) the Adjusted Term SOFR, which means SOFR plus 10 basis points, for the Interest Period in effect for such borrowing plus an applicable margin of 1.50% per annum, which applicable margin is subject to four 25 bps step-ups (i.e. 1.75%, 2.00%, 2.25% or 2.50% per annum) based upon the Company's total net leverage ratio or (b) the ABR plus an applicable margin of 0.50% per annum, which applicable margin is subject to four 25 bps step-ups (i.e. 0.75%, 1.00%, 1.25% or 1.50% per annum) based upon the Company's total net leverage ratio. Swingline provision incurs interest at the U.S. Federal Prime Rate. Borrowings under the Revolving Facility that are denominated in a currency other than Dollars will bear interest at the Alternative Currency Rate for the Interest Period in effect for such borrowing plus an applicable margin of 1.50% per annum, which applicable margin is subject to four 25 bps step-ups (i.e. 1.75%, 2.00%, 2.25% or 2.50% per annum) based upon the Company's total net leverage ratio.

With respect to the New TLB Facility, the interest rates are based on, at EVERTEC Group's option (a) the Adjusted Term SOFR, which means SOFR plus 10 basis points, for the Interest Period in effect for such borrowing plus an applicable margin of 2.25% per annum or (b) the ABR plus an applicable margin of 1.25% per annum.

Guarantees and Collateral

The Credit Facilities are secured by substantially all assets of EVERTEC and its existing and future material subsidiaries (including EVERTEC Group), subject to customary exceptions. EVERTEC and each of EVERTEC's existing and future material wholly-owned subsidiaries (including EVERTEC Group with respect to the obligations of EVERTEC and its existing and future material wholly-owned subsidiaries (other than EVERTEC Group)), subject to certain customary exceptions, guarantee repayment of the Credit Facilities.

In connection with the Credit Agreement, on December 1, 2022, EVERTEC, EVERTEC Group and the subsidiary guarantors party thereto, entered into a Guarantee Agreement (the "Guarantee Agreement"), pursuant to which EVERTEC Group's obligations under the Credit Facilities and under any cash management, interest rate protection or other hedging arrangements entered into with a lender or any affiliate thereof are guaranteed by EVERTEC and each of EVERTEC's existing wholly-owned subsidiaries (other than EVERTEC Group) and subsequently acquired or organized subsidiaries, subject to certain exceptions.

In addition, on December 1, 2022, EVERTEC, EVERTEC Group and the subsidiaries party thereto, entered into a Collateral Agreement (the "Collateral Agreement"), pursuant to which, subject to certain exceptions, the Credit Facilities are secured, to the extent legally permissible, by substantially all of the assets of (1) EVERTEC, including a perfected pledge of all of the limited liability company interests of EVERTEC Intermediate Holdings, LLC ("Holdings"), (2) Holdings, including a perfected pledge of all of the limited liability company interests of EVERTEC Group and (3) EVERTEC Group and the subsidiary guarantors, including but not limited to: (a) a pledge of substantially all capital stock held by EVERTEC Group or any guarantor and (b) a perfected security interest in substantially all tangible and intangible assets of EVERTEC Group and each guarantor.

Covenants

The Credit Facilities are subject to customary affirmative and negative covenants. The negative covenants in the Credit Facilities include, among other things, limitations (subject to exceptions) on the ability of EVERTEC and its restricted subsidiaries to:

- declare dividends and make other distributions;
- redeem or repurchase capital stock;
- grant liens;
- make loans or investments (including acquisitions);
- merge or enter into acquisitions
- sell assets;
- enter into any sale or lease-back transactions;
- incur additional indebtedness;
- prepay, redeem or repurchase certain indebtedness;
- modify the terms of certain debt;
- restrict dividends from subsidiaries;
- change the business of EVERTEC or its subsidiaries; and
- enter into transactions with their affiliates.

In addition, the 2022 Credit Facilities require EVERTEC Group to maintain a maximum total net leverage ratio of 4.50 to 1.00 (i) from March 31, 2023 to September 30, 2024, and 4.00 to 1.00 (ii) thereafter.

Events of Default

The events of default under the 2022 Credit Facilities include, without limitation, nonpayment, material misrepresentation, breach of covenants, insolvency, bankruptcy, certain judgments, change of control (as defined in the Credit Agreement) and cross-events of default on material indebtedness.

The unpaid principal balance at December 31, 2025 of the TLA Facility and TLB Facility were $405.7 million and $690.0 million. The additional borrowing capacity for the Revolving Facility at December 31, 2025 was $184.4 million. The Company issues letters of credit against the Revolving Facility which reduce the additional borrowing capacity of the Revolving Facility. At December 31, 2025, there were borrowings of $10.0 million outstanding under the revolving credit facility, none at December 31, 2024.

Deferred Consideration from Business Combinations

As part of the Company's merger and acquisition activities, the Company may enter into agreements by which a portion of the purchase price is financed directly by the seller. At December 31, 2025 and December 31, 2024, the unpaid principal balance of these agreements amounted to $6.2 million and $9.9 million, respectively. Obligations bear interest at rates ranging from 8.2% to 12.9% with maturities ranging from January 2026 through March 2027. The current portion of the deferred consideration is included in accounts payable and the long-term portion is included in other long-term liabilities on the Company's consolidated balance sheets.

Notes payable

In September 2023, EVERTEC Group entered into a non-interest bearing financing agreement amounting to $10.1 million to purchase software and maintenance which the Company recorded on a discounted basis using an implied interest rate of 6.9%. As of December 31, 2025, the outstanding principal balance of the note payable on a discounted basis was $5.8 million. The current portion of the note is included in accounts payable and the long-term portion is included in other long-term liabilities on the Company's consolidated balance sheets.

Interest Rate Swaps

As of December 31, 2025, the Company has three interest rate swap agreements which convert a portion of the interest rate payments on the Company's Facilities from variable to fixed. The interest rate swaps are used to hedge the market risk from changes in interest rates corresponding with the Company's variable rate debt. The interest rate swaps are designated as cash flow hedges and are considered highly effective. Cash flows from the interest rate swaps are included in the accrued liabilities and accounts payable line item in the Company's consolidated statements of cash flows. Changes in the fair value of the interest rate swaps are recognized in other comprehensive income (loss) until the gains or losses are reclassified to earnings. Gains or losses reclassified to earnings are presented within interest expense in the accompanying consolidated statements of income and comprehensive income (loss).

Swap Amendment	Effective date	Maturity Date	Notional Amount	Variable Rate	Fixed Rate
2023 Swap	November 2024	December 2027	$250 million	1-month SOFR	3.375%
2024 Swap	March 2024	October 2027	$150 million	1-month SOFR	4.182%
2024 Swap	March 2024	October 2027	$150 million	1-month SOFR	4.172%

As of December 31, 2025, the carrying amount of the derivatives included on the Company's consolidated balance sheets was a liability of $5.2 million. As of December 31, 2024, the carrying amount of the derivatives included on the Company's consolidated balance sheets was an asset $4.3 million and a liability of $1.4 million. The fair value of this derivative is estimated using Level 2 inputs in the fair value hierarchy on a recurring basis.

During the years ended December 31, 2025, 2024 and 2023, the Company reclassified gains of $2.6 million, $8.1 million and $5.6 million, respectively, from accumulated other comprehensive income (loss) into interest expense. Based on expected SOFR rates, the Company expects to reclassify losses of $1.9 million from accumulated other comprehensive loss into interest expense over the next 12 months. Refer to Note 16 - *Financial Instruments and Fair Value Measurements* for tabular disclosure of the fair value of derivatives and to Note 19 - *Equity* for tabular disclosure of gains (losses) recorded on cash flow hedging activities.

At December 31, 2025, the cash flow hedges are considered highly effective.

Covenant Compliance

As of December 31, 2025, the total secured net leverage ratio was 2.08 to 1.00. As of the date of filing of this Report, no event has occurred that constitutes an Event of Default or Default, each as described in the Credit Agreement and the subsequent amendments to the Credit Agreement.

In this Report, we refer to the term "Adjusted EBITDA" to mean EBITDA as so defined and calculated in a substantially consistent manner for purposes of determining compliance with the total secured net leverage ratio based on the financial information for the last twelve months at the end of each quarter.

Net Income Reconciliation to EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per common share (Non-GAAP Measures)

The non-GAAP measures referenced in this Report are supplemental measures of the Company's performance and are not required by, or presented in accordance with, accounting principles generally accepted in the United States of America ("GAAP"). They are not measurements of the Company's financial performance under GAAP and should not be considered as alternatives to total revenue, net income or any other performance measures derived in accordance with GAAP or as alternatives to cash flows from operating activities, as indicators of operating performance or as measures of the Company's liquidity. In addition to GAAP measures, management uses these non-GAAP measures to focus on the factors the Company believes are pertinent to the daily management of the Company's operations and believes that they are also frequently used by analysts, investors and other stakeholders to evaluate companies in our industry. These measures have certain limitations in that they do not include the impact of certain expenses that are reflected in our consolidated statements of operations that are necessary to run our business. Other companies, including other companies in our industry, may not use these measures or may calculate these measures differently than as presented herein, limiting their usefulness as comparative measures.

Reconciliations of the non-GAAP measures to the most directly comparable GAAP measure are included below. These non-GAAP measures include EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per common share, each as defined below.

EBITDA is defined as earnings before interest, taxes, depreciation and amortization.

Adjusted EBITDA is defined as EBITDA further adjusted to exclude certain non-cash items and unusual expenses such as: share-based compensation, restructuring related expenses, fees and expenses from corporate transactions such as M&A activity and financing, multi-year non-recurring gains recognized in connection with the sale of tax credits, equity investment income net of dividends received, and the impact from unrealized gains and losses on foreign currency remeasurement for assets and liabilities in non-functional currency. Segment Adjusted EBITDA which is the measure reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance, is presented in conformity with Accounting Standards Codification 280, *Segment Reporting*, and for this reason is excluded from the definition of non-GAAP financial measures under the Securities and Exchange Commission's Regulation G and Item 10(e) of Regulation S-K. See Note 26 – *Segment Information* for further information. The Company’s presentation of Adjusted EBITDA is substantially consistent with the equivalent measurements that are contained in the secured credit facilities in testing EVERTEC Group’s compliance with covenants therein such as the secured leverage ratio. Adjusted EBITDA Margin is defined as Adjusted EBITDA as a percentage of total revenues.

Adjusted Net Income is defined as Adjusted EBITDA less: operating depreciation and amortization expense, defined as GAAP depreciation and amortization less amortization of intangibles related to acquisitions such as customer relationships, trademarks; cash interest expense defined as GAAP interest expense, less GAAP interest income adjusted to exclude non-cash amortization of debt issue costs and premiums and accretion of discount; income tax expense which is calculated on adjusted pre-tax income using the applicable GAAP tax rate, adjusted for uncertain tax positions, tax true-ups, windfall from share-based compensation, unrealized gains and losses from foreign currency remeasurement, among others; and non-controlling interests, net of amortization for intangibles created as part of the purchase.

Adjusted Earnings per common share is defined as Adjusted Net Income divided by diluted shares outstanding.

The Company uses Adjusted Net Income to measure the Company’s overall profitability because the Company believes it better reflects the comparable operating performance by excluding the impact of the non-cash amortization and depreciation that was created as a result of merger and acquisition activity. In addition, in evaluating EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per common share, you should be aware that in the future the Company may incur expenses such as those excluded in calculating them.

A reconciliation of net income to EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per common share is provided below:

(Dollar amounts in thousands)		Year Ended December 31, 2025
Net income	$	144,560
Income tax expense		9,815
Interest expense, net		53,243
Depreciation and amortization		122,086
EBITDA		329,704
Equity income [1]		(1,620)
Compensation and benefits [2]		36,033
Transaction, refinancing and other fees [3]		9,858
Gain on foreign currency remeasurement [4]		(592)
Adjusted EBITDA		373,383
Operating depreciation and amortization [5]		(68,789)
Cash interest expense, net [6]		(50,697)
Income tax expense [7]		(16,399)
Non-controlling interest [8]		(4,297)
Adjusted net income	$	233,201
Net income per common share (GAAP):		
Diluted	$	2.20
Adjusted Earnings per common share (Non-GAAP):		
Diluted	$	3.62
Shares used in computing adjusted earnings per common share:		
Diluted		64,422,155

1) Represents the elimination of non-cash equity earnings from our equity investments, net of dividends received.
2) Primarily represents share-based compensation and severance payments.
3) Primarily represents fees and expenses associated with transactions as defined in the Credit Agreement, multi-year non recurring gains recognized in connection with the sale of tax credits and other non-recurring expenses.
4) Represents non-cash unrealized losses and (gains) on foreign currency remeasurement for assets and liabilities denominated in non-functional currencies.
5) Represents operating depreciation and amortization expense, which excludes amounts generated as a result of merger and acquisition activity.
6) Represents interest expense, less interest income, as they appear on the consolidated statements of income and comprehensive income (loss), adjusted to exclude non-cash amortization of the debt issue costs, premium and accretion of discount.
7) Represents income tax expense calculated on adjusted pre-tax income using the applicable GAAP tax rate, adjusted for certain discrete items.
8) Represents the non-controlling equity interests, net of amortization for intangibles created as part of the purchase.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks arising from our normal business activities. These market risks principally involve the possibility of changes in interest rates that will adversely affect the value of our financial assets and liabilities or future cash flows and earnings, foreign currency exchange risk that may result in unfavorable foreign currency translation adjustments and inflation. Market risk is the potential loss arising from adverse changes in market rates and prices. The following analysis provides quantitative and qualitative information regarding these risks.

Interest rate risks

Interest rate risk is highly sensitive due to many factors, including U.S. monetary and tax policies, U.S. and international economic factors and other factors beyond our control.

We issued floating-rate debt which is subject to fluctuations in interest rates. Our secured credit facilities accrue interest at variable rates and are subject to floors or minimum rates. Based upon a sensitivity analysis of our outstanding debt on December 31, 2025, a hypothetical 100 basis point increase in interest rates over our floor on our debt balances outstanding as of December 31, 2025, under the secured credit facilities would increase our annual interest expense by approximately $5.6 million. The impact on future interest expense as a result of future changes in interest rates will depend largely on the gross amount of our borrowings at that time.

As of December 31, 2025, the Company has three interest rate swap agreements which convert a portion of the interest rate payments on the Company's Term Loan Facilities from variable rate debt to fixed.

The interest rate swap exposes us to credit risk in the event that the counterparty to the swap agreement does not or cannot meet its obligations. The notional amount is used to measure interest to be paid or received and does not represent the amount of exposure to credit loss. The loss would be limited to the amount that would have been received, if any, over the remaining life of the swap. The counterparties to the swaps are major U.S. based financial institutions and we expect all counterparties to be able to perform its obligations under the swaps. We use derivative financial instruments for hedging purposes only and not for trading or speculative purposes.

See Note 15 to the Audited Consolidated Financial Statements appearing elsewhere in this Report for additional information related to the secured credit facilities.

Foreign currency exchange risk

We conduct business in certain countries in Latin America for which we have determined that the functional currency is other than the U.S. dollar. Given this, our operating results are exposed to volatility due to fluctuations in exchange rates for the countries' functional currencies. Non-functional currency transactions are remeasured into the functional currency which results in a foreign exchange gain or loss recorded through Other income (expenses). For the years ended December 31, 2025, 2024 and 2023, we recognized foreign currency remeasurement gains of $0.6 million, losses of $5.2 million and losses of $8.3 million, respectively. For subsidiaries whose functional currency is other than the U.S. dollar, their assets and liabilities are translated into U.S. dollars at exchange rates at the balance sheet date, and revenues and expenses are translated using average exchange rates in effect during the period. The resulting foreign currency translation adjustments are reported in accumulated other comprehensive loss in the consolidated balance sheets. As of December 31, 2025, the Company had $63.4 million in an unfavorable foreign currency translation adjustment as part of accumulated other comprehensive loss compared with a unfavorable foreign currency translation adjustment of $138.0 million as of December 31, 2024.

Inflation risk

While it is difficult to accurately measure the impact of inflation on our results of operations and financial condition, we believe the effects of inflation, if any, on our historical results of operations and financial condition have been immaterial. General inflation in the geographies in which we operate has risen to levels that have not been experienced in recent years, however, inflation has historically had a minimal net effect on our operating results given that overall inflation has been offset by sales and cost reduction actions. Rising prices for input costs, including wages and benefits, occupancy and general administrative costs, could potentially have a negative impact on our results of operations and financial condition which may not be readily recoverable from our customers. In addition, inflation has led to enhanced volatility on foreign currency exchange rates. While we proactively try to mitigate these rising costs, we may not be able to fully offset these impacts, which could result in negative effect on our results of operation. Thus, we cannot assure you that our results of operations and financial condition will not be materially impacted by inflation in the future.

Item 8. Financial Statements and Supplementary Data

The Audited Consolidated Financial Statements, together with EVERTEC's independent registered public accounting firm's reports, are included herein beginning on page F-1 of this Report.

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

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this Report. Based upon their evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that as of December 31, 2025, the Company's disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as such term is defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act).

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on this evaluation under the framework set forth in Internal Control – Integrated Framework (2013), our management concluded that the Company's internal control over financial reporting as of December 31, 2025 was effective.

Attestation Report of the Registered Public Accounting Firm

Deloitte & Touche LLP, an independent registered public accounting firm, has audited the consolidated financial statements as of and for the year ended December 31, 2025, included in this Report and, as part of the audit, has issued a report, included in Part II, Item 8. Financial statements and Supplementary Data in this Report, on the effectiveness of our internal control over financial reporting as of December 31, 2025.

Item 9B. Other Information

During the three months ended December 31,2025 no director or "officer" (as defined in Rule 16a-1(f) of the Exchange Act) of the Company adopted, terminated or modified a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

Code of Ethics

Our Board of Directors has adopted a Code of Ethics applicable to all officers, directors, and employees, including our principal executive officer, principal financial officer, principal accounting officer and controller, and persons performing similar functions. A copy of our Code of Ethics is available at the Investor Relations section of our website, located at ir.evertecinc.com/govdocs. We intend to make all disclosures required by law or the NYSE regarding any amendments to, or waivers from, any provisions of the code at the same location of our website. Our website is not incorporated by reference into this Report, and you should not consider the information on our website to be part of this Report.

BIOGRAPHICAL INFORMATION OF OUR DIRECTORS

Certain information concerning our current Board of Directors as of February 24, 2025 follows.

Frank G. D'Angelo

Mr. D'Angelo, age 80, has been Chairman of the Board since February 2014 and a director since September 2013. Since June 2015 he has served as Operating Partner in Hill Path Capital, a private equity partnership; and was a partner in Bridgeport Partners, a private investment firm, from June 2019 through May 2024. From May 2019 until November 2021, he served as Executive Vice President of NCR Corporation and as President of NCR Banking. Prior to this, he was Senior Executive Vice President and COO of the payments section at Metavante Technologies, Inc. and Fidelity National Information Services, Inc. (FIS). At Diebold Corporation, he was Chairman and CEO of Diebold Mexico from 1993 through 1995. Mr. D'Angelo has over 40 years of experience in the financial services, digital banking and payments industries. He is a former chairman of the Electronic Funds Transfer Association, served on the Payments Advisory Council of the Federal Reserve Bank of Philadelphia, is a U.S. Air Force veteran, and served as a director for Walsh University Ohio. Mr. D'Angelo's experience in the financial services industry, as well as his strong background in operations and management, provides great value to our Board.

Morgan M. Schuessler, Jr.

Mr. Schuessler, age 55, has been a director and the Company's President and CEO since April 2015. Previously, he served as President of International for Global Payments, Inc., overseeing the company's business outside of the Americas, spanning 23 countries throughout Europe and Asia. Mr. Schuessler currently serves on the board of directors of Endeavor Puerto Rico, the Wharton Executive Education Board, and the Smithsonian Institution National Board. In February 2025, he was appointed to the Board of Directors, the Audit and Finance Committee and Corporate Governance Committee of the Deluxe Corporation (NYSE: DLX). Mr. Schuessler has over 20 years of experience in the payments industry; accordingly, he is well-versed in the intricacies of the Company's core business and has developed management and oversight skills required to make significant contributions to the Board.

Kelly Barrett

Ms. Barrett, age 61, has been a director since May 2021. From 2016 until her retirement in 2020, Ms. Barrett was the Senior Vice President of Home Services at The Home Depot. Ms. Barrett joined The Home Depot in 2003, where she held various senior management positions, including as Vice President of Internal Audit and Corporate Compliance, and Controller. Ms. Barrett currently serves as board member of Piedmont Office Realty Trust, Inc. (NYSE: PDM), Americold Realty Trust (NYSE: COLD), and Louisiana Pacific (NYSE: LPX). Her leadership roles in the community currently include serving on the board of the Metro Atlanta YMCA (where she formerly served as chair); the National Association of Corporate Directors, Atlanta Chapter board; the Georgia Tech Foundation Board of Trustees; and as a member of the Advisory Board of Scheller College of Business at Georgia Tech (where she also formerly served as chair). She is also a Certified Public Accountant in the state of Georgia, has a Cybersecurity Certificate from the National Association of Corporate Directors (NACD) and is NACD Directorship Certified. Ms. Barrett's substantial experience in leadership roles, strategy and enterprise risk management, coupled with service on several boards, is of great service to the Company.

Olga Botero

Ms. Botero, age 62, has been a director since September 2014. She is the founder and Managing Director of C&S Customer and Strategy, a consulting firm focused on supporting IT and digital and cybersecurity management for leading companies in Latin America, and co-founder and Chair of Seccuri, Inc. From 2011 until January 2024, she was a Senior Advisor to the Boston

Consulting Group. She is a fellow at the National Association of Corporate Directors Board Leadership Fellow program, and an active member of Women Corporate Directors (WCD), where she was co-chair of the Colombian Chapter until 2024. She serves as an independent director of the Altipal S.A.S. board of directors since April 2022, serving as chair of their Audit Committee and member of their Innovation Committee. She also serves as an independent member of the Audit Committee of Group Coppel in Mexico, a family-owned group with businesses in retail, financial services and real estate since 2022; and as an independent advisor of Grupo Montoya, a family-owned group with businesses in music, automobile and real estate in Colombia and Panama. From October 2024 to February 2026, Ms. Botero served on the board of directors of Betterware de México (NYSE: BWMX), a direct to consumer selling of home products and beauty and personal care products company in Guadalajara, Mexico. Ms. Botero has over 25 years of experience in leadership roles in financial services, telecommunications and technology. Her experience, expertise in cybersecurity and technology, and knowledge of Latin American markets are an asset to the Company.

Virginia Gambale

Ms. Gambale, age 66, has been a director since May 2023. Ms. Gambale founded and has served since 2003 as Managing Partner of Azimuth Partners, Inc., a strategic advisory firm that develops growth, innovation and transformation strategies and planning for technology companies. Prior to founding Azimuth in 2003, she worked at Deutsche Bank, where she was a General Partner and Managing Director of ABS Ventures, responsible for the management of the Tech Venture group and Head of Deutsche Bank Strategic Ventures. Before Deutsche Bank, Ms. Gambale was the Chief Information Officer for Global Investment Banking at Merrill Lynch. Ms. Gambale currently serves as a director for Nutanix, Inc. (NYSE: NTNX), and Virtu Financial, Inc. (NYSE: VIRT). She's also an Adjunct Faculty Member for Columbia University and a Trustee of the Juilliard School. Her substantial experience in leadership roles, IT and FinTech are of great value to the Company.

Jorge A. Junquera

Mr. Junquera, age 77, has been a director since April 2012. Since July 2015, he has served as Managing Partner at Kohly Capital, LLC, a private investment company. He has over 40 years of experience in the banking and financial services industries. Until his retirement in 2015, Mr. Junquera was Vice Chairman of the board of directors of Popular, Inc. Prior to becoming Vice Chairman, he was the Chief Financial Officer of Popular, Inc. and Supervisor of Popular, Inc.'s Financial Management Group. He currently serves as a director for Equalize Community Development Fund (NYSE: EQCDX). Mr. Junquera's substantial experience managing financial institutions and serving on various boards of directors provides him with unique expertise and valuable perspective to assist the Board.

Iván Pagán

Mr. Pagán, age 67, has been a director since May 2019. For twenty-two years until his retirement in February 2019, Mr. Pagán was the Head of Corporate Development at Popular, Inc., where he managed mergers and acquisitions, divestitures, corporate reorganization and strategic alliances for Popular, Inc., completing significant transactions in the United States, Latin American, Puerto Rico and the Caribbean. Mr. Pagán currently serves as a member of the board of directors of Banco BHD in the Dominican Republic. Mr. Pagán's substantial expertise in financial and M&A matters, experience in the Caribbean and Latin America markets, and knowledge of the Company's operations are an asset to the Company.

Aldo J. Polak

Mr. Polak, age 51, has been a director since May 2019. He is a Partner and Senior Managing Director at Farlie Turner Gilbert & Co. LLC, a merchant banking firm, since July 2024. Prior to that, Mr. Polak founded The ALP Group LLC, which focuses on merchant banking services, and where he served as Managing Partner until March 2025. From November 2021 until January 2024, he was Managing Director at Mizuho, and from April 2021 until October 2021, he was the Managing Member of Ionos Capital Partners LLC, an investment vehicle company. Prior to that, Mr. Polak served as Chief Investment & Development Officer at Cisneros Group of Companies, a private conglomerate focused on digital advertising, media and entertainment, telecommunications, real estate and new technologies, from April 2019 to April 2021. Before his tenure at Cisneros, he spent over 15 years as an investment banker in Wall Street, including heading the Latin America efforts at LionTree, a global investment and merchant banking firm, from 2013 to March 2019. He currently serves on the board of Reaching U, a charitable organization where he was chairman for the 2023-2024 two-year period. He is also involved with Endeavor as a mentor to entrepreneurs. Mr. Polak's significant experience in M&A, strategy and corporate development, and his network of corporate relationships in Latin America and in the payments sector provide great value to the Board.

Alan H. Schumacher

Mr. Schumacher, age 79, has been a director since April 2013. For 23 years he worked at American National Can Corporation, a manufacturing company, as well as at American National Can Group Inc, a manufacturer of metal cans, where he served as Vice President, Controller and Chief Accounting Officer until 1997 and as Executive Vice President and Chief Financial Officer from 1997 until his retirement in 2000. He is a former member of the Federal Accounting Standards Advisory Board, and currently serves as a director of Warrior Met Coal, Inc. (NYSE: HCC), and Albertsons Companies, Inc. (NYSE: ACI). Mr. Schumacher has substantial expertise in accounting, reporting, audit and financial matters and, as such, is able to provide valuable contributions to our Board in its oversight functions.

Brian J. Smith

Mr. Smith, age 70, has been a director since February 2016. Mr. Smith served in various executive level positions in The Coca-Cola Company, including as President and COO from January 2019 until September 2022, and as a senior executive from October 2022 until his retirement in February 2023. From 2016 until December 2018, he served as President of its Europe, Middle East and Africa (EMEA) Group and, prior to that, he held other strategic and management roles. Mr. Smith serves as an independent director for Arca Continental (BMV: AC). He also serves as a director for Intercrew/Mantra Chain, a digital assets decentralized exchange platform headquartered in Switzerland, with operations in Hong Kong, Dubai, the United States, and Brazil, and as an independent director for Grupo Romero, a privately held multinational group headquartered in Peru with operations and companies in various industries and sectors, and presence throughout Latin America. Like other members of the Board, Mr. Smith has substantial managerial experience in Latin America. His extensive expertise in management and corporate strategy makes him a valuable asset to the Company.

BIOGRAPHICAL INFORMATION OF OUR EXECUTIVE OFFICERS

Certain information concerning our current executive officers as of February 12, 2025 follows. There are no family relationships between any of our executive officers.

Morgan M. Schuessler, Jr. – Please refer to the Biographical Information of our Directors for Mr. Schuessler's biographical information.

Joaquín A. Castrillo

Mr. Castrillo, age 43, has served as our Senior Executive Vice President & Chief Operating Officer (COO) since November 2025. From October 2018 to October 2025, he served as Executive Vice President, Chief Financial Officer (CFO) and Treasurer. From August 2018 until such appointment, he served as CFO and Treasurer. He has worked at the Company since 2012 serving in roles of increasing responsibility, including as Vice President and Finance Manager from 2015 to 2018, and as Vice President and Finance Director from 2018 until his appointment as Executive Vice President, CFO and Treasurer in October 2018, serving in this role through November 2025 when he was named Senior Executive Vice President & COO. Mr. Castrillo currently serves on the board of directors of Endeavor Puerto Rico. Prior to joining the Company, Mr. Castrillo was an Audit Manager in the Banking and Capital Markets group of PwC. Mr. Castrillo holds a B.B.A. with a double concentration in Finance and Accounting from Villanova University. He is also a Certified Public Accountant and a member of the Villanova University Finance Department Advisory Committee.

Daniel Brignardello

Mr. Brignardello, age 50, has served as our Executive Vice President and Group Head of Latam since February 2024. Prior to that he was our Senior Vice President and Chief Delivery Officer from July 2021 to February 2024. Mr. Brignardello joined the Company in July 2017 as Vice President of Processing and Fraud Prevention Services. Prior to joining the Company, Mr. Brignardello served as COO of PayTrue, a Uruguayan based payments solutions company, from 2003 through June 2017; and as a Senior Software Engineer for Trintech from 2000 through 2003. Mr. Brignardello has over 25 years of senior management experience in the payments sector. He has served as a teacher (Grade 1) in the cryptography university chair of the School of Engineering of the Universidad de la República in Uruguay from 2000 through 2003. Mr. Brignardello holds a degree as Computer Analyst from the School of Engineering of the Universidad de la República in Uruguay (2000), and a Program for Management Development (PMD) degree from the ESADE Business School in Barcelona, Spain (2009). Mr. Brignardello has been a Board member of ICT4V, a technology and innovation organization in Montevideo, Uruguay, since 2015.

Karla Cruz Jusino

Ms. Cruz Jusino, age 41, has served as our Executive Vice President, Chief Financial Officer and Treasurer since November 2025. From April 2024 to November 2025, she served as Senior Vice President, Chief Accounting Officer, and Assistant Treasurer. From July 2019 to April 2024, Ms. Cruz Jusino served as the Company's Vice President of Finance with increasing responsibilities including Assistant Treasurer since April 2020, and Corporate Tax Director since August 2020. She has over 18 years of experience in finance and accounting. Prior to joining the Company, Ms. Cruz Jusino worked for PwC in roles of increasing responsibility for over 12 years, including as Assurance Director from April 2019 until June 2019, and as Assurance Senior Manager from 2016 until April 2019. Ms. Cruz Jusino holds a bachelor's degree in accounting and finance from the University of Puerto Rico, is a Certified Public Accountant, and a member of the University of Puerto Rico Business Administration Faculty Alumni Advisory Board.

Paola Pérez

Ms. Pérez, age 42, has served as our Executive Vice President since February 2018 and Group Head of Puerto Rico and the Caribbean since August 2022. Prior to that she was our Chief Administrative Officer from March 2020 to August 2022, and Senior Vice President of People and Culture from August 2017 until her appointment as Executive Vice President. She joined the Company in 2011 as Director of Internal Audit. Before joining Evertec, Ms. Pérez worked at Chartis as an External Reporting Manager for the Latin America Region, and PwC where she worked as a senior auditor. She obtained her Bachelor of Science in Accounting from Fairfield University, is a Certified Public Accountant and a board member of Lectores para el Futuro and Caras con Causa, non-profit organizations.

Claudio Almeida Prado

Mr. Prado, age 61, has served as our Executive Vice President and Group Head of Brazil since April 2024. He joined the Company in November 2023 as Senior Vice President of Operations at Sinqia, a position he held since October 2022. Before joining the Company, Mr. Prado served as Chief Operating Officer and Executive Director of New Business at Grupo Fleury, in Brazil, from September 2016 to September 2022. Prior to that, he served as Chief Operating Officer at Grupo Abril S.A., from September 2012 to August 2016, as IT Director of Banco Real, and as Chief Information Officer of Banco Santander and Deutsche Bank, in Brazil. Mr. Prado is certified in management and leadership from the MIT Sloan School of Management in Cambridge, Massachusetts, and holds a degree in electronic engineering and a master's degree in computer engineering from the University of São Paulo.

Luis A. Rodríguez

Mr. Rodríguez, age 48, has served as our Executive Vice President since February 2017 and as Chief Legal and Administrative Officer since August 2022. He joined the Company in 2015 as Senior Vice President for Corporate Development, and was appointed General Counsel and Secretary of the Board in September 2016. Prior to joining the Company, Mr. Rodríguez served as Executive Director at J.P. Morgan in New York. Mr. Rodríguez holds a bachelor's degree from the Woodrow Wilson School of Public and International Affairs at Princeton University and holds a Juris Doctor from Stanford Law School.

Diego Viglianco

Mr. Viglianco, age 56, has served as our Executive Vice President and Chief Information Officer (CIO) since November 2025. From June 2021 to October 2025, he served as Executive Vice President and COO and was a consultant to the Company from March 2021 until his appointment as COO. Before joining the Company, Mr. Viglianco served as the CEO of Interbanking, S.A. from July 2019 to February 2021, a digital financial ACH/real time payments company headquarters in Argentina. Prior to that, he was the CEO of the Processing Division of Prisma Medios de Pago S.A. in Argentina from March 2017 to June 2019. Previously, he held senior management positions with MasterCard in Argentina and Miami, USA, and Promoción y Operación S.A. de C.V. (PROSA) in Mexico. Mr. Viglianco holds an MBA in Economy and Business Administration from ESEADE University, Argentina, and a Bachelor of Science in Engineering from the University of Salvador, Argentina.

Miguel Vizcarrondo

Mr. Vizcarrondo, age 52, has served as an Executive Vice President since 2012, and as Chief Product & Innovation Officer since August 2022. Prior to that he was our Chief Commercial Officer for Puerto Rico and the Caribbean from March 2021 to August 2022, and Head of Merchant Acquiring and Payment Processing from February 2012 until 2021. Prior to joining the Company in 2010, Mr. Vizcarrondo worked in Banco Popular de Puerto Rico for 14 years in a variety of roles, lastly as Senior Vice President of the Merchant Acquiring Solutions group from 2006 until he joined the Company in 2010. Mr. Vizcarrondo serves as a member of the Banco Popular Foundation, and as president for the Puerto Rico American Football Alliance, a youth sports league. Mr. Vizcarrondo holds a Bachelor of Science in Management, with a concentration in Finance, from Tulane University.

Alberto López-Gaffney

Mr. López-Gaffney, age 54, has served as Executive Vice President and Chief Strategy and Corporate Development Officer since March 2023. He initially oversaw mergers and acquisitions, and later in 2023 his responsibilities expanded to include strategy, marketing and communications. Prior to joining the Company, Mr. López-Gaffney served as Chief Financial Officer of Despegar.com Corp., a publicly-listed online travel agency, from 2018 to 2023, where he led the company's turnaround following the COVID-19 crisis. Earlier in his career, Mr. López-Gaffney spent approximately 20 years in investment banking at Morgan Stanley and Itaú BBA, serving as a Managing Director and Head of Latin America (excluding Brazil). He began his career as a management consultant at McKinsey & Company in Buenos Aires. Mr. López-Gaffney holds a Master of Engineering degree, summa cum laude, from Universidad Católica Argentina and an MBA from Harvard Business School.

Other Information

The remaining information required by Part III, Item 10 will be included under the headings "Corporate Governance" and "Delinquent Section 16(a) Reports" (if applicable) in EVERTEC's proxy statement, to be filed pursuant to Schedule 14 A within 120 days after the end of the 2025 fiscal year and is incorporated herein by reference.

Item 11. Executive Compensation

The information required by Part III, Item 11 will be included under the headings "Compensation Discussion and Analysis" and "CEO Pay Ratio" in EVERTEC's proxy statement, to be filed pursuant to Schedule 14 A within 120 days after the end of the 2025 fiscal year and is incorporated herein by reference.

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

The information required by Part III, Item 12 will be included under the headings "Security Ownership of Certain Beneficial Owners and Management" and "Director Compensation" in EVERTEC's proxy statement, to be filed pursuant to Schedule 14 A within 120 days after the end of the 2025 fiscal year and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required by Part III, Item 13 will be included under the headings "Certain Relationships and Related Person Transactions" and "Corporate Governance" in EVERTEC's proxy statement, to be filed pursuant to Schedule 14 A within 120 days after the end of the 2025 fiscal year and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by Part III, Item 14 will be included under the heading "Principal Accounting Fees and Services" in EVERTEC's proxy statement, to be filed pursuant to Schedule 14 A within 120 days after the end of the 2025 fiscal year and is incorporated herein by reference.

Part IV

Item 15. Exhibits and Financial Statement Schedules

(a) (1) Financial Statements

The following consolidated financial statements of EVERTEC, Inc. together with the Report of Independent Registered Public Accounting Firm, are included in Part II, Item 8, Financial Statements and Supplementary Data:

- Reports of Independent Registered Public Accounting Firm
- Consolidated Balance Sheets as of December 31, 2025 and 2024
- Consolidated Statements of Income and Comprehensive Income (Loss) for the years ended December 31, 2025, 2024 and 2023
- Consolidated Statements of Changes in Stockholders’ Equity for the years ended December 31, 2025, 2024 and 2023
- Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024 and 2023
- Notes to Consolidated Financial Statements

(2) Financial Statement Schedules

Schedule I—Parent Company Only Financial Statements

(3) Exhibits

Exhibit No.	Description
3.1	Third Amended and Restated Certificate of Incorporation of EVERTEC, Inc. (incorporated by reference to Exhibit 3.1 of EVERTEC, Inc.'s Current Report on Form 8-K filed on June 1, 2023)
3.2	Amended and Restated Bylaws of EVERTEC, Inc., dated as of May 25, 2023 (incorporated by reference to Exhibit 3.2 of EVERTEC, Inc's Current Report on Form 8-K on June 1, 2023)
4.1	Form of common stock certificate of EVERTEC, Inc. (incorporated by reference to Exhibit 4.1 of EVERTEC, Inc.'s Annual Report on Form 10-K, filed on February 25, 2022)
4.2	Description of Registrant's Securities
10.1#	Second Amended and Restated Master Service Agreement, dated as of July 1, 2022, among Popular, Inc., Banco Popular de Puerto Rico and EVERTEC Group, LLC and its subsidiaries (incorporated by reference to Exhibit 10.1 to EVERTEC, Inc.'s Current Report on Form 8-K, filed on July 1, 2022)
10.2#	Second Amended and Restated Independent Sales Organization Sponsorship and Services Agreement, dated as of July 1, 2022, between EVERTEC Group, LLC and Banco Popular de Puerto Rico (incorporated by reference to Exhibit 10.2 to EVERTEC, Inc.'s Current Report on Form 8-K, filed on July 1, 2022)
10.3#	Credit Agreement, dated as of December 1, 2022, among EVERTEC, Inc., EVERTEC Group, LLC, the lenders and L/C issuers party thereto from time to time, and Truist Bank, as administrative agent, collateral agent, swingline lender and an L/C issuer (incorporated by reference to Exhibit 10.1 to EVERTEC, Inc.'s Current Report on Form 8-K filed on December 5, 2022)
10.4#	First Amendment to Credit Agreement, dated as of October 30, 2023, among EVERTEC, Inc., EVERTEC Group, LLC, the lenders party thereto from time to time, and Truist Bank, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 of EVERTEC, Inc.'s Current Report on Form 8-K filed on November 2, 2023)
10.5	Second Amendment to Credit Agreement, dated as of May 16, 2024, among EVERTEC, Inc., EVERTEC Group, LLC, the lenders and other persons party thereto, and Truist Bank, as administrative agent (incorporated by reference to Exhibit 10.5 to EVERTEC, Inc.'s Annual Report on Form 10-K filed on March 3, 2025)
10.6	Third Amendment to Credit Agreement, dated as of November 26, 2024, among EVERTEC, Inc., EVERTEC Group, LLC, the lenders and other persons party thereto, and Truist Bank, as administrative agent (incorporated by reference to Exhibit 10.6 to EVERTEC, Inc.'s Annual Report on Form 10-K filed on March 3, 2025)
10.7*	Fourth Amendment to Credit Agreement, dated as of August 12, 2025, among EVERTEC, Inc., EVERTEC Group, LLC, the lenders and other persons party thereto, and Truist Bank, as administrative agent
10.8#	Fifth Amendment to Credit Agreement, dated as of November 25, 2025, among EVERTEC, Inc., EVERTEC Group, LLC, the lenders party thereto from time to time, and Truist Bank, as administrative agent, collateral agent, swingline lender and an L/C issuer (incorporated by reference to Exhibit 10.1 to EVERTEC, Inc's Current Report on Form 8-k filed on November 25, 2025)
10.9	Collateral Agreement, dated as of December 1, 2022, among EVERTEC, Inc., EVERTEC Group, LLC, each subsidiary loan party identified therein and Truist Bank, as collateral agent (incorporated by reference to Exhibit 10.2 to EVERTEC, Inc.'s Current Report on Form 8-K filed on December 5, 2022)
10.10	Guarantee Agreement, dated as of December 1, 2022, among EVERTEC, Inc., EVERTEC Group, LLC, the loan parties identified on the signature pages thereof and Truist Bank, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.3 to EVERTEC, Inc.'s Current Report on Form 8-K filed on December 5, 2022)
10.11*#	Share Purchase Agreement, dated as of February 2, 2026, among Evertec Brasil Informática S.A., Totvs S.A., Dimensa S.A. and Evertec Group LLC
10.12+	EVERTEC, Inc. 2022 Incentive Award Plan (incorporated by reference to Exhibit 10.2 to EVERTEC, Inc.'s Quarterly Report on Form 10-Q filed on August 5, 2022)
10.13+*	Form of EVERTEC Group, LLC Executive Severance Policy
10.14+	Form of Indemnification Agreement by and among EVERTEC, Inc. and its directors (incorporated by reference to Exhibit 10.17 of EVERTEC, Inc.'s Annual Report on Form 10-K filed on February 24, 2023)
10.15+	Amended and Restated Employment Agreement, dated as of February 24, 2022, between EVERTEC Group, LLC and Morgan M. Schuessler, Jr. (incorporated by reference to Exhibit 10.2 to EVERTEC, Inc.'s Current Report on Form 8-K filed on February 24, 2022)

10.16+	Form of Restricted Stock Unit Award Agreement for grant of restricted stock units to executive officers under the EVERTEC, Inc. 2022 Incentive Award Plan, dated February 24, 2023, by and between EVERTEC, Inc. and the executive officer (incorporated by reference to Exhibit 10.1 of EVERTEC, Inc.'s Quarterly Report on Form 10-Q filed on April 28, 2023)
10.17+	Restricted Stock Unit Award Agreement (*Acuerdo de Adjudicación de Unidades de Acciones Restringidas*) for grant of restricted stock units under the EVERTEC, Inc. 2022 Incentive Award Plan, dated February 24, 2023, by and between EVERTEC, Inc. and Daniel Brignardello [English translation] (incorporated by reference to Exhibit 10.26 to EVERTEC, Inc.'s Annual Report on Form 10-K filed on February 29, 2024)
10.18+	Restricted Stock Unit Award Agreement for grant of restricted stock units with cliff vesting under the EVERTEC, Inc. 2022 Incentive Award Plan, dated February 24, 2023, by and between EVERTEC, Inc. and Daniel Brignardello (incorporated by reference to Exhibit 10.27 to EVERTEC, Inc.'s Annual Report on Form 10-K filed on February 29, 2024)
10.19+	Restricted Stock Unit Award Agreement for grant of restricted stock units for Karla Cruz Jusino under the EVERTEC, Inc. 2022 Incentive Award Plan, dated February 24, 2023 (incorporated by reference to Exhibit 10.3 to EVERTEC, Inc.'s Current Report on Form 10-Q filed on May 2, 2024)
10.20+	Restricted Stock Unit Award Agreement for grant of restricted stock units under the EVERTEC, Inc. 2022 Incentive Award Plan, dated November 1, 2023, by and between EVERTEC, Inc. and Daniel Brignardello (incorporated by reference to Exhibit 10.30 to EVERTEC, Inc.'s Annual Report on Form 10-K filed on February 29, 2024)
10.21+	Restricted Stock Unit Award Agreement for grant of restricted stock units under the EVERTEC, Inc. 2022 Incentive Award Plan, dated November 1, 2023, by and between EVERTEC, Inc. and Claudio Prado [English translation] (incorporated by reference to Exhibit 10.25 to EVERTEC, Inc.'s Annual Report on Form 10-K filed on March 3, 2025)
10.22+	Form of Restricted Stock Unit Award Agreement for the one-time special retention grant of restricted stock units under the EVERTEC, Inc. 2022 Incentive Award Plan, dated December 6, 2023, between EVERTEC, Inc. and Morgan M. Schuessler, Jr. (incorporated by reference to Exhibit 10.31 to EVERTEC, Inc.'s Annual Report on Form 10-K filed on February 29, 2024)
10.23+	Restricted Stock Unit Award Agreement for grant of restricted stock units under the EVERTEC, Inc. 2022 Incentive Award Plan, dated February 29, 2024, by and between EVERTEC, Inc. and Claudio Prado [English translation] (incorporated by reference to Exhibit 10.27 to EVERTEC, Inc.'s Annual Report on Form 10-K filed on March 3, 2025)
10.24+	Form of Restricted Stock Unit Award Agreement for grant of restricted stock units for executive officers under the EVERTEC, Inc. 2022 Incentive Award Plan, dated February 29, 2024 (incorporated by reference to Exhibit 10.1 to EVERTEC, Inc.'s Current Report on Form 10-Q filed on May 2, 2024)
10.25+	Restricted Stock Unit Award Agreement for grant of restricted stock units for Karla Cruz Jusino under the EVERTEC, Inc. 2022 Incentive Award Plan, dated February 29, 2024 (incorporated by reference to Exhibit 10.2 to EVERTEC, Inc.'s Current Report on Form 10-Q filed on May 2, 2024)
10.26+	Form of Restricted Stock Unit Award Agreement for grant of restricted stock units for executive officers under the EVERTEC, Inc. 2022 Incentive Award Plan, dated February 28, 2025, by and between EVERTEC, Inc. and the executive officer (incorporated by reference to Exhibit 10.1 to EVERTEC, Inc.'s Quarterly Report on Form 10-Q filed on May 8, 2025)
10.27+	Form of Restricted Stock Unit Award Agreement for grant of restricted stock units for Karla Cruz Jusino under the EVERTEC, Inc. 2022 Incentive Award Plan, dated February 28, 2025 (incorporated by reference to Exhibit 10.2 to EVERTEC. Inc's Current Report on Form 10-Q filed on July 31, 2025)
10.28+	Form of Restricted Stock Unit Award Agreement for grant of restricted stock units for Karla Cruz Jusino under the EVERTEC, Inc. 2022 Incentive Award Plan, dated February 28, 2025 (incorporated by reference to Exhibit 10.3 to EVERTEC. Inc's Current Report on Form 10-Q filed on July 31, 2025)
10.29+	Form of Restricted Stock Unit Award Agreement for grant of restricted stock units to directors under the EVERTEC, Inc. 2022 Incentive Award Plan, dated May 22, 2025, by and between EVERTEC, Inc. and the directors (incorporated by reference to Exhibit 10.1 to EVERTEC, Inc.'s Quarterly Report on Form 10-Q filed on July 31, 2025)
19.1*	Amended and Restated Insider Trading Policy
21.1*	Subsidiaries of EVERTEC, Inc.
23.1*	Consent of Independent Registered Public Accounting Firm
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97.1*	Amended and Restated Clawback Policy
101.INS XBRL*	Inline 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.
101.SCH XBRL*	Inline XBRL Taxonomy Extension Schema
101.CAL XBRL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF XBRL*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB XBRL*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE XBRL*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.
** Furnished herewith.
\+ This exhibit is a management contract or a compensatory plan or arrangement.
\# Certain exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished to the Securities and Exchange Commission upon request.

Item 16. Form 10-K Summary

None.

SIGNATURES

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

EVERTEC, Inc.

Date: March 2, 2026	By: /s/ Morgan M. Schuessler, Jr.
	Morgan M. Schuessler, Jr. Chief Executive Officer (Principal Executive Officer)

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

Signature	Title	Date
/s/ Morgan M. Schuessler, Jr. Morgan M. Schuessler, Jr.	Chief Executive Officer (Principal Executive Officer)	March 2, 2026
/s/ Karla Cruz-Jusino Karla Cruz-Jusino	Chief Financial Officer (Principal Financial and Accounting Officer)	March 2, 2026
/s/ Frank G. D’Angelo Frank G. D’Angelo	Chairman of the Board	March 2, 2026
/s/ Iván Pagán Iván Pagán	Director	March 2, 2026
/s/ Alan H. Schumacher Alan H. Schumacher	Director	March 2, 2026
/s/ Kelly Barrett Kelly Barrett	Director	March 2, 2026
/s/ Jorge A. Junquera Jorge A. Junquera	Director	March 2, 2026
/s/ Aldo Polak Aldo Polak	Director	March 2, 2026
/s/ Olga M. Botero Olga M. Botero	Director	March 2, 2026
/s/ Brian J. Smith Brian J. Smith	Director	March 2, 2026
/s/ Virginia Gambale Virginia Gambale	Director	March 2, 2026

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Audited Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of EVERTEC, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of EVERTEC, Inc. and subsidiaries (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of income and comprehensive income (loss) , changes in stockholders' equity, and cash flows, for each of the three years in the period ended December 31, 2025, and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 2, 2026 expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

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

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

Critical Audit Matter

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

Revenues – Payment services and merchant acquiring- Refer to Notes 1 and 4 to the financial statements

Critical Audit Matter Description

The Company's revenues from payment services and merchant acquiring include activity-based fees made up of a significant volume of low-dollar transactions, sourced from multiple systems, platforms, and applications. The processing of transactions and recording of payments services and merchant acquiring revenue is highly automated and is based on contractual terms with financial institutions, government entities, merchants, and other issuers.

Accordingly, we identified the audit of payment services and merchant acquiring activity-based fees as a critical audit matter. This required an increased extent of effort, including the need for us to involve professionals with expertise in information technology (IT), to identify, test, and evaluate the Company’s systems, applications, and automated controls.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the Company's systems to process and record payment services and merchant acquiring revenues included the following, among others:

- With the assistance of our IT specialists, we:
  - Identified the relevant systems used to process revenue transactions and tested the general IT controls over each of these systems, including testing of user access controls, change management controls, and IT operations controls.
  - Tested system interface controls and automated controls within the relevant revenue streams, as well as the controls designed to ensure the accuracy and completeness of revenue.
- We tested internal controls within the relevant revenue business processes, including those in place to reconcile the various reports extracted from the IT systems to the Company's general ledger.
- We developed expectations of revenue at a disaggregated level based on historical transaction prices and current year transactions and volumes. We compared those estimates to revenue recognized by the Company.
- For a sample of revenue transactions, we performed detail transaction testing by agreeing the amounts recognized to source documents and testing the mathematical accuracy of the recorded revenue.

/s/ Deloitte & Touche LLP

San Juan, Puerto Rico
March 2, 2026
Stamp No. DLLP230-631
affixed to original.

We have served as the Company's auditor since 2015.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of EVERTEC, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of EVERTEC, Inc. and subsidiaries (the "Company") as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2025, of the Company and our report dated March 2, 2026, expressed an unqualified opinion on those financial statements.

Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

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

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

/s/ Deloitte & Touche LLP

San Juan, Puerto Rico
March 2, 2026
Stamp No. DLLP230-632
affixed to original.

EVERTEC, Inc. Consolidated Balance Sheets
(Dollar amounts in thousands, except share data)

	December 31, 2025	December 31, 2024
Assets		
Current Assets:		
Cash and cash equivalents	$ 305,993	$ 273,645
Restricted cash	25,838	24,594
Accounts receivable, net	164,381	137,501
Settlement assets	26,098	31,942
Prepaid expenses and other assets	68,462	61,383
Total current assets	590,772	529,065
Debt securities available-for-sale, at fair value	3,202	913
Equity securities, at fair value	5,849	4,976
Investment in equity investees	30,120	29,472
Property and equipment, net	64,354	62,059
Operating lease right-of-use asset	38,218	10,131
Goodwill	891,992	726,901
Other intangible assets, net	553,082	430,885
Deferred tax asset	45,386	33,877
Derivative asset	—	4,338
Other long-term assets	20,321	24,994
Total assets	$ 2,243,296	$ 1,857,611
Liabilities and stockholders' equity		
Current Liabilities:		
Accrued liabilities	$ 125,575	$ 124,553
Accounts payable	63,726	58,729
Contract liability	26,573	25,274
Income tax payable	3,218	8,981
Current portion of long-term debt	23,867	23,867
Short-term borrowings	10,000	—
Current portion of operating lease liability	5,878	6,229
Settlement liabilities	26,202	32,027
Total current liabilities	285,039	279,660
Long-term debt	1,053,030	925,062
Deferred tax liability	71,356	44,810
Contract liability - long term	47,032	55,003
Operating lease liability - long-term	33,305	4,924

Derivative liability	5,225	1,351
Other long-term liabilities	34,317	27,540
Total liabilities	1,529,304	1,338,350
Commitments and contingencies (Note 25)		
Redeemable non-controlling interests	89,155	43,460
Stockholders' equity		
Preferred stock, par value $0.01; 2,000,000 shares authorized; none issued	—	—
Common stock, par value $0.01; 206,000,000 shares authorized; 61,756,639 shares issued and outstanding at December 31, 2025 (December 31, 2024 - 63,614,077)	618	636
Additional paid-in capital	—	7,003
Accumulated earnings	687,696	599,608
Accumulated other comprehensive loss, net of tax	(66,708)	(134,723)
Total EVERTEC, Inc. stockholders' equity	621,606	472,524
Non-controlling interest	3,231	3,277
Total equity	624,837	475,801
Total liabilities and equity	$ 2,243,296	$ 1,857,611

The accompanying notes are an integral part of these audited consolidated financial statements.

EVERTEC, Inc. Consolidated Statements of Income and Comprehensive Income (Loss)
(Dollar amounts in thousands, except per share data)

	Years ended December 31,		
	2025	2024	2023
Revenues	$ 931,818	$ 845,486	$ 694,709
Operating costs and expenses			
Cost of revenues, exclusive of depreciation and amortization shown below	469,128	406,416	336,756
Selling, general and administrative expenses	154,164	145,558	128,172
Depreciation and amortization	122,086	127,846	93,621
Total operating costs and expenses	745,378	679,820	558,549
Income from operations	186,440	165,666	136,160
Non-operating income (expenses)			
Interest income	15,035	13,332	8,512
Interest expense	(68,278)	(74,733)	(32,321)
Gain (loss) on foreign currency remeasurement	592	(5,198)	(8,276)
Loss on foreign currency swap	—	—	(24,065)
Earnings from equity investees	5,094	4,298	4,976
Other income, net	15,492	16,261	367
Total non-operating expenses	(32,065)	(46,040)	(50,807)
Income before income taxes	154,375	119,626	85,353
Income tax expense	9,815	4,847	5,477
Net income	144,560	114,779	79,876
Less: Net income attributable to non-controlling interests	2,970	2,159	154
Net income attributable to EVERTEC, Inc.’s common stockholders	141,590	112,620	79,722
Other comprehensive income (loss), net of tax of $(1,678), $(519) and $(598)			
Foreign currency translation adjustments	74,588	(152,851)	38,328
Loss on cash flow hedges	(6,593)	(74)	(3,618)
Unrealized gain (loss) on change in fair value of debt securities available-for-sale	20	(7)	(15)
Other comprehensive income (loss), net of tax	$ 68,015	$ (152,932)	$ 34,695
Total comprehensive income (loss) attributable to EVERTEC, Inc.’s common stockholders	$ 209,605	$ (40,312)	$ 114,417
Net income per common share - basic attributable to EVERTEC, Inc.’s common stockholders	$ 2.22	$ 1.75	$ 1.23
Net income per common share - diluted attributable to EVERTEC, Inc.’s common stockholders	$ 2.20	$ 1.73	$ 1.21

The accompanying notes are an integral part of these audited consolidated financial statements.

EVERTEC, Inc. Consolidated Statements of Changes in Stockholders' Equity
(Dollar amounts in thousands, except share data)

	Number of Shares of Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Earnings	Accumulated Other Comprehensive Income (Loss)	Non-Redeemable Non-Controlling Interest	Total Stockholders' Equity
Balance at December 31, 2022	64,847,233	$ 648	$ —	$ 487,349	$ (16,486)	$ 3,237	$ 474,748
Share-based compensation recognized	—	—	25,732	—	—	—	25,732
Repurchase of common stock	(1,009,653)	(10)	(20,943)	(15,143)	—	—	(36,096)
Restricted stock units delivered	448,627	4	(5,960)	—	—	—	(5,956)
Net income	—	—	—	79,722	—	154	79,876
Issuance of Common Stock	1,164,592	12	37,698	—	—	—	37,710
Cash dividends declared on common stock, $0.20 per share	—	—	—	(13,025)	—	—	(13,025)
Other comprehensive income	—	—	—	—	34,695	724	35,419
Balance at December 31, 2023	65,450,799	654	36,527	538,903	18,209	4,115	598,408
Share-based compensation recognized	—	—	30,275	—	—	—	30,275
Repurchase of common stock	(2,358,246)	(23)	(43,228)	(39,042)	—	—	(82,293)
Restricted stock units delivered	521,524	5	(9,975)	—	—	—	(9,970)
Net income (loss)	—	—	—	112,620	—	(367)	112,253
Cash dividends declared on common stock, $0.20 per share	—	—	—	(12,873)	—	—	(12,873)
Adjustment of redeemable noncontrolling interest to redemption value	—	—	(6,596)	—	—	—	(6,596)
Other comprehensive loss	—	—	—	—	(152,932)	(471)	(153,403)
Balance at December 31, 2024	63,614,077	636	7,003	599,608	(134,723)	3,277	475,801
Share-based compensation recognized	—	—	29,582	—	—	—	29,582
Repurchase of common stock	(2,331,064)	(23)	(28,549)	(40,721)	—	—	(69,293)
Restricted stock units delivered	473,626	5	(8,966)	—	—	—	(8,961)
Net income (loss)	—	—	—	141,590	—	(207)	141,383
Cash dividends declared on common stock, $0.20 per share	—	—	—	(12,781)	—		(12,781)
Adjustment of redeemable noncontrolling interest to redemption value	—	—	930	—	—	—	930
Other comprehensive income	—	—	—	—	68,015	161	68,176
Balance at December 31, 2025	61,756,639	$ 618	$ —	$ 687,696	$ (66,708)	$ 3,231	$ 624,837

The accompanying notes are an integral part of these audited consolidated financial statements.

EVERTEC, Inc. Consolidated Statements of Cash Flows
(In thousands)

	Years ended December 31,		
	2025	2024	2023
Cash flows from operating activities			
Net income	$ 144,560	$ 114,779	$ 79,876
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	122,086	127,846	93,621
Amortization of debt issue costs and accretion of discount	4,689	4,739	2,307
Operating lease amortization	6,869	7,063	6,252
Loss on extinguishment of debt	—	—	1,433
Provision for expected credit losses and sundry losses	1,505	926	1,040
Deferred tax benefit	(24,153)	(26,726)	(16,144)
Share-based compensation	29,582	30,275	25,732
Earnings of equity investees	(5,094)	(4,298)	(4,976)
Dividends received from equity method investee	3,861	3,364	3,497
(Gain) loss on foreign currency remeasurement	(592)	5,198	8,276
Other, net	1,296	(1,423)	1,738
(Increase) decrease in assets:			
Accounts receivable, net	(28,559)	(11,225)	(6,850)
Prepaid expenses and other assets	(1,725)	(865)	(16,862)
Other long-term assets	4,846	1,288	(5,383)
(Decrease) increase in liabilities:			
Accrued liabilities and accounts payable	(17,191)	(6,602)	46,523
Income tax payable	(8,425)	6,199	(6,631)
Contract liability	(8,248)	14,199	8,074
Operating lease liabilities	(7,374)	(7,359)	(5,723)
Other long-term liabilities	9,074	2,681	(4,606)
Total adjustments	82,447	145,280	131,318
Net cash provided by operating activities	227,007	260,059	211,194
Cash flows from investing activities			
Additions to software	(68,165)	(63,044)	(63,524)
Acquisitions, net of cash acquired	(144,445)	(34,030)	(417,566)
Property and equipment acquired	(23,336)	(25,379)	(21,428)
Acquisition of available-for-sale debt securities	(2,391)	(793)	(962)
Investment in equity method investee	—	(2,000)	(5,500)
Other investing activities, net	101	6,964	1,048
Net cash used in investing activities	(238,236)	(118,282)	(507,932)
Cash flows from financing activities			
Acquisition of redeemable non-contolling interest	(5,167)	—	—
Debt issuance and repricing costs	(1,425)	(1,215)	(10,481)
Proceeds from issuance of long-term debt	149,625	—	651,000
Net increase (decrease) in short-term borrowings	10,000	—	(20,000)
Repayments of short-terms borrowings for purchase of equipment and software	(2,163)	(2,479)	(7,175)
Dividends paid	(12,781)	(12,873)	(13,025)
Withholding taxes paid on share-based compensation	(8,961)	(9,970)	(5,956)
Repurchase of common stock	(69,293)	(82,293)	(36,096)
Repayment of long-term debt	(23,867)	(23,867)	(154,280)
Repayment of other financing agreements	(4,765)	(8,134)	(717)
Settlement activity, net	(112)	(8,641)	13,096
Other financing activities, net	(2,643)	(3,088)	—
Net cash provided by (used in) financing activities	28,448	(152,560)	416,366
Effect of foreign exchange rate on cash, cash equivalents and restricted cash	16,261	(18,292)	8,439
Net increase (decrease) in cash, cash equivalents and restricted cash	33,480	(29,075)	128,067
Cash, cash equivalents, restricted cash, and cash included in settlement assets at beginning of the period	314,649	343,724	215,657
Cash, cash equivalents, restricted cash, and cash included in settlement assets at end of the period	$ 348,129	$ 314,649	$ 343,724

The accompanying notes are an integral part of these audited consolidated financial statements.

Notes to Audited Consolidated Financial Statements

Note 1—The Company and Summary of Significant Accounting Policies

The Company

EVERTEC, Inc. and its subsidiaries (collectively the "Company" or "EVERTEC") is a leading full-service transaction processing business and financial technology provider in Latin America and the Caribbean. The Company is based in Puerto Rico and provides a broad range of merchant acquiring, payment processing and business process management services across 26 countries in the region. EVERTEC owns and operates the ATH network, which we believe is one of the leading personal identification number ("PIN") debit networks in the Caribbean and Latin America. In addition, EVERTEC provides a comprehensive suite of services for core bank processing and cash processing in Puerto Rico and technology outsourcing in the regions the Company serves. EVERTEC serves a broad and diversified customer base of leading financial institutions, merchants, corporations, and government agencies with solutions that are essential to their operations, enabling them to issue, process and accept transactions securely.

Basis of consolidation

The accompanying consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), and present the consolidated financial position, income, stockholders' equity, and cash flows of EVERTEC and its consolidated subsidiaries. Intercompany transactions and balances have been eliminated in consolidation. Certain amounts from prior periods have been reclassified to conform to the current period presentation.

A summary of the most significant accounting policies used in preparing the accompanying consolidated financial statements is as follows:

Use of Estimates

The preparation of the accompanying consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Due to the inherent uncertainty involved with estimates actual results may differ.

Revenue Recognition

The Company's revenue recognition policy follows the guidance from Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*, which provides guidance on the recognition, presentation, and disclosure of revenue from contracts with customers.

At contract inception, the Company evaluates whether the contract (i) is legally enforceable; (ii) approved by both parties; (iii) properly defines rights and obligations of the parties, including payment terms; (iv) has commercial substance; and (v) collection of substantially all consideration entitled is probable, before proceeding with the assessment of revenue recognition. If any of these requirements is not met, the contract does not exist for purposes of the model and any consideration received is recorded as a contract liability. A reassessment may be performed at a later date upon change in facts and circumstances. The Company also evaluates if contracts issued within a period of 6 months with the same customer should be accounted for as a single contract. The Company's contracts with customers may be modified through amendments, change requests or waivers. Upon receipt, modifications of contracts with customers are evaluated to determine if these must be accounted for: (i) as a separate contract, (ii) a cumulative catch-up, or (iii) as a termination and creation of a new contract. Contract modifications must also comply with the requirements to determine if a contract with a customer exists for accounting purposes.

To identify performance obligations within contracts with customers, the Company first identifies all the promises in the contract (i.e., explicit and implicit). This includes the customer's options to acquire additional goods or services for free or at a discount in exchange for an upfront payment. The Company then assesses if each material good or service (or bundle of goods or services) is distinct in nature and is capable of being distinct in the context of the contract. A distinct good or service (or bundle of goods or services) constitutes a performance obligation.

The Company also applies the series guidance to distinct goods or services (either with a specified quantity of goods or services or a stand-ready service), with an over time revenue recognition, to determine whether they should be accounted for as a single performance obligation. These distinct goods or services are recognized as a single performance obligation when their nature and timely increments are substantially the same and have the same pattern of transfer to the customer (i.e., the distinct goods or services within the series use the same method to measure progress towards complete satisfaction). Performance obligations that do not meet the over time criteria are recognized at a point in time.

The Company also evaluates whether the practical expedient of right-to-invoice applies. For this practical expedient to apply, the right to consideration must correspond directly with the value received by the customer for the Company's performance to date, no significant up-front payments or retroactive adjustments must exist, and specified minimums must be deemed non-substantive at the contract level. If the contract with the customer has multiple performance obligations and the practical expedient of right-to-invoice does not apply, the Company proceeds to determine the transaction price and allocate it on a standalone selling price basis among the different performance obligations identified.

Revenue is measured based on the consideration specified in a contract with a customer. Once the Company determines a contract's performance obligations and the transaction price, including an estimate of any variable consideration, the Company allocates the transaction price to each performance obligation in the contract using a standalone selling price ("SSP"). The Company recognizes revenue when it satisfies a performance obligation by transferring control of a product or service to a customer. Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities.

The Company generally applies the expected cost plus margin approach to determine the standalone selling price at the performance obligation level. To determine the SSP, the Company periodically performs an assessment to determine the margin of goods or services with the assistance of the different business areas. This assessment is performed considering past transactions and/or reasonably available information, including market conditions, trends or other company or customer specific factors, among others. In addition, for performance obligations that are satisfied over time and the right to invoice practical expedient is not available, the Company determines a method to measure progress (i.e., input or output method) based on current facts and circumstances. When these performance obligations have variable consideration within its transaction price and are part of a series, the Company allocates the variable consideration to each time increment.

As part of the revenue recognition analysis, when another party is involved in providing goods or services to a customer, the Company evaluates, for each performance obligation, whether it is providing the goods or services itself (i.e., as principal), or if it is only arranging on behalf of the other party. The Company acts as principal if it controls the specified good or service before that good or service is transferred to a customer. To determine if the Company acts as an agent, the Company considers indicators, such as: (i) the responsibility to fulfill a promise; (ii) the inventory risk; and (iii) the price determination.

The Company may also generate revenues from payments received under collaborative arrangements. Management analyzes its collaborative arrangements to assess whether such arrangements, or transactions between arrangement participants, involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities or are more akin to a vendor-customer relationship. In making this assessment, management considers whether the activities in the collaborative arrangement are considered to be distinct and deemed within the scope of ASC 808, *Collaborative Arrangements,* and those that are more reflective of a vendor-customer relationship and, therefore, within the scope of ASC 606. This assessment is performed throughout the life of the arrangement based on changes in the responsibilities of all parties in the arrangement.

Nature of performance obligations by segment

The following is a description of the Company's principal revenue generating activities, including the separate performance obligations by operating segment.

The Payment Services - Puerto Rico & Caribbean segment provides financial institutions, government entities, health insurance companies and other issuers services to process credit, debit and prepaid cards; automated teller machines and electronic benefit transfer ("EBT") card programs (which principally consist of services to the government of Puerto Rico for the delivery of benefits to participants). Revenue is principally derived from fixed fees per transaction, and can also include time and material billing for professional services provided to enhance and maintain the existing hosted platforms. Professional services in these contracts are primarily considered non-distinct from the transactional services and accounted for as a single performance obligation. Revenue for these contracts is generally recognized over time for the amount which the Company has right to consideration.

The Latin America Payments and Solutions segment provides financial institutions, government entities and other issuers services to process credit, debit and prepaid cards as well as licensed software solutions for risk and fraud management and card payment processing. Solutions revenues also consist of (a) licensing, support and maintenance ("subscription"), implementation and customization of software used to provide financial products in areas such as core banking, credit, investments, payments, foreign exchange, mutual funds, pension funds and consortium, in addition to software used to execute processes such as digital onboarding, digital signature and digital collection; (b) resale of third-party cloud infrastructure services and (c) outsourcing of mission critical IT services. Revenues are based on monthly fixed fees and, in several cases, variable fees based on usage. Licensed software solutions are provided mainly as Software as a Service ("SaaS") and on-premises perpetual licenses. Set-up fees related to SaaS are considered non-distinct from the license and accounted for as a single performance obligation. SaaS revenues are recognized over time while the customer benefits from the software. On-premises perpetual licenses require significant customization and development. Professional services provided for significant customizations and development are non-distinct from the license and accounted for as a single performance obligation, recognized over time during the development of the license. Hardware and software sales, and other services are recognized at a point in time when the control of the asset is transferred to the customer. Maintenance or support services are considered distinct and recognized over time in the amount in which the Company has right to consideration.

The Merchant Acquiring segment provides customers with the ability to accept and process debit and credit cards. Revenue is derived from fixed or identifiable fees charged to individual merchants per transaction, set-up fees, monthly membership fees and rental of point-of-sale ("POS") terminals. Set-up fees are considered non-distinct from the transaction processing services and accounted for as a single performance obligation. Revenue for these contracts is recognized over time in the amount in which the Company has right to consideration.

The Business Solutions segment consists of revenues from a full suite of business process management solutions. Revenue derived from core bank processing and other processing and transaction-based services are generally recognized over time in the amount in which the Company has right to consideration. Hosting services generally represent a series of distinct monthly increments that are substantially the same and have the same pattern of transfer. Professional services to enhance EVERTEC's platforms are generally considered non-distinct from the hosting service and accounted for as a single performance obligation. Hosting services are generally recognized over time once in production throughout the term of the contract. Maintenance or support services are usually considered distinct and recognized over time in the amount in which the Company has right to consideration. Hardware and software sales are recognized at a point in time when the control of the asset is transferred to the customer. Indicators of transfer of control include the Company's right to payment, or as the customer has legal title or physical possession of the asset. The Company may also provide professional services to enhance customer's platforms or as IT consulting services by arranging for other parties to transfer the services (i.e., acting as an agent). For these contracts, revenue is recognized on a net basis.

The Company's service contracts may include service level arrangements ("SLA") generally allowing the customer to receive a credit for part of the service fee when the Company has not provided the agreed level of services. If triggered, the SLA is deemed a consideration payable that may impact the transaction price of the contract, thus SLA performance is monitored and assessed for compliance with arrangements on a monthly basis, including determination and accounting for its economic impact, if any.

Significant Judgments

Determining a measure of progress for performance obligations satisfied over time requires management to make judgments that affect the timing of revenue to be recognized. The Company exercises judgment in identifying a suitable method that depicts the entity's performance in transferring control of these performance obligations, on a contract-by-contract basis. The principal criteria used for determining the measure of progress is the availability of reliable information that can be obtained without incurring undue cost, which generally results in the application of an input method since, in most cases, the outputs used to reasonably measure progress are not directly observable. Usually, the input method based on labor hours incurred, with respect to total expected labor hours to satisfy the performance obligation is applied. For performance obligations satisfied at a point in time, the Company determines that the customer is able to direct the use of, and obtain substantially all of the benefits from the products at the time the products are delivered and services are performed.

Investment in Equity Investees

The Company accounts for investments using the equity method of accounting if the investment provides the Company the ability to exercise significant influence, but not control, over an investee. Significant influence is generally deemed to exist if the Company has an ownership interest in the voting stock of an investor of between 20 percent and 50 percent, although other factors are considered in determining whether the equity method of accounting is appropriate. Under this method, the investment, originally recorded at cost on the consolidated balance sheets, is adjusted to recognize the Company’s share of net income or losses of the investees as they occur. The Company’s share of the investees earnings or losses is recorded, net of taxes, within the earnings from equity investees in the consolidated statements of income and comprehensive income (loss). The Company tracks its share of cumulative earnings and distributions of its equity method investments. For purposes of classifying distributions received from equity method investments in the Company’s consolidated statements of cash flows, cumulative distributions are treated as returns on capital to the extent of cumulative earnings and included in the Company’s consolidated statements of cash flows as operating activities. Cumulative distributions in excess of the Company’s share of cumulative earnings are treated as returns of capital and included in the Company’s consolidated statements of cash flows as cash from investing activities. The Company’s consolidated revenues include fees for services provided to the investees accounted for under the equity method. On the acquisition of the investment, any difference between the cost of the investment and the amount of the underlying equity in net assets of the investees is required to be accounted as if the investee were a consolidated subsidiary. If the difference is assigned to depreciable or amortizable assets or liabilities, then the difference should be amortized or accreted in connection with the equity earnings based on the Company’s proportionate share of the investee’s net income or loss. If the investor is unable to relate the difference to specific accounts of the investee, the difference should be considered goodwill.

The Company considers whether the fair value of its equity method investment has declined below its carrying value whenever adverse events or changes in circumstances indicate that recorded values may not be recoverable. If the Company considered any such decline to be other than temporary (based on various factors, including historical financial results, product development activities and the overall health of the investee’s industry), then the Company will write-down the investment to estimated fair value.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation of property and equipment is computed using the straight-line method and expensed over their estimated useful lives. Amortization of leasehold improvements is computed over the terms of the respective leases, including renewal options considered by management to be reasonably assured of being exercised, or the estimated useful lives of the improvements, whichever is shorter. Costs of maintenance and repairs which do not improve or extend the life of the respective assets are expensed as incurred.

Leases

The Company evaluates each of its lease and service arrangements at inception to determine if the arrangement is, or contains, a lease and to determine the appropriate classification of each identified lease. A lease exists if the Company obtains substantially all of the economic benefits of, and has the right to control the use of, an asset for a period of time. Right-of-use assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represents the Company's obligation to make lease payments arising from the lease agreement. The Company recognizes right-of-use assets and lease liabilities at the lease commencement date based on the present values of fixed lease payments over the term of the lease. Variable lease payments are not included in the right-of-use asset or lease liabilities and are expensed as incurred. Right-of-use assets may also be adjusted to reflect any prepayments made or any incentive payments received. Operating lease costs and depreciation expense for finance leases are recognized as expense on a straight-line basis over the lease term. At inception, the Company evaluates the options to extend or terminate the lease and includes those that are reasonably certain to be exercised in the right-of-use assets and lease liabilities. The Company considers a termination or renewal option in the determination of the lease term when it is reasonably certain that it will exercise that option. Because the Company's leases generally do not provide a readily determinable implicit interest rate, the Company use an incremental borrowing rate to measure the lease liability and associated right-of-use asset at the lease commencement date. The incremental borrowing rate used is a fully collateralized rate that considers the Company's credit rating, market conditions and the term of the lease at the lease commencement date. The Company has made an accounting policy election to not recognize assets or liabilities for leases with a term of less than 12 months and to account for all components in a lease arrangement as a single combined lease component for all asset classes.

Impairment of Long-lived Assets

Long-lived assets to be held and used, and long-lived assets to be disposed of, are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Capitalization of Software

The Company develops software that is used in providing processing services to customers. Capitalized software includes purchased software and internally developed software and is recognized as software packages within other intangible assets, net in the consolidated balance sheets. Capitalization of internally developed software occurs only after the preliminary project stage is complete, management with applicable authority approves funding of the project, it is probable that the project will be completed, and the software will be used to perform the intended function. Tasks that are generally capitalized are as follows: (a) system design of a chosen path including software configuration and software interfaces; (b) employee costs directly associated with the internal-use computer software project; (c) software development (coding) and software and system testing and verification; (d) system installation; and (e) enhancements that add function and are considered permanent. These tasks are capitalized and amortized using the straight-line method over its estimated useful life, which range from three to ten years, and is included in depreciation and amortization in the consolidated statements of income and comprehensive income (loss).

The Company capitalizes interest costs incurred in the development of software. The amount of interest capitalized is an allocation of the interest cost incurred during the period required to substantially complete the asset. The interest rate for capitalization purposes is based on a weighted average rate on the Company's outstanding borrowings. For the years ended December 31, 2025, 2024 and 2023, interest cost capitalized amounted to approximately $2.3 million, $3.4 million, and $2.7 million, respectively.

Software and Maintenance Contracts

Software and maintenance contracts are recorded at cost. The cost is recognized as prepaid expenses and amortized over the term of the related contract. The unamortized balance is included within prepaid expenses and other assets or other long-term assets depending on the contract terms. Amortization of software and maintenance contracts is computed using the straight-line method and their estimated useful lives based on the contract terms and are recognized in cost of revenues in the consolidated statements of income and comprehensive income (loss).

Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price and related costs over the value assigned to net assets acquired. Goodwill is not amortized, but is tested for impairment at least annually, or more often if events or circumstances indicate that the carrying value may not be recoverable.

The Company may first assess qualitative factors to determine whether it is more likely than not, that the fair value of the reporting unit is less than its carrying amount including goodwill, that is, a likelihood of more than 50 percent. The Company has an unconditional option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the quantitative goodwill impairment test. The Company may resume performing the qualitative assessment in any subsequent period. If determined necessary, the quantitative impairment test shall be used to identify goodwill impairment and measure the amount of a goodwill impairment loss to be recognized (if any). The quantitative goodwill impairment test, used to identify both the existence of impairment and the amount of impairment loss, compares the fair value of a reporting unit with its carrying amount, including goodwill. If the Company determines to perform a quantitative impairment test, a third-party may be engaged to prepare an independent valuation of each reporting unit being evaluated. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. Additionally, the Company shall consider the income tax effect from any tax-deductible goodwill on the carrying amount of the reporting unit, if applicable, when measuring the goodwill impairment loss. For the years ended December 31, 2025, 2024 and 2023, no impairment losses associated with goodwill were recognized.

Other identifiable intangible assets with definitive useful lives include customer relationships, trademarks, software packages and non-compete agreements. Customer relationships were valued using the excess earnings method under the income approach. Trademark assets were valued using the relief-from-royalty method under the income approach. Internally developed software packages, which include capitalized software development costs, are recorded at cost, while software packages acquired as part of a business combination were valued using the relief-from-royalty method under the income approach or the cost replacement method. The non-compete agreements were recorded based on the price paid to enter into the agreements. Other identifiable intangible assets are evaluated for impairment at least annually or more often if events or circumstances indicate there may be an impairment.

Derivative Instruments and Hedging Activities

The Company uses derivative financial instruments to enhance its ability to manage its exposure to certain financial and market risks. On the date the derivative instrument contract is entered into, the Company may designate the derivative as (1) a hedge of the fair value of a recognized asset or liability or an unrecognized firm commitment (“fair value” hedge), (2) a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability (“cash flow” hedge), or (3) as a “standalone” derivative instrument, including economic hedges that the Company has not formally documented as a fair value or cash flow hedge. Changes in the fair value of a derivative that qualifies for cash flow hedge accounting are recognized in other comprehensive income (loss). Amounts accumulated in other comprehensive income (loss) are reclassified to earnings when the related cash outflow affects earnings. Changes in the fair value of a derivative instrument that is highly effective and that is designated and qualifies as a fair value hedge, along with changes in the fair value of the hedged asset or liability that are attributable to the hedged risk (including gains or losses on firm commitments), are recorded in current-period earnings. Similarly, the changes in the fair value of stand-alone derivative instruments or derivatives not qualifying or designated for hedge accounting are reported in current-period earnings. The Company recognizes all derivative financial instruments in the consolidated balance sheets as assets or liabilities at fair value. The Company presents derivative assets and derivative liabilities separately in the consolidated balance sheets. The Company does not enter into derivative financial instruments for speculative purposes.

Income Tax

Income taxes are accounted for under the asset and liability method. A temporary difference refers to a difference between the tax basis of an asset or liability, determined based on recognition and measurement requirements for tax positions, and its reported amount in the financial statements that will result in taxable or deductible amounts in future years when the reported amount of the asset or liability is recovered or settled, respectively. Deferred tax assets and liabilities represent the future effects on income taxes that result from temporary differences and carryforwards that exist at the end of a period. Deferred tax assets and liabilities are measured using enacted tax rates and provisions of the enacted tax law and are not discounted to reflect the time-value of money. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the consolidated statements of income and comprehensive income (loss) in the period that includes the enactment date. A deferred tax valuation allowance is established if it is considered more likely than not that all or a portion of the deferred tax asset will not be realized.

The Company recognizes the benefit of uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement or disposition of the underlying issue with the taxing authority. Accordingly, the amount of benefit recognized in the consolidated financial statements may differ from the amount taken or expected to be taken in the tax return resulting in unrecognized tax benefits (“UTBs”). The Company recognizes the interest and penalties associated with UTBs as part of the provision for income tax expense in the consolidated statements of income and comprehensive income (loss). Accrued interest and penalties are included within the related tax liability line in the consolidated balance sheets.

All companies within EVERTEC are legal entities that file separate income tax returns.

Research and Development ("R&D") Tax incentives

The Company receives tax credits for qualifying research and development activities as defined by the government entities that award these credits for which it has the option to sell them to third parties, usually at a discount. The Company has elected to account for these transferable credits outside the scope of ASC 740, consistent with the accounting for refundable credits. As such, these R&D tax credits are recognized as part of other income (expenses) in the consolidated statements of income and comprehensive income (loss) when the Company has complied with the conditions specified by the requirements of the government entity and there is reasonable assurance that the credits will be received.

Cash and cash equivalents

Cash includes cash on hand and in banks. Cash equivalents consist of financial instruments available on demand or with original maturities of three months or less.

Restricted Cash

Restricted cash represents cash received on deposits from participating institutions of the ATH network that has been segregated for the development, growth and acceptance of the ATH brand. Also, restricted cash includes a reserve account for payment and transaction processing services to merchants. Amounts that guarantee the payment for deferred consideration of business combinations are also included as restricted cash. The restrictions of these accounts are based on contractual provisions entered into with third parties. This cash is maintained in separate accounts at financial institutions in Puerto Rico and Brazil.

Settlement Assets and Liabilities

Settlement assets and liabilities result from timing differences in the Company's settlement processes with merchants, financial institutions, and credit card associations related to merchant and card transaction processing. The amounts are generally collected or paid the following business day. Settlement assets represent cash received or amounts receivable from agents, payment networks, bank partners, merchants or direct consumers. Settlement liabilities represent amounts payable to merchants and payees. Settlement assets are composed of cash and accounts receivable and are presented within current assets, while settlement liabilities are composed of accounts payable and are presented as part of current liabilities within the consolidated balance sheets. Cash flows associated with settlement activities are presented net within financing activities within the consolidated statement of cash flows.

Allowance for Current Expected Credit Losses

The Company monitors trade receivable balances and estimates the allowance for current expected credit losses based on historical loss rates adjusted by macroeconomic factors. Receivables are considered past due if full payment is not received by the contractual date. Past due accounts are generally written off against the allowance for current expected credit losses, only after all collection attempts have been exhausted.

Redeemable Non-controlling Interests

The Company records redeemable non-controlling interests ("RNCI") in consolidated subsidiaries that result from business acquisition transactions where the Company is granted the right to purchase ("Call Option") and the sellers are granted the right to sell to the Company ("Put Option") the remaining interest at the calculated redemption value and classifies them as mezzanine equity in the consolidated balance sheets as potential redemption is not solely within the Company's control. The acquired RNCI were initially measured at fair value at the acquisition date. The non-controlling interest is adjusted each reporting period for income (loss) attributable to the non-controlling interest and for any dividends declared. Additionally, on each reporting period, a measurement period adjustment, if any, is then recorded to adjust the non-controlling interest to the higher of either the redemption value, assuming it was redeemable at the reporting date, or its carrying value, but not if such adjustment would result in a redemption value less than the initial fair value of the redeemable noncontrolling interest. If and when applicable, these adjustments are recorded in equity and are not reflected in the accompanying consolidated statements of income and comprehensive income (loss).

Foreign Currency Translation and Transactions

Assets and liabilities denominated in foreign currencies are translated to U.S. dollars using prevailing rates of exchange at the end of the period. Revenues, expenses, gains and losses are translated using average rates for the period. The resulting foreign currency translation adjustment from operations for which the functional currency is other than the U.S. dollar is reported in accumulated other comprehensive income (loss), except for entities which operate in economies considered highly inflationary which are remeasured as if the functional currency were the reporting currency, therefore, foreign currency translation adjustments are recognized within the consolidated statement of income and not in other comprehensive income (loss). Gains and losses on transactions denominated in currencies other than the functional currencies are included in determining net income for the period in which exchange rates change.

Share-based Compensation

Performance and time-based restricted stock units ("RSUs") and restricted stock are valued based on the market price of the Company's stock at the grant date. The Company estimates the fair value of stock-based awards with market conditions, on a contemporaneous basis, at the date they are granted using the Monte Carlo simulation analysis for market based RSUs using the following assumptions: (1) stock price; (2) risk-free rate; (3) expected volatility; (4) expected annual dividend yield and (5) expected term. The risk-free rate is based on the U.S. Constant Maturities Treasury Interest Rate as of the grant date or the yield of a 2-year or 3-year Treasury bond, as applicable. The expected volatility is based on a combination of historical volatility and implied volatility from publicly traded companies in the Company’s industry. The expected annual dividend yield is based on management’s expectations of future dividends as of the grant date and, in certain cases, assumes that those dividends will be reinvested over the performance period.

Upon restricted stock or RSUs release, participants may elect to “net share settle”. Rather than requiring the participant to deliver cash to satisfy the tax withholdings, the Company withholds enough shares to cover these amounts and delivers the net shares to the participant.

Net Income Per Common Share

Basic net income per common share is determined by dividing net income by the weighted-average number of common shares outstanding during the period.

Diluted net income per common share assumes the issuance of all potentially dilutive share equivalents using the treasury stock method. For restricted stock and RSUs it is assumed that the proceeds will be used to buy back shares. For unvested restricted share units, the proceeds equal the average unrecognized compensation.

Note 2—Recent Accounting Pronouncements

Recently adopted accounting pronouncements

In 2025, the Company adopted Accounting Standards Update ("ASU") 2023-09 *Income Tax (Topic 740): Improvements to Income Tax Disclosures,* on a prospective basis. The amendments require disclosure of specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. This standard also requires further disaggregation of income taxes paid by federal, state, and foreign taxes, and by individual jurisdictions. Refer to Note 23 – *Income Taxes* for further information.

Recently issued accounting pronouncements not yet adopted

In November 2024, the Financial Accounting Standards Board ("FASB") issued ASU 2024-03, *Disaggregation of Income Statement Expenses*. This update enhances the disclosure requirements of a public business entity’s expenses. With this standard nearly all public business entities will disclose more information about the components of the expense captions than what is currently disclosed in the financial statements allowing investors to better understand the components of an entity’s expenses and assess an entity’s performance. This update is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the updated disclosure requirements and impact that the standard will have on its consolidated financial statements upon implementation.

In May 2025, the FASB issued ASU 2025-03 *Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity to update Business Combinations (Topic 805) and Consolidation (Topic 810)*. The amendments in this update require an entity involved in an acquisition transaction that include an exchange of equity interests when the acquiree is a variable interest entity to consider the factors in paragraphs 805-10-55-12 through 55-15 to determine which entity is the accounting acquirer. The amendments in this update are effective for fiscal years beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact of this update on its consolidated financial statements and related disclosures and will apply the updated guidance upon the effective date.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. This update provides a practical expedient for all entities to simplify the estimation of expected credit losses for current accounts receivable and contract assets arising from revenue transactions under ASC 606. Under the practical expedient, entities may assume that current conditions as of the balance sheet date remain unchanged over the remaining life of the asset when developing reasonable and supportable forecasts. The update is effective for fiscal years beginning after December 15, 2025. Early adoption is permitted. The Company is currently evaluating the impact of this update on its consolidated financial statements and related disclosures and will apply the updated guidance upon the effective date.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. This update introduces a principles-based capitalization model that replaces the previous stage-based guidance. Under the new model, capitalization of internal-use software costs begins when management authorizes and commits to funding the project, and it is probable the software will be completed and used as intended. The update also consolidates guidance for website development costs previously included in ASC 350-50 into ASC 350-40, and clarifies that the guidance applies to both on-premise and cloud-based software. The ASU is effective for fiscal years beginning after December 15, 2026. Early adoption is permitted. The Company is currently evaluating the impact of this update on its consolidated financial statements and related disclosures and will apply the updated guidance upon the effective date.

In November 2025, the FASB issued ASU 2025-09, *Derivatives and Hedging (Topic 815): Hedge Accounting Improvements. This update provides targeted improvements to hedge accounting under ASC 815*. The update is intended to clarify aspects of hedge accounting guidance that stakeholders found difficult or unclear following ASU 2017-12. The ASU also addresses incremental hedge-accounting issues created during the transition away from LIBOR and other reference rate reforms. The ASU is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact of this update on its consolidated financial statements and related disclosures and will apply the updated guidance upon the effective date.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*. This update was designed to clarify and improve the navigability of interim reporting requirements under ASC 270. Under this update, the fundamental nature of interim reporting does not change; instead, it organizes and clarifies what is already required. The ASU clarifies which entities are subject to ASC 270, specifies the form and content of interim financial statements, creates a comprehensive list of required interim disclosures, and adds a disclosure principle requiring entities to report events occurring after the latest annual period that have a material impact on the entity. The ASU is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of this update on its consolidated financial statements and related disclosures and will apply the updated guidance upon the effective date.

Note 3– Business Acquisitions and Dispositions

On October 1, 2025, Evertec Brasil Informática S.A. (“Evertec BR”), a wholly-owned subsidiary of EVERTEC, Inc., completed the previously announced purchase of 75% of the share capital of Tecnobank Tecnologia Bancária S.A. (“Tecnobank”). Tecnobank is a fintech vendor in Brazil’s digital vehicle financing contract registration sector. The aggregate purchase price for the shares was BRL$791 million or approximately USD$150 million. This transaction enhances the Company's existing product offerings.

The Company accounted for this transaction as a business combination, which generally requires that we recognize the assets acquired and liabilities assumed at fair value as of the acquisition date. In accordance with ASC 805-10-25-15, the Company is allowed a period, not to exceed 12 months from the acquisition date, to adjust the provisional amounts recognized for a business combination. The preliminary estimated acquisition-date fair values of major classes of assets acquired and liabilities assumed, including a reconciliation to the total purchase consideration, were as follows:

(In thousands)		Assets/Liabilities (at fair value)
Cash and cash equivalents	$	4,784
Accounts receivable, net		2,571
Prepaid expenses and other assets		7,604
Property and equipment, net		298
Long-term deferred tax asset		4,651
Other intangible assets, net		126,875
Other long-term assets		118
Accounts payable		(469)
Accrued liabilities		(3,829)
Income tax payable		(8,617)
Contract liability		(64)
Deferred tax liability		(43,137)
Other long-term liabilities		(12,202)
Total identifiable net assets		78,583
Redeemable noncontrolling interests		(53,569)
Goodwill		123,808
Total purchase consideration	$	148,822

The following table details the major groups of intangible assets acquired and the weighted average amortization period for these assets:

(Dollar amounts in thousands)		**Amount**	**Weighted-average life**
Customer relationships	$	26,315	15
Trademark		6,579	10
Software packages		93,981	10
Total	$	126,875	11

The results of operations for Tecnobank were not material to the Company's consolidated statement of income and comprehensive income (loss) for the year ended December 31, 2025.

On October 31, 2024, the Company signed and closed an agreement to acquire 100% of the share capital of Grandata, Inc ("Grandata"). Grandata is a data analytics company operating in Mexico that specializes in leveraging behavioral data to provide credit risk insights, with a focus on underbanked populations. The aggregate purchase price was $33.3 million and the acquisition enhances the Company's existing product offerings. The Company accounted for this transaction as a business combination. The purchase price allocation is as follows:

(In thousands)		Assets/Liabilities (at fair value)
Cash and cash equivalents	$	9,862
Accounts receivable, net		2,701
Prepaid expenses and other assets		836
Goodwill		13,771
Other intangible assets, net		18,310
Total assets acquired		45,480
Accounts payable		5,676
Accrued liabilities		604
Income tax payable		837
Deferred tax liability		5,044
Total liabilities assumed		12,161
Additional paid-in capital		33,319
Total liabilities and equity	$	45,480

The following table details the major groups of intangible assets acquired and the weighted average amortization period for these assets:

(Dollar amounts in thousands)		Amount	Weighted-average life
Customer relationships	$	11,900	15
Trademark		1,440	3
Software packages		4,970	5
Total	$	18,310	11

On November 19, 2024, the Company signed and closed an agreement to acquire 100% of the share capital of Nubity, Inc ("Nubity"). Nubity is a cloud services provider based in Mexico, specializing in AWS cloud infrastructure management, DevOps, and cloud-native application solutions for clients across Latin America. The aggregate purchase price was $11.4 million and the acquisition enhances the Company's existing product offering.

The Company accounted for this transaction as a business combination and, in accordance with ASC 805-10-25-15, the Company is allowed a period, not to exceed 12 months from the acquisition date, to adjust the provisional amounts recognized for a business combination. The Company received net assets with a value of $0.3 million and identified intangible assets other than goodwill for which a portion of the purchase price must be allocated. The purchase price was allocated to the following intangible assets: $4.4 million to customer relationships and $0.4 million to trademarks. Goodwill in connection with this transaction is approximately $7.8 million, after recording deferred tax liabilities of approximately $1.4 million in connection with the intangible assets recognized.

The following table details the major groups of intangible assets acquired and the weighted average amortization period for these assets:

(Dollar amounts in thousands)		Amount	Weighted-average life
Customer relationships	$	4,370	15
Trademark		365	3
Total	$	4,735	14

Goodwill in connection with the Tecnobank, Grandata and Nubity acquisitions is attributable to the Latin America Payments and Solutions segment, refer to Note 12- *Goodwill* for further details. Currently, none of the goodwill is deductible for income tax purposes.

On February 16, 2023, the Company closed on the acquisition of 100% of Paysmart Pagamentos Electronicos Ltda ("paySmart"). Headquartered in Porto Alegre, Brazil, paySmart provides issuer processing services and BIN Sponsorship services for prepaid programs under domestic and international schemes in Brazil. The aggregate purchase price was $130 million Brazilian reais ("BRL"), approximately USD $25 million. The acquisition expands the Company's footprint in Brazil and compliments the current product offering in the country.

The Company accounted for this transaction as a business combination. The following table details the fair value of assets acquired and liabilities assumed from the paySmart acquisition:

(In thousands)		Assets/Liabilities (at fair value)
Cash and cash equivalents	$	2,037
Accounts receivable, net		451
Prepaid expenses and other assets		58
Property and equipment, net		107
Operating lease right-of-use asset		182
Goodwill		9,477
Other intangible assets, net		15,174
Settlement assets		52,593
Total assets acquired		80,079
Accounts payable		278
Settlement liabilities		50,368
Operating lease liability		185
Income tax payable		298
Deferred tax liability		4,253
Total liabilities assumed	$	55,382

The following table details the major groups of intangible assets acquired and the weighted average amortization period for these assets:

(Dollar amounts in thousands)		Amount	Weighted-average life
Customer relationships	$	10,239	20
Trademark		1,299	5
Software packages		3,636	5
Total	$	15,174	15

On November 1, 2023, the Company completed the acquisition (the "Sinqia Transaction") of 100% of the outstanding shares of Sinqia S.A. (“Sinqia”), a publicly held company incorporated and existing in accordance with the laws of the Federative Republic of Brazil. The Company completed the acquisition through its wholly-owned subsidiary, Evertec Brasil Informática S.A (“Evertec BR”). Prior to the completion of the business combination, the Company acquired 4.8 million shares of Sinqia, representing approximately 5.4% of the outstanding shares of Sinqia. The shares were purchased in the open market for $26.5 million and at acquisition date the fair value of the equity securities amounted to $25.7 million. The acquisition expands the Company's product portfolio and client base in Brazil. The aggregate purchase price was $2.4 billion BRL, approximately USD$472 million, composed of cash of approximately USD$408.3 million from new financing commitments, approximately USD$25.7 million from previously acquired Sinqia shares and 1.2 million Evertec shares issued through Brazilian Depository

Receipts, with a value of BRL$190.7 million, approximately USD$37.7 million. The closing stock price of Evertec on November 1, 2023 was $32.38. Refer to Note 15 - Debt and Short-Term Borrowings for further details regarding new financing commitments and Note 19 - Equity for further details regarding the Brazilian Depository receipts.

The Company accounted for this transaction as a business combination. The following table details the fair value of the assets acquired and liabilities assumed from the Sinqia acquisition:

		Assets/Liabilities (at fair value)
(In thousands)		
Cash and cash equivalents	$	37,147
Restricted cash		2,166
Accounts receivable, net		9,989
Prepaid expenses and other assets		5,975
Property and equipment, net		3,618
Operating lease right-of-use asset		3,191
Goodwill		341,801
Equity securities, at fair value		9,035
Long-term deferred tax asset		28,758
Other intangible assets, net		289,540
Other long-term assets		5,455
Total assets acquired	$	736,675
Accounts payable		13,241
Accrued liabilities		40,775
Operating lease liability		4,114
Current portion of long-term debt		11,400
Long-term debt		57,492
Contract liability		7,356
Deferred tax liability		76,150
Other long-term liabilities		15,134
Total liabilities assumed	$	225,662
Redeemable non-controlling interests		39,340
Additional paid-in capital		471,673
Total liabilities and equity	$	736,675

The following table details the major groups of intangible assets acquired and the weighted average amortization period for these assets:

		Amount	Weighted-average life
(Dollar amounts in thousands)			
Customer relationships	$	155,876	18
Trademark		47,688	10
Software packages		85,976	10
Total	$	289,540	14

Refer to Note 12 - *Goodwill* for detail of goodwill allocated by reportable segments. The goodwill is primarily attributed to selling the Company's products and services to Sinqia's client base, exporting Sinqia's products to other markets where the

Company has presence and the assembled workforce. Currently, a portion of goodwill related to previous Sinqia acquisitions is deductible for income tax purposes on a statutory basis.

The following unaudited pro forma information shows the Company's results of operations for the years ended December 31, 2023 as if the Sinqia Transaction had occurred on January 1, 2023. The unaudited pro forma information is presented for informational purposes only and is not necessarily indicative of what would have occurred if the Sinqia acquisition had occurred as of that date. The unaudited proforma financial information reflects the effects of applying the Company's accounting policies and certain pro forma adjustments to the combined historical financial information of the Company and Sinqia. This is not intended to be a projection of future results or performance and actual results might materially differ.

(In thousands)	Year ended December 31, 2023
Total revenues	$ 805,152
Net income	85,344

Note 4– Revenues

Disaggregation of revenue

The Company disaggregates revenue from contracts with customers into the primary geographical markets, nature of products and services, and timing of transfer of goods and services. The Company’s operating segments are determined by the nature of the products and services that the Company provides and the primary geographical markets in which the Company operates. Revenue disaggregated by segment is discussed in Note 26 - *Segment Information*.

In the following table, revenue for each segment, excluding intersegment revenues, is disaggregated by timing of revenue recognition for the periods indicated.

	Year ended on December 31, 2025				
(In thousands)	Payment Services - Puerto Rico & Caribbean	Latin America Payments and Solutions	Merchant Acquiring, net	Business Solutions	Total
Timing of revenue recognition					
Products and services transferred at a point in time	$ 215	$ 9,611	$ —	$ 8,361	$ 18,187
Products and services transferred over time	148,707	333,287	189,913	241,724	913,631
	$ 148,922	$ 342,898	$ 189,913	$ 250,085	$ 931,818

	Year ended on December 31, 2024				
(In thousands)	Payment Services - Puerto Rico & Caribbean	Latin America Payments and Solutions	Merchant Acquiring, net	Business Solutions	Total
Timing of revenue recognition					
Products and services transferred at a point in time	$ 240	$ 4,558	$ —	$ 7,773	$ 12,571
Products and services transferred over time	139,103	277,110	180,500	236,202	832,915
	$ 139,343	$ 281,668	$ 180,500	$ 243,975	$ 845,486

	Year ended on December 31, 2023				
(In thousands)	Payment Services - Puerto Rico & Caribbean	Latin America Payments and Solutions	Merchant Acquiring, net	Business Solutions	Total
Timing of revenue recognition					
Products and services transferred at a point in time	$ 394	$ 5,766	$ —	$ 8,911	$ 15,071
Products and services transferred over time	135,579	163,644	162,366	218,049	679,638
	$ 135,973	$ 169,410	$ 162,366	$ 226,960	$ 694,709

The Company has revenue concentration with Popular, revenues as a percentage of total revenues, were 29%, 31% and 35%, for the years ended December 31, 2025, 2024 and 2023, respectively. Accounts receivable from Popular as of December 31, 2025 and December 31, 2024 amounted to $41.4 million and $37.5 million, respectively.

The Company enters into collaborative arrangements aimed at growing the Company's merchant relationships. These arrangements are accounted for under ASC 606 as required by ASC 808 *Collaborative Arrangements* and are included as part of the Company's Merchant Acquiring segment and Latin America Payments and Solutions segment. For the years ended December 31, 2025, 2024 and 2023, the Company recognized revenue amounting to $142.6 million, $130.8 million, and $114.9 million, respectively, for these arrangements.

Refer to Note 26 - Segment Information for further information, including revenue by products and services the Company provides and the geographic regions in which the Company operates.

Contract balances

Contract assets of the Company arise when the Company has a contract with a customer for which revenue has been recognized (i.e., goods or services have been transferred), but the customer payment is subject to a future event (i.e., satisfaction of additional performance obligations). Contract assets will be considered a receivable when the rights to consideration of the Company becomes unconditional (i.e., the Company has a present right to payment). The current portion of contract assets is recorded as part of prepaid expenses and other assets, and the long-term portion is included in other long-term assets in the consolidated balance sheets. Contract assets at December 31, 2025 and 2024 amounted to $13.9 million and $11.4 million, respectively.

Contract liability and Contract liability- Long term, at December 31, 2025 amounted to $26.6 million and $47.0 million, respectively. Contract liability and Contract liability- Long term amounted to $25.3 million and $55.0 million at December 31, 2024, respectively. Contract liability is mainly comprised of upfront fees for implementation or set up activities, including fees invoiced in pre-production periods in connection with hosting services, as well as amounts related to contracts entered into concurrently with the close of the Popular Transaction in fiscal year 2022. Contract liability may also arise when consideration is received or due in advance from customers prior to performance. During the year ended December 31, 2025, the Company recognized revenue of $29.1 million that was included in contract liability, at December 31, 2024. During the year ended December 31, 2024, the Company recognized revenue of $28.8 million that was included in contract liability at December 31, 2023.

Transaction price allocated to the remaining performance obligations

Revenues from recurring transaction-based and processing services represent the majority of the Company's total revenue. The Company recognizes revenues from recurring transaction-based and processing services over time at the amounts in which the Company has right to invoice, which corresponds directly to the value to the customer of the Company's performance completed to date.

The Company has elected to apply the practical expedient permitted under ASC 606, when applicable. Under this practical expedient, the Company is not required to disclose information about remaining performance obligations if the performance obligation is part of a contract with an original expected duration of one year or less or if the Company recognizes revenue at the amount to which it has a right to invoice.

The Company also applies the practical expedient for variable consideration when the variable consideration is allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation.

For contracts excluded from the application of the practical expedients noted above, the estimated aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially satisfied at December 31, 2025 is $748.8 million, which is expected to be recognized over the next 6 years. The Company expects to recognize approximately 35% of the remaining performance obligations over the next 12 months, approximately 30% over the next 13 to 24 months, and the balance thereafter.

Note 5—Cash and Cash Equivalents

At December 31, 2025 and 2024, the Company's cash and cash equivalents amounted to $331.8 million and $298.2 million, respectively, which are deposited in financial institutions. Of the total cash balance at December 31, 2025 and 2024, $266.8 million and $226.7 million, respectively, reside in subsidiaries located outside of Puerto Rico. At December 31, 2025 and 2024 the Company also had cash and cash equivalents included in settlement assets amounting to $16.3 million and $16.4 million, respectively. Reconciliation of cash, cash equivalents, restricted cash and cash included in settlement assets as presented on the cash flow statement is as follows:

	December 31,		
(In thousands)	**2025**	**2024**	**2023**
Reconciliation of cash, cash equivalents, restricted cash, and cash included in settlement assets			
Cash and cash equivalents	$ 305,993	$ 273,645	$ 295,600
Restricted cash	25,838	24,594	23,073
Cash and cash equivalents included in settlement assets	16,298	16,410	25,051
Cash, cash equivalents, restricted cash, and cash included in settlement assets	$ 348,129	$ 314,649	$ 343,724

Refer to Note 7 - *Settlement Assets and Liabilities* for additional information regarding settlement assets and settlement liabilities.

Note 6 – Supplemental Statement of Cash Flow Information

Supplemental statement of cash flow information is as follows:

	December 31,		
(In thousands)	**2025**	**2024**	**2023**
Supplemental disclosure of cash flow information:			
Cash paid for interest	64,370	71,999	32,147
Cash paid for income taxes	36,903	24,583	36,247
Supplemental disclosure of non-cash activities:			
Payable due to vendor related to equipment and software acquired	4,580	2,343	1,964
Right-of-use assets obtained in exchange for operating lease liabilities	34,369	3,920	—
Non-cash investing activities			
Capital contribution in-kind to investment in equity investee	—	6,000	—
Trade-in of equipment	—	2,193	—
Non-cash financing activities			
Payable due to vendor related to licenses acquired	—	—	7,403
Dividends declared on redeemable non-controlling interests	4,976	2,898	—
Non-cash financing and investing activities			
Common stock exchanged for the acquisition of a business	—	—	37,710

Note 7 - Settlement Assets and Liabilities

The principal components of the Company's settlement assets and liabilities were as follows:

	December 31,	
(In thousands)	**2025**	**2024**
Settlement assets		
Cash and cash equivalents	$ 16,298	$ 16,410
Accounts receivable	9,800	15,532
Total settlement assets	$ 26,098	$ 31,942
Settlement liabilities		
Accounts payable	$ 26,202	$ 32,027
Total settlement liabilities	$ 26,202	$ 32,027

Note 8 —Accounts Receivable and Allowance for Current Expected Credit Losses

Accounts receivable, net consisted of the following:

	December 31,	
(In thousands)	**2025**	**2024**
Trade	$ 162,805	$ 138,230
Other	4,784	2,127
Less: allowance for current expected credit losses	(3,208)	(2,856)
Accounts receivable, net	$ 164,381	$ 137,501

Allowance for Current Expected Credit Losses

Trade receivables from contracts with customers are financial assets analyzed by the Company under the expected credit loss model. To measure expected credit losses, trade receivables are grouped based on shared risk characteristics (i.e., the relevant industry sector and customer's geographical location) and days past due (i.e., delinquency status), while considering the following:

- Customers in the same geographical location share similar risk characteristics associated with the macroeconomic environment of their country.
- The Company has two main industry sectors: private and governmental. The private pool is comprised mainly of leading financial institutions, merchants, and corporations, while the governmental pool is comprised of government agencies. The governmental customers possess different risk characteristics than private customers because even though invoices are due 30 days after issuance, governmental customers usually pay within 60 to 90 days after issuance.
- The expected credit loss rate is likely to increase as receivables move to older aging buckets. The Company used the following aging categories to estimate the risk of delinquency status: (i) 0 days past due; (ii) 1-30 days past due; (iii) 31-60 days past due; (iv) 61-90 days past due; and (v) over 90 days past due.

The credit losses of the Company’s trade receivables have been historically low, and most balances are collected within one year. Therefore, the Company determined that the expected loss rates should be calculated using the historical loss rates adjusted by macroeconomic factors. The historical rates are calculated for each of the aging categories used for pooling trade receivables. To determine the collected portion of each bucket, the collection time of each trade receivable is identified, to estimate the proportion of outstanding balances per aging bucket that ultimately will not be collected. This is used to determine the expectation of losses based on the history of uncollected trade receivables once the specific past due period is surpassed. The historical rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables by applying a country risk premium as the forward-looking macroeconomic factor. Specific reserves are established for certain customers for which collection is doubtful.

Rollforward of the Allowance for Current Expected Credit Losses

The activity in the allowance for current expected credit losses on trade receivables was as follows:

(In thousands)	December 31, 2025	December 31, 2024
Balance at the beginning of the period	$ 2,856	$ 4,010
Current period provision for expected credit losses	727	921
Write-offs	(379)	(2,088)
Recoveries of amounts previously written-off	4	13
Balance at the end of the period	$ 3,208	$ 2,856

The Company does not have a delinquency threshold for writing-off trade receivables. The Company has a formal process for the review and approval of write-offs.

Impairment losses on trade receivables are presented as net impairment losses within cost of revenues, exclusive of depreciation and amortization in the consolidated statements of income and comprehensive income (loss). Subsequent recoveries of amounts previously written-off are credited against the allowance for expected current credit losses within accounts receivable, net on the consolidated balance sheets.

Note 9—Prepaid Expenses and Other Assets

Prepaid expenses and other assets consisted of the following:

	December 31,	
(In thousands)	2025	2024
Prepaid cloud computing arrangement fees	12,923	9,068
Contract asset	11,351	7,984
Deferred project costs	10,647	7,414
Prepaid income taxes	10,485	14,081
Software licenses and maintenance contracts	8,175	8,115
Taxes, other than income	4,848	4,344
Insurance	2,371	2,737
Guarantee deposits	1,257	872
Postage	881	2,327
Other	5,524	4,441
Prepaid expenses and other assets	$ 68,462	$ 61,383

Note 10—Investment in Equity Investees

Consorcio de Tarjetas Dominicanas, S.A. (“CONTADO”) is one of the largest merchant acquirers and ATM network in the Dominican Republic. The Company uses the equity method of accounting to account for its equity interest in CONTADO. As a result of the acquisition in 2011 of CONTADO’s 19.99% equity interest, the Company calculated an excess cost of the investment in CONTADO over the amount of underlying equity in net assets of approximately $9.0 million, which was mainly attributed to customer relationships, trademark, and goodwill intangibles. The Company’s excess basis allocated to amortizable assets is recognized on a straight-line basis over the lives of the appropriate intangibles. Amortization expense for the year ended December 31, 2023 amounted to approximately $0.1 million and was recorded within earnings of equity method investments in the consolidated statements of income and comprehensive income (loss). For the years ended December 31, 2025 and 2024 there was no amortization expense as intangibles were fully amortized in the second quarter of 2023. The Company recognized $5.3 million, $5.0 million, and $5.0 million as earnings from equity investees in the consolidated statements of income and comprehensive income (loss) for the years ended December 31, 2025, 2024 and 2023, respectively. For the years ended December 31, 2025, 2024 and 2023, the Company received $3.9 million, $3.4 million, and $3.5 million respectively, in dividends from CONTADO.

In the third quarter of 2023, the Company, through its wholly-owned subsidiary EVERTEC Costa Rica, S.A. ("EVERTEC CR"), entered into an agreement with a corporate partner to jointly develop and provide payment services in the Latin America region. The services are provided through a newly formed entity which both entities contributed capital to form. The Company has a 21.26% equity interest in the newly formed entity and uses the equity method of accounting to account for this equity interest. During the year ended December 31, 2024, the Company contributed cash and nonfinancial assets amounting to $2.0 million and $6.0 million, respectively. No additional contributions were made during the year ended December 31, 2025. For the years ended December 31, 2025 and 2024 the Company recognized losses of $0.2 million and $0.7 million, respectively within earnings from equity investees in the consolidated statements of income and comprehensive income (loss).

Both equity method investments' fiscal years end on December 31 and are reported in the consolidated statements of income and comprehensive income (loss) for the period subsequent to the acquisition date on a one-month lag. No significant events occurred in the operations subsequent to November 30, 2025 that would have materially affected the Company’s reported results.

Note 11—Property and Equipment, Net

Property and equipment, net consisted of the following:

(Dollar amounts in thousands)	Useful life in years	December 31, 2025	December 31, 2024
Buildings	30	$ 2,202	$ 2,105
Data processing equipment	3 - 5	163,160	189,172
Furniture and equipment	3 - 10	9,285	10,413
Leasehold improvements	5 - 10	4,737	5,059
		179,384	206,749
Less—accumulated depreciation and amortization		(116,558)	(146,185)
Depreciable assets, net		62,826	60,564
Land		1,528	1,495
Property and equipment, net		$ 64,354	$ 62,059

Depreciation and amortization expense related to property and equipment was $22.3 million, $22.3 million, and $21.6 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Note 12—Goodwill

The changes in the carrying amount of goodwill, allocated by reporting unit, were as follows:

(In thousands)	Payment Services - Puerto Rico & Caribbean	Latin America Payments and Solutions	Merchant Acquiring, net	Business Solutions	Total
Balance at December 31, 2023	$ 160,972	$ 452,597	$ 138,121	$ 40,010	$ 791,700
Measurement period adjustment for prior year acquisitions	—	(1,352)	—	—	(1,352)
Goodwill attributable to acquisitions	—	20,621	—	—	20,621
Foreign currency translation adjustments	—	(84,068)	—	—	(84,068)
Balance at December 31, 2024	160,972	387,798	138,121	40,010	726,901
Measurement period adjustment for prior year acquisitions	—	925	—	—	925
Goodwill attributable to acquisition	—	123,808	—	—	123,808
Foreign currency translation adjustments	—	40,358	—	—	40,358
Balance at December 31, 2025	$ 160,972	$ 552,889	$ 138,121	$ 40,010	$ 891,992

Goodwill is tested for impairment on an annual basis as of August 31, or more often if events or changes in circumstances indicate there may be impairment. The Company may test for goodwill impairment using a qualitative or a quantitative analysis. In a qualitative analysis, the Company assesses whether it is “more likely than not” that the fair value of a reporting unit is less than its carrying amount. In the quantitative analysis, the Company compares the estimated fair value of the reporting units to their carrying values, including goodwill.

The estimated fair value of the reporting units is computed using a combination of an income approach and a market approach. The income approach involves projecting the cash flows that the reporting unit is expected to generate and converting these cash flows into a present value equivalent through discounting. Significant estimates and assumptions used in the cash flow projection include, among others, earnings before interest, taxes, depreciation, and amortization (“EBITDA”) margins, and the selection of discount rates. Internal projections are based on the Company’s historical experience and estimated future business performance. The discount rate used is based on the weighted-average cost of capital, which reflects the rate of return expected to be earned by market participants and the estimated cost to obtain long-term debt financing. The market approach estimates the value of a reporting unit by using multiples of revenue and EBITDA based on guideline of publicly traded companies. Valuation using the market approach requires management to make assumptions related to EBITDA multiples. Comparable businesses are selected based on the market in which the reporting units operate, considering size, profitability, and growth. If the fair value of the reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered impaired. If the fair value does not exceed the carrying value, an impairment loss equaling the excess amount is recorded, limited to the recorded balance of goodwill. For the 2025 annual impairment test the qualitative assessment was followed for all the Company reporting units. The Company performed a quantitative assessment as of August 31, 2024 for the Latin America Payments and Solutions reporting unit and performed a qualitative assessment for the Payments Services - Puerto Rico & Caribbean, Merchant Acquiring, net and Business Solutions reporting units. Based on the analysis performed as of August 31, 2025 and August 31, 2024, the fair value of the reporting units exceed the carrying amounts of the reporting units. No impairment losses were recorded in 2025, 2024 or 2023. Refer to Note 3 - *Business Acquisitions and Dispositions* for further details of goodwill acquired in 2025, 2024 and 2023.

Note 13—Other Intangible Assets, Net

The carrying amount of other intangible assets consisted of the following:

		December 31, 2025		
(In thousands)	Useful life in years	Gross amount	Accumulated amortization	Net carrying amount
Customer relationships	5 - 20	$ 556,914	$ (385,144)	$ 171,770
Trademark	3 - 15	95,573	(58,464)	37,109
Software packages	3 - 10	579,657	(237,571)	342,086
Non-compete agreement	5	3,573	(1,456)	2,117
Other intangible assets, net		$ 1,235,717	$ (682,635)	$ 553,082

		December 31, 2024		
(In thousands)	Useful life in years	Gross amount	Accumulated amortization	Net carrying amount
Customer relationships	5 - 20	$ 533,203	$ (374,474)	$ 158,729
Trademark	3 - 15	84,008	(48,204)	35,804
Software packages	3 - 10	515,404	(281,550)	233,854
Non-compete agreement	5	3,194	(696)	2,498
Other intangible assets, net		$ 1,135,809	$ (704,924)	$ 430,885

Amortization expense related to intangibles, including software packages, was $99.8 million, $105.5 million, and $72.0 million for the years ended December 31, 2025, 2024 and 2023, respectively. Amortization expense related to software packages was $46.5 million, $39.2 million, and $31.3 million for the years ended December 31, 2025, 2024 and 2023, respectively.

The estimated amortization expense of balances outstanding at December 31, 2025 for the next years and thereafter are as follows:

(In thousands)	
2026	$ 126,158
2027	109,389
2028	89,119
2029	62,321
2030	49,247
Thereafter	116,848

Note 14—Other Long-Term Assets

Other long-term assets consisted of the following:

	December 31,	
(In thousands)	2025	2024
Software maintenance contracts	$ 11,865	$ 10,037
Deferred costs	2,889	6,860
Contract assets	2,590	3,458
Guarantees	1,459	3,037
Deferred-issuance costs - revolving credit facility	1,053	1,602
Lease receivables	465	—
Other long-term assets	$ 20,321	$ 24,994

Note 15—Debt and Short-Term Borrowings

Total debt was as follows:

	December 31,	
(In thousands)	2025	2024
2027 Term A Loan bearing interest at a variable interest rate (SOFR plus applicable margin [1][2])	$ 403,770	$ 426,602
2030 Term B Loan bearing interest at a variable interest rate (SOFR plus applicable margin [1][3])	673,127	522,327
Revolving Facility[4]	10,000	—
Deferred consideration from business combinations	6,175	9,895
Note payable due on September 1, 2030[1]	5,808	6,519
Total debt	$ 1,098,880	$ 965,343

(1) Net of unaccreted discount and unamortized debt issue costs, as applicable.
(2) Subject to minimum rate ("SOFR floor") of 0.00% plus applicable margin of 1.75% at December 31, 2025 and 2.00% at December 31, 2024.
(3) Subject to SOFR floor of 0.50% plus applicable margin of 2.25% at December 31, 2025 and an applicable margin of 2.75% at December 31, 2024.
(4) Subject to a Prime rate of 6.75% plus applicable margin of 0.75% at December 31, 2025.

The following table presents contractual principal payments for the next five years:

(In thousands)	
2026	$ 23,867
2027	381,870
2028	—
2029	—
2030	690,000

Secured Credit Facilities

On December 1, 2022, EVERTEC and EVERTEC Group, entered into a credit agreement with a syndicate of lenders and Truist Bank, as administrative agent and collateral agent, providing for (i) a $415.0 million term loan A facility (the "TLA Facility") that matures on December 1, 2027, and a $200.0 million revolving credit facility (the "Revolving Facility") that matures on December 1, 2027 (the "Credit Agreement"). Under the Revolving Facility the Company may request up to $20.0 million as part of the swingline, which consists of short-term borrowings, that allows the Company to obtain same-day, short-duration advances to address immediate liquidity needs. On October 30, 2023, EVERTEC and EVERTEC Group entered into a first amendment to the Credit Agreement with a syndicate of lenders and Truist, as administrative agent and collateral agent, providing for (i) additional term A loans in the amount of $60.0 million and a new tranche of term loan B commitments in the amount of $600.0 million maturing October 30, 2030 (the "TLB Facility"). On May 16, 2024, November 26, 2024 and August 12, 2025, EVERTEC and EVERTEC Group entered into second, third and fourth amendments to its Credit Agreement, each providing for a pricing reduction to its TLB Facility. On November 25, 2025, EVERTEC and EVERTEC Group entered into the fifth amendment to its Credit Agreement which provides for an additional $150.0 million under its TLB facility. Unless otherwise indicated, the terms and conditions detailed below apply to both TLA Facility and TLB Facility (together, the "Term Loan Facilities").

Scheduled Amortization Payments

The TLA Facility amortizes in equal quarterly installments at an amount equal to (a) initially, $5,966,720.78 per quarter and (b) for any installment payments to be made in the calendar year ending 2027, $8,950,081.17 per quarter, with the balance payable on the 2022 credit facilities maturity dates. The TLB Facility amortizes in equal quarterly at a rate equal to 1% per calendar year, with the balance payable on the Term Loan B Maturity Date. Any optional prepayments of the Term Loan Facilities can be applied to the remaining installments. The Revolving Credit Facility terminates on the 2022 credit facilities maturity dates, and loans thereunder may be borrowed, repaid and reborrowed prior thereto.

Voluntary Prepayments and Reduction and Termination of Commitments

Other than as set forth below with respect to the TLB Facility, EVERTEC Group may prepay loans under the Term Loan Facilities and permanently reduce the loan commitments under the Revolving Facility at any time without premium or penalty, subject to compensation for any break funding costs incurred by a lender and timely submission of a notice of prepayment or commitment reduction, as applicable. EVERTEC Group is required to make certain mandatory prepayments of the 2022 Credit Facilities in certain circumstances.

Interest

With respect to the 2022 Facilities and the Incremental TLA Facility, the interest rates under the Credit Facilities denominated in U.S. Dollars, are based on, at EVERTEC Group's option (a) the Adjusted Term SOFR, which means SOFR plus 10 basis points, for the Interest Period in effect for such borrowing plus an applicable margin of 1.50% per annum, which applicable margin is subject to four 25 bps step-ups (i.e. 1.75%, 2.00%, 2.25% or 2.50% per annum) based upon the Company's total net leverage ratio or (b) the ABR plus an applicable margin of 0.50% per annum, which applicable margin is subject to four 25 bps step-ups (i.e. 0.75%, 1.00%, 1.25% or 1.50% per annum) based upon the Company's total net leverage ratio. Swingline provision incurs interest at the U.S. Federal Prime Rate. Borrowings under the Revolving Facility that are denominated in a currency other than Dollars will bear interest at the Alternative Currency Rate for the Interest Period in effect for such borrowing plus an applicable margin of 1.50% per annum, which applicable margin is subject to four 25 bps step-ups (i.e. 1.75%, 2.00%, 2.25% or 2.50% per annum) based upon the Company's total net leverage ratio.

With respect to the New TLB Facility, the interest rates are based on, at EVERTEC Group's option (a) the Adjusted Term SOFR, which means SOFR plus 10 basis points, for the Interest Period in effect for such borrowing plus an applicable margin of 2.25% per annum or (b) the ABR plus an applicable margin of 1.25% per annum.

Guarantees and Collateral

The Credit Facilities are secured by substantially all assets of EVERTEC and its existing and future material subsidiaries (including EVERTEC Group), subject to customary exceptions. EVERTEC and each of EVERTEC's existing and future material wholly-owned subsidiaries (including EVERTEC Group with respect to the obligations of EVERTEC and its existing and future material wholly-owned subsidiaries (other than EVERTEC Group)), subject to certain customary exceptions, guarantee repayment of the Credit Facilities.

In connection with the Credit Agreement, on December 1, 2022, EVERTEC, EVERTEC Group and the subsidiary guarantors party thereto, entered into a Guarantee Agreement (the "Guarantee Agreement"), pursuant to which EVERTEC Group's obligations under the Credit Facilities and under any cash management, interest rate protection or other hedging arrangements entered into with a lender or any affiliate thereof are guaranteed by EVERTEC and each of EVERTEC's existing wholly-owned subsidiaries (other than EVERTEC Group) and subsequently acquired or organized subsidiaries, subject to certain exceptions.

In addition, on December 1, 2022, EVERTEC, EVERTEC Group and the subsidiaries party thereto, entered into a Collateral Agreement (the "Collateral Agreement"), pursuant to which, subject to certain exceptions, the Credit Facilities are secured, to the extent legally permissible, by substantially all of the assets of (1) EVERTEC, including a perfected pledge of all of the limited liability company interests of EVERTEC Intermediate Holdings, LLC ("Holdings"), (2) Holdings, including a perfected pledge of all of the limited liability company interests of EVERTEC Group and (3) EVERTEC Group and the subsidiary guarantors, including but not limited to: (a) a pledge of substantially all capital stock held by EVERTEC Group or any guarantor and (b) a perfected security interest in substantially all tangible and intangible assets of EVERTEC Group and each guarantor.

Covenants

The Credit Facilities are subject to customary affirmative and negative covenants. The negative covenants in the Credit Facilities include, among other things, limitations (subject to exceptions) on the ability of EVERTEC and its restricted subsidiaries to:

- declare dividends and make other distributions;
- redeem or repurchase capital stock;
- grant liens;
- make loans or investments (including acquisitions);
- merge or enter into acquisitions
- sell assets;
- enter into any sale or lease-back transactions;

- incur additional indebtedness;
- prepay, redeem or repurchase certain indebtedness;
- modify the terms of certain debt;
- restrict dividends from subsidiaries;
- change the business of EVERTEC or its subsidiaries; and
- enter into transactions with their affiliates.

In addition, the 2022 Credit Facilities require EVERTEC Group to maintain a maximum total net leverage ratio of 4.50 to 1.00 (i) from March 31, 2023 to September 30, 2024, and 4.00 to 1.00 (ii) thereafter.

Events of Default

The events of default under the 2022 Credit Facilities include, without limitation, nonpayment, material misrepresentation, breach of covenants, insolvency, bankruptcy, certain judgments, change of control (as defined in the Credit Agreement) and cross-events of default on material indebtedness.

The unpaid principal balance at December 31, 2025 of the TLA Facility and TLB Facility were $405.7 million and $690.0 million. The additional borrowing capacity for the Revolving Facility at December 31, 2025 was $184.4 million. The Company issues letters of credit against the Revolving Facility which reduce the additional borrowing capacity of the Revolving Facility. At December 31, 2025, there were borrowings of $10.0 million outstanding under the revolving credit facility, none at December 31, 2024.

Deferred Consideration from Business Combinations

As part of the Company's merger and acquisition activities, the Company may enter into agreements by which a portion of the purchase price is financed directly by the seller. At December 31, 2025 and December 31, 2024, the unpaid principal balance of these agreements amounted to $6.2 million and $9.9 million, respectively. Obligations bear interest at rates ranging from 8.2% to 12.9% with maturities ranging from January 2026 through March 2027. The current portion of the deferred consideration is included in accounts payable and the long-term portion is included in other long-term liabilities on the Company's consolidated balance sheets.

Notes payable

In September 2023, EVERTEC Group entered into a non-interest bearing financing agreement amounting to $10.1 million to purchase software and maintenance which the Company recorded on a discounted basis using an implied interest rate of 6.9%. As of December 31, 2025, the outstanding principal balance of the note payable on a discounted basis was $5.8 million. The current portion of the note is included in accounts payable and the long-term portion is included in other long-term liabilities on the Company's consolidated balance sheets.

Interest Rate Swaps

As of December 31, 2025, the Company has three interest rate swap agreements which convert a portion of the interest rate payments on the Company's Facilities from variable to fixed. The interest rate swaps are used to hedge the market risk from changes in interest rates corresponding with the Company's variable rate debt. The interest rate swaps are designated as cash flow hedges and are considered highly effective. Cash flows from the interest rate swaps are included in the accrued liabilities and accounts payable line item in the Company's consolidated statements of cash flows. Changes in the fair value of the interest rate swaps are recognized in other comprehensive income (loss) until the gains or losses are reclassified to earnings. Gains or losses reclassified to earnings are presented within interest expense in the accompanying consolidated statements of income and comprehensive income (loss).

Swap Amendment	Effective date	Maturity Date	Notional Amount	Variable Rate	Fixed Rate
2023 Swap	November 2024	December 2027	$250 million	1-month SOFR	3.375%
2024 Swap	March 2024	October 2027	$150 million	1-month SOFR	4.182%
2024 Swap	March 2024	October 2027	$150 million	1-month SOFR	4.172%

As of December 31, 2025, the carrying amount of the derivatives included on the Company's consolidated balance sheets was a liability of $5.2 million. As of December 31, 2024, the carrying amount of the derivatives included on the Company's consolidated balance sheets was an asset $4.3 million and a liability of $1.4 million. The fair value of this derivative is estimated using Level 2 inputs in the fair value hierarchy on a recurring basis.

During the years ended December 31, 2025, 2024 and 2023, the Company reclassified gains of $2.6 million, $8.1 million and $5.6 million, respectively, from accumulated other comprehensive loss into interest expense. Based on expected SOFR rates, the Company expects to reclassify losses of $1.9 million from accumulated other comprehensive loss into interest expense over the next 12 months. Refer to Note 16 - *Financial Instruments and Fair Value Measurements* for tabular disclosure of the fair value of derivatives and to Note 19 - *Equity* for tabular disclosure of gains (losses) recorded on cash flow hedging activities.

At December 31, 2025, the cash flow hedges are considered highly effective.

Note 16—Financial Instruments and Fair Value Measurements

Fair value measurement provisions establish a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. These provisions describe three levels of input that may be used to measure fair value:

Level 1: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
Level 2: Inputs, other than quoted prices included in Level 1, which are observable for the asset or liability through corroboration with market data at the measurement date.
Level 3: Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The Company uses observable inputs when available. Fair value is based upon quoted market prices when available. If market prices are not available, the Company may employ models that mostly use market-based inputs including yield curves, interest rates, volatilities, and credit curves, among others. The Company limits valuation adjustments to those deemed necessary to ensure that the financial instrument's fair value adequately represents the price that would be received or paid in the marketplace. Valuation adjustments may include consideration of counterparty credit quality and liquidity as well as other criteria. The estimated fair value amounts are subjective in nature and may involve uncertainties and matters of significant judgment for certain financial instruments. Changes in the underlying assumptions used in estimating fair value could affect the results. The fair value measurement levels are not indicative of risk of investment.

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value estimates are made at a specific point in time based on the type of financial instrument and relevant market information. Many of these estimates involve various assumptions and may vary significantly from amounts that could be realized in actual transactions.

Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table summarizes fair value measurements by level at December 31, 2025 and 2024, for assets and liabilities measured at fair value on a recurring basis:

(In thousands)	Level 2	Level 3	Measured at NAV	Total
December 31, 2025				
Financial assets:				
Debt securities AFS	$ 3,202	$ —	$ —	$ 3,202
Equity securities	—	—	5,849	5,849
Financial liabilities:				
Interest rate swaps	5,225	—	—	5,225
December 31, 2024				
Financial assets:				
Debt securities AFS	1,807	—	—	1,807
Equity securities	—	—	4,976	4,976
Interest rate swaps	4,338	—	—	4,338
Financial liabilities:				
Interest rate swap	1,351	—	—	1,351

Debt Securities Available for Sale ("AFS")

Costa Rica government obligations are held by a trust in the Costa Rica National Bank as a collateral requirement for settlement activities. The Company may substitute securities as needed but must maintain certain levels of collateral based on transaction volumes. During the years ended December 31, 2025 and 2024, the Company acquired $2.4 million and $0.8 million, respectively, in available-for-sale debt securities. Debt securities amounting to $1.0 million and $1.1 million matured during 2025 and 2024, respectively. No debt securities were sold during the years ended December 31, 2025 and 2024. A provision for credit losses was not required for either December 31, 2025 or 2024. Debt securities that mature in less than 12 months are included in Prepaid and other assets on the consolidated balance sheet.

The fair value of debt securities is estimated based on observable inputs through corroboration with market data at the measurement date, therefore classified as a Level 2 asset within the fair value hierarchy.

Interest Rate Swaps

The fair value of the Company's derivative instrument is determined using a standard valuation model. The significant inputs used in these models are readily available in public markets, or can be derived from observable market transactions, and therefore have been classified as Level 2. Inputs used in these standard valuation models for derivative instruments include the applicable forward rates and discount rates. The discount rates are based on the historical SOFR swap rates.

Equity Securities Measured at Net Asset Value (NAV)

At December 31, 2025 and 2024, the Company holds mutual funds classified as equity securities on the Company's consolidated balance sheet that are measured at fair value using the NAV per share, or its equivalent, as a practical expedient. Mutual funds consist of investments in venture capital strategies and start-ups with a focus on privately held technology companies. The NAV is based on the fair value of the underlying net assets owned by the mutual funds and the relative interest of each participating investor in the fair value of the underlying assets.

Financial assets and liabilities not measured at fair value

The following table presents the carrying value, as applicable, and estimated fair values for financial assets and liabilities at December 31, 2025 and 2024:

	December 31,			
	2025		2024	
(In thousands)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:				
2027 Term A Loan Facility	$ 403,770	$ 405,737	$ 426,602	$ 433,890
2030 Term B Loan Facility	$ 673,127	$ 690,000	$ 522,327	$ 545,400
Revolving Facility	$ 10,000	$ 10,000	$ —	$ —

The fair values of the term loans and the revolving facility at December 31, 2025 and 2024 was obtained using the prices provided by third-party service providers. Their pricing is based on various inputs such as market quotes, recent trading activity in a non-active market or imputed prices. These inputs are considered Level 3 inputs under the fair value hierarchy. Also, the pricing may include the use of an algorithm that could take into account movements in the general high yield market, among other variants. The secured term loans are not measured at fair value in the balance sheet.

The Company's financial assets and liabilities not measured at fair value are cash, short-term investments, accounts receivable, accounts payable, and deferred consideration for business combinations. The carrying values of these instruments approximate fair value.

Note 17—Other Long-Term Liabilities

As of December 31, 2025, other long-term liabilities mainly consist of an uncertain tax position of $3.0 million, long-term portion of notes payable of $4.3 million, deferred consideration for business combinations of $2.2 million, estimated liabilities of $5.0 million, estimated liabilities assumed in business combinations of $11.0 million and other long-term liabilities of $8.8 million.

As of December 31, 2024, other long-term liabilities mainly consist of an uncertain tax position of $5.1 million, long-term portion of notes payable of $6.5 million, deferred consideration for business combinations of $5.5 million, estimated liabilities of $6.5 million and other long-term liabilities of $3.9 million.

Note 18—Redeemable Non-controlling Interests

At December 31, 2025, redeemable noncontrolling interests ("RNCI") consist of interests in consolidated subsidiaries for which the Company has entered into separate option contracts by which the Company has the right to purchase the remaining non-controlling interests through a call option and the non-controlling interest holder has the right to sell the non-controlling interest to the Company through a put option. The following table summarizes the terms of the issued options:

	Percentage of redeemable noncontrolling interest	Earliest exercise date	Formula of redemption value
Rosk Software S.A.	49%	March 15, 2026	Variable multiple of net sales dependent upon EBITDA margin attained plus net debt times percentage of ownership
Compliasset Software e Solucoes Digitais LTDA.	40%	March 15, 2026	Variable multiple of net sales dependent upon EBITDA margin attained plus working capital, plus net debt times percentage of ownership
Lote45 Participacoes S.A.	48%	January 1, 2027	Variable multiple of net sales dependent upon EBITDA margin attained plus net debt minus BRL$10.0 million times percentage of ownership
Tecnobank Tecnologia Bancária S.A.	25%	April 30, 2029	Variable multiple of net sales dependent upon EBITDA margin less net debt at the payment date times percentage of ownership

Given certain provisions within the options, the Company has classified the RNCI as mezzanine equity on the Company's consolidated balance sheets. RNCI are adjusted quarterly, if necessary, to their estimated redemption value. Adjustments to the redemption value impact stockholders' equity. The following table presents changes in RNCI for the year ended December 31, 2025:

(In thousands)	Redeemable noncontrolling interests
Balance at December 31, 2024	$ 43,460
Fair value of redeemable non-controlling interest at acquisition date	53,569
Net income attributable non-controlling interests	3,177
Acquisition of shares from non-controlling interest	(7,276)
Adjustment of redeemable non-controlling interests to redemption value	1,180
Dividends declared on redeemable non-controlling interests	(4,976)
Foreign currency translation adjustments	21
Balance at December 31, 2025	$ 89,155

The following table presents changes in RNCI for the year ended December 31, 2024:

(In thousands)	Redeemable noncontrolling interests
Balance at Balance at December 31, 2023	$ 36,968
Net income attributable non-controlling interests	2,535
Adjustment of redeemable non-controlling interests to redemption value	6,596
Distributions from redeemable non-controlling interests	(294)
Dividends declared on redeemable non-controlling interests	(2,898)
Foreign currency translation adjustments	553
Balance at December 31, 2024	$ 43,460

Note 19—Equity

The Company is authorized to issue up to 206,000,000 shares of common stock of $0.01 par value. At December 31, 2025 and 2024, the Company had 61,756,639 and 63,614,077 shares outstanding, respectively. The Company is also authorized to issue 2,000,000 shares of $0.01 par value preferred stock. As of December 31, 2025 and 2024, no shares of preferred stock have been issued.

On September 12, 2023, the Company formally registered a Brazilian Depositary Receipts program with the Brazilian securities and exchange commission, in order to have securities backed by Evertec shares trading in the B3, the Brazilian stock exchange. At December 31, 2025, 2024 and 2023, the Company had 1,164,592 shares trading in the B3.

Stock Repurchase

In 2025, 2024 and 2023, the Company repurchased a total of 2.3 million, 2.4 million, and 1.0 million shares, respectively, at a cost of $69.3 million, $82.3 million and $36.1 million, respectively. The Company funded such repurchases with cash on hand and borrowings from the existing revolving credit facility. All repurchased shares in the years ended December 31, 2025, 2024 and 2023 were retired.

Dividends

The Company pays a regular quarterly dividend on common stock, subject to the declaration thereof by the Board of Directors ("Board") each quarter. Any declaration and payment of future dividends to holders of the common stock will be at the discretion of the Board and will depend on many factors, including the financial condition, earnings, available cash, business opportunities, legal requirements, restrictions in our debt agreements and other contracts, capital requirements, level of indebtedness and other factors that the Board deems relevant. The Company's dividend activity in 2025 and 2024 was as follows:

Declaration Date	Record Date	Payment Date	Dividend per share
February 20, 2025	March 3, 2025	March 21, 2025	0.05
May 2, 2025	May 13, 2025	June 6, 2025	0.05
July 24, 2025	August 4, 2025	September 5, 2025	0.05
October 23, 2025	November 3, 2025	December 5, 2025	0.05
February 15, 2024	February 27, 2024	March 15, 2024	0.05
April 18, 2024	April 29, 2024	June 7, 2024	0.05
July 18, 2024	July 29, 2024	September 6, 2024	0.05
October 17, 2024	October 28, 2024	December 6, 2024	0.05

Accumulated Other Comprehensive Loss

The following table provides a summary of the changes in the balances comprising accumulated other comprehensive loss for the years ended December 31, 2025 and 2024:

	Foreign Currency Translation Adjustments	Cash Flow Hedge	Unrealized Gains on Debt Securities AFS	Total
Balance - December 31, 2023, net of tax	$ 14,847	$ 3,336	$ 26	$ 18,209
Other comprehensive income (loss) before reclassifications	(152,851)	8,008	(7)	(144,850)
Effective portion reclassified to net income	—	(8,082)	—	(8,082)
Balance - December 31, 2024, net of tax	(138,004)	3,262	19	(134,723)
Other comprehensive income (loss) before reclassifications	74,588	(4,037)	20	70,571
Effective portion reclassified to net income	—	(2,556)	—	(2,556)
Balance - December 31, 2025, net of tax	$ (63,416)	$ (3,331)	$ 39	$ (66,708)

Note 20—Share-based Compensation

Long-Term Incentive Plan ("LTIP")

During the three months ended March 31, 2023, 2024 and 2025, the Compensation Committee (the "Compensation Committee") of the Company's Board of Directors ("Board") approved grants of restricted stock units ("RSUs") to executives and certain employees pursuant to the 2023 LTIP, 2024 LTIP and 2025 LTIP, respectively, all under the terms of the Company's 2022 Equity Incentive Plan. Under the LTIPs, the Company granted RSUs to eligible participants as time-based awards and/or performance-based awards.

The vesting of the RSUs is dependent upon service and/or performance conditions as defined in the award agreements. Employees that received time-based awards with service conditions are entitled to receive a specific number of shares of the Company's common stock on the vesting date if the employee provides services to the Company through the vesting date. Time-based awards generally vest over a period of three years in substantially equal installments commencing on the grant date and ending on February 24 of each year for the 2023 LTIP, February 28 of each year for the 2024 LTIP and February 28 of each year for the 2025 LTIP. In 2023, 2024 and 2025 the Company also granted time-based awards with a three year service vesting period which will cliff vest on February 24, 2026, February 28, 2027 and February 28, 2028, respectively.

For the performance-based awards under the 2023 LTIP, 2024 LTIP, and 2025 LTIP, the Compensation Committee established adjusted earnings before interest, income taxes, depreciation, and amortization ("Adjusted EBITDA") as the primary performance measure while maintaining focus on total shareholder return through the use of a market-based total shareholder return ("TSR") performance modifier. The Adjusted EBITDA measure is based on annual Adjusted EBITDA targets and can result in a payout between 0% and 200%, depending on the performance level. The TSR modifier adjusts the shares earned based on the Adjusted EBITDA performance upwards or downwards (+/- 25%) based on the Company's relative TSR at the end of the three-year performance period as compared to the companies in the Russell 2000 Index. The Adjusted EBITDA performance measure will be calculated for the one-year period commencing on January 1 of the year of the grant and ending on December 31 of the same year, relative to the goals set by the Compensation Committee for this same period. The shares earned will be subject to an additional two-year service vesting period and will vest on February 24, 2026 for the 2023 LTIP, February 28, 2027 for the 2024 LTIP and February 28, 2028 for 2025 LTIP. Unless otherwise specified in the award agreement, or in an employment agreement, awards are forfeited if the employee voluntarily ceases to be employed by the Company prior to vesting.

The following table summarizes the nonvested RSUs activity for the years ended December 31, 2025, 2024 and 2023:

Nonvested RSUs	Shares	Weighted average grant date fair value
Nonvested at December 31, 2022	1,363,780	$ 38.96
Granted	1,072,494	37.53
Vested	(608,800)	36.92
Forfeited	(28,462)	39.46
Nonvested at December 31, 2023	1,799,012	39.42
Granted	1,161,455	36.76
Vested	(791,833)	39.25
Forfeited	(164,370)	36.01
Nonvested at December 31, 2024	2,004,264	38.71
Granted	856,615	39.13
Vested	(710,439)	39.69
Forfeited	(115,814)	38.62
Nonvested at December 31, 2025	2,034,626	$ 38.59

Share-based compensation recognized was as follows:

	Years ended December 31,		
(In thousands)	2025	2024	2023
Share-based compensation recognized, net			
RSUs	$ 29,582	$ 30,275	$ 25,732

The maximum unrecognized cost for restricted stock units was $38.8 million as of December 31, 2025. The cost is expected to be recognized over a weighted average period of 1.8 years.

Note 21—Employee Benefit Plan

EVERTEC, Inc. Puerto Rico Savings and Investment plan ("the EVERTEC Savings Plan") was established in 2010, as a defined contribution savings plan qualified under section 1165(e) of the Puerto Rico Internal Revenue Code. Investments in the plan are participant directed, and employer matching contributions are determined based on specific provisions of the EVERTEC Savings Plan. Employees are fully vested in the employer's contributions after five years of service. For the years ended December 31, 2025, 2024 and 2023, the costs incurred under the plan amounted to approximately $1.4 million per year.

Note 22—Other Income, Net

For the year ended December 31, 2025, other income, net is primarily comprised of a $12.9 million net gain in research and development tax credits in Puerto Rico, $2.3 million in realized gains on foreign currency transactions, a $0.2 million gain on sale of investments and a $0.1 million realized gain for change in fair market value.

For the year ended December 31, 2024, other income, net is primarily comprised of $8.9 million net gain in research and development tax credits in Puerto Rico, $3.2 million in realized gains on foreign currency transactions, a $3.1 million gains on sale of investments and a $0.5 million realized gain for change in fair market value.

For the year ended December 31, 2023, other income, net is primarily comprised of $3.6 million in realized gains on foreign currency transactions, a $1.4 million loss on extinguishment of debt and a $1.2 million loss on change in fair value of equity securities.

Note 23—Income Tax

EVERTEC Group and Holdings are Puerto Rico limited liability companies that are treated as partnerships that are pass-through entities for Puerto Rico tax purposes, therefore, taxable income flows through to EVERTEC, Inc. (the "Parent Company"). EVERTEC, Inc. is a Puerto Rico corporation for income tax purposes.

EVERTEC Group, Holdings and EVERTEC, Inc. entered into a Tax Payment Agreement pursuant to which EVERTEC Group is required to make certain payments to Holdings or EVERTEC, Inc. for taxable periods or portions thereof occurring on or after April 17, 2012 (the "Effective Date"). Under the Tax Payment Agreement, EVERTEC Group will make payments with respect to any and all taxes (including estimated taxes) imposed under the laws of Puerto Rico, the United States of America and any other jurisdiction or any political (including municipal) subdivision or authority or agency in Puerto Rico, the United States of America or such other jurisdiction, that would have been imposed on EVERTEC Group if EVERTEC Group had been a corporation for tax purposes of that jurisdiction, together with all interest and penalties with respect thereto ("Taxes"), reduced by taking into account any applicable net operating losses or other tax attributes of Holdings or EVERTEC, Inc. that reduce Holdings' or EVERTEC, Inc.'s taxes in such period. The Tax Payment Agreement provides that the payments thereunder shall not exceed the net amount of Taxes that Holdings and EVERTEC, Inc. owe to the appropriate taxing authority for a taxable period. Further, the Tax Payment Agreement provides that if Holdings or EVERTEC, Inc. receives a tax refund attributable to any taxable period or portion thereof occurring on or after the Effective Date, EVERTEC, Inc. shall be required to recalculate the payment for such period required to be made by EVERTEC Group to Holdings or EVERTEC, Inc. If the payment, as recalculated, is less than the amount of the payment EVERTEC Group already made to Holdings or EVERTEC, Inc. in respect of such period, Holdings or EVERTEC, Inc. shall promptly make a payment to EVERTEC Group in the amount of such difference.

The components of income tax expense consisted of the following:

	Years ended December 31,		
(In thousands)	2025	2024	2023
Current tax provision	$ 33,968	$ 31,573	$ 21,621
Deferred tax benefit	(24,153)	(26,726)	(16,144)
Income tax expense	$ 9,815	$ 4,847	$ 5,477

The Company conducts operations in Puerto Rico and certain countries in Latin America. As a result, the income tax expense includes the effect of taxes paid to the government of Puerto Rico as well as foreign jurisdictions. The following table presents the components of income tax expense and its segregation based on location of operations:

	Years ended December 31,		
(In thousands)	2025	2024	2023
Income before income tax provision			
Puerto Rico	$ 107,559	$ 94,287	$ 64,096
United States	6,732	683	627
Foreign countries	40,084	24,656	20,630
Total income before income tax provision	$ 154,375	$ 119,626	$ 85,353
Current tax provision			
Puerto Rico	$ 5,515	$ 6,055	$ 3,187
United States	1,762	270	141
Foreign countries	26,691	25,248	18,293
Total current tax provision	$ 33,968	$ 31,573	$ 21,621
Deferred tax (benefit) provision			
Puerto Rico	$ (10,518)	$ (13,775)	$ (9,991)
United States	(230)	33	54
Foreign countries	(13,405)	(12,984)	(6,207)
Total deferred tax benefit	$ (24,153)	$ (26,726)	$ (16,144)

Taxes payable to foreign countries by EVERTEC's subsidiaries will be paid by such subsidiary and the corresponding liability and expense are presented in EVERTEC's consolidated financial statements.

As of December 31, 2025 and 2024, the Company had $205.8 million and $165.2 million of unremitted earnings from foreign subsidiaries, respectively. The Company has not recognized a deferred tax liability on undistributed earnings for the Company's foreign subsidiaries because these earnings are intended to be indefinitely reinvested. The amount of the unrecognized deferred tax liability depends on judgment required to analyze the withholding tax due, the applicable tax law and factual circumstances in effect at the time of any such distributions. EVERTEC believes it is not practicable at this time to reliably determine the amount of unrecognized deferred tax liability related to the Company's undistributed earnings. If circumstances change and it becomes apparent that some or all of the undistributed earnings of a subsidiary will be remitted, and income taxes have not been recognized by the parent entity, the parent entity shall accrue as an expense of the current period income taxes attributable to that remittance.

On October 19, 2012, EVERTEC Group was granted a tax exemption under the Tax Incentive Act No. 73 of 2008. Under this grant, EVERTEC Group will benefit from a preferential income tax rate on industrial development income, as well as from tax exemptions with respect to its municipal and property tax obligations for certain activities derived from its data processing operations in Puerto Rico. The grant has a term of 15 years effective as of January 1, 2012 with respect to income tax obligations and January 1, 2013 with respect to municipal and property tax obligations. Industrial development income under this grant is subject to a preferential rate of 4%.

The grant contains customary commitments, conditions, and representations that EVERTEC Group will be required to comply with in order to maintain the grant. The more significant commitments include: (i) maintaining at least 700 employees in EVERTEC Group's Puerto Rico data processing operations, (ii) investing at least $200.0 million in building, machinery, equipment or computer programs to be used in Puerto Rico during the effective term of the grant (to be made over four-year capital investment cycles in $50.0 million increments); and (iii) 80% of EVERTEC Group employees must be residents of Puerto Rico. Failure to meet the requirements could result, among other things, in reductions of the benefits of the grant or revocation of the grant in its entirety, which could result in EVERTEC, Inc. paying additional taxes or other payments relative to what would be required to pay to other municipal agencies if the full benefits of the grant are not available.

On October 11, 2011, Evertec Group was granted a tax exemption under Tax Incentive Law No. 73 of 2008, retroactively to December 1, 2009. Under this grant, activities derived from consulting and data processing services provided outside Puerto Rico are subject to a preferred rate that declines gradually from 7% to 4% by December 1, 2013. After this date, the rate remains at 4% until its expiration on November 30, 2024. In November 2024, prior to the expiration of the grant, EVERTEC submitted a request for renovation of the tax exemption decree under the current Puerto Rico Incentives Code, Act 60. The successful approval of the renewal request is expected to be received during 2026 retroactively to December 1, 2024.

In addition, in August 2018, the Puerto Rico Industrial Development Company approved the requested extension of a grant under Tax Incentive Law No. 135 of 1997 for EVERTEC Group. Under this grant, activities derived from certain development and installation service in excess of a determined income are subject to a fixed tax rate of 10% for a 10-year period from January 1, 2018.

The following table presents the components of the Company’s deferred tax assets and liabilities:

	December 31,	
(In thousands)	2025	2024
Deferred tax assets (“DTA”)		
Allowance for doubtful accounts	$ 509	$ 201
Unearned income	4,992	8,628
Lease liability	3,307	1,324
Share-based compensation	2,895	2,785
Accrued liabilities	12,583	9,419
Derivative liability	1,806	—
Net operation losses	66,102	43,219
Other	8,958	8,713
Total gross deferred tax assets	101,152	74,289
Valuation allowance	(4,705)	(5,274)
Total deferred tax assets, net	96,447	69,015
Deferred tax liabilities (“DTL”)		
Capitalized salaries	2,551	2,486
Difference between the assigned values and the tax basis of assets and liabilities recognized in business combinations	120,188	67,298
Right of use asset	3,361	1,290
Amortization of tax goodwill on business combination	(8,646)	5,193
Other	4,963	3,682
Total gross deferred tax liabilities	122,417	79,949
Deferred tax liability, net	$ (25,970)	$ (10,934)

Pursuant to the provision of the PR Code, net operating losses (“NOL”) can be carried forward for a period of seven, ten or twelve taxable years, depending on the taxable year generated. Act 72 of May 29, 2015, limited the amount of NOLs deduction to 80% for regular tax and 70% for alternative minimum tax (“AMT”) for taxable years commencing after December 31, 2014. However, Act 257 of 2018 limits the deduction of NOLs to 90% for regular tax for tax years commencing after December 31, 2018. In the case of a partner's distributive share of partnership loss, including capital loss, it is limited to the adjusted basis of their interest in the partnership at the end of the partnership year in which the loss occurred. If a partner's share of the loss exceeds their adjusted basis, the excess loss is not deductible in the current year. Instead, this excess loss can be carried forward indefinitely and deducted in future years when the partner's adjusted basis increases, typically through additional contributions to the partnership or through partnership income.

At December 31, 2025, the Company has $95.3 million, $81.1 million and $9.8 million in NOL carryforwards related to Puerto Rico industrial development income, Brazil and other foreign countries, respectively, available to offset future eligible income. The NOL balance as of December 31, 2025 expires as follows:

(In thousands)		
2027	$	531
2028		1,489
2030		112
2031		1,575
2032		255
2033		202
2034		3,143
2035		513
2036		319
2037		1,020
Indefinitely		177,095

The Company recognizes the benefit of uncertain tax positions ("UTPs") only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement.

The following is a tabular reconciliation of the total amounts of UTPs:

	Years ended December 31,		
(In thousands)	2025	2024	2023
Balance, beginning of year	$ 2,854	$ 5,902	$ 1,480
Gross increases—tax positions in prior period	1,207	—	70
Gross decreases—tax positions in prior period	—	(758)	—
Gross increases—tax positions in current period	—	—	4,996
Lapse of statute of limitations	(1,111)	(2,290)	(644)
Balance, end of year	$ 2,950	$ 2,854	$ 5,902

As of December 31, 2025, 2024 and 2023, approximately $3.0 million, $2.9 million and $5.9 million, respectively, would have affected the Company's effective income tax rate, if recognized.

The Company recognizes interest and penalties related to UTB as part of income tax expense. During the years ended December 31, 2025, 2024 and 2023, the Company recognized an income tax expense of $1.7 million, $0.7 million and $0.8 million, respectively, related to interest and penalties. The amount accrued for interest and penalties at December 31, 2025 and 2024 was $3.2 million and $2.9 million, respectively.

In connection with tax return examinations, contingencies can arise that generally result from different interpretations of tax laws and regulations as they pertain to the amount, timing or inclusion of revenues and expenses in taxable income, or the ability to utilize tax credits to reduce income taxes payable. While it is probable, based on the potential outcome of the Company's Puerto Rico and foreign tax examinations or the statute of limitations for specific jurisdictions, that the liability for UTBs may increase or decrease within the next twelve months, the Company does not expect any such change would have a material effect on our financial condition, results of operations or cash flow.

The Company and its subsidiaries are subject to Puerto Rico income tax as well as income tax of multiple foreign jurisdictions. A significant majority of the income tax is from Puerto Rico, Costa Rica and Chile, while certain entities in Brazil have tax benefits resulting from the amortization of goodwill and other intangible assets for tax purposes. The income tax returns for 2021, 2022, 2023, and 2024 are currently open for examination for these jurisdictions, while 2018, 2019 and 2020 are also open for examination for Puerto Rico, and 2020 for Brazil.

A reconciliation of the provision for income taxes to the amount computed by applying the Puerto Rico statutory income tax rate of 37.5% to the income before income taxes after adoption of the ASU 2023-09 is as follows. The Company has elected to adopt ASU 2023-09 on a prospective basis.

	Year ended December 31,	
	2025	
	(In thousands)	*Percentage*
Puerto Rico statutory tax rate	$ 57,891	37.50 %
Foreign tax effects		
Uruguay	3,649	2.36 %
Costa Rica	3,168	2.05 %
Brazil		
Permanent differences	(3,528)	(2.29)%
Other	(2,358)	(1.53)%
Other foreign jurisdictions	(2,096)	(1.36)%
Effect of changes in tax laws or rates enacted in the current period	—	—
Effect of cross-border tax laws		
Withholding taxes	—	— %
Tax credits	(624)	(0.40)%
Changes in valuation allowances	76	0.05 %
Nontaxable or nondeductible items		
Effect of income subject to tax-exemption grant	(48,206)	(31.23)%
Other nontaxable or nondeductible items	1,145	0.74 %
Changes in unrecognized tax benefits	(1,573)	(1.02)%
Other	2,271	1.48 %
Total effective tax rate	9,815	6.35 %

A reconciliation of the provision for income taxes to the amount computed by applying the Puerto Rico statutory income tax rate of 37.5% to the income before income taxes for years prior to the adoption of the ASU 2023-09 is as follows:

	Years ended December 31,	
(In thousands)	2024	2023
Computed income tax at statutory rates	$ 44,859	$ 32,007
Differences in tax rates due to multiple jurisdictions	4,823	4,038
Excess tax benefits on share-based compensation	(502)	(81)
Effect of income subject to tax-exemption grant	(43,808)	(30,123)
Unrecognized tax (benefit) expense	(3,492)	(1,083)
Tax credits for research and development activities	—	(884)
Valuation allowance	—	2,194
Other, net	2,967	(591)
Income tax expense	$ 4,847	$ 5,477

The amounts of cash income taxes paid by the Company were as follows:

		Year ended December 31,
		2025
(In thousands)		
Puerto Rico	$	6,114
Foreign		
Brazil		3,051
Chile		10,461
Costa Rica		8,143
Honduras		2,227
Panama		2,138
Other foreign jurisdictions		4,769
Total cash income taxes paid, net of amounts refunded	$	36,903

The Company made cash income tax payments, net of refunds, of $24.6 million and $36.2 million during 2024, and 2023 respectively.

Note 24—Net Income Per Common Share

The reconciliation of the numerator and the denominator of the earnings per common share is as follows:

	Years ended December 31,					
(Dollar amounts in thousands, except share and per share data)	2025		2024		2023	
Net income available to EVERTEC, Inc.'s common shareholders	$	141,590	$	112,620	$	79,722
Weighted average common shares outstanding		63,703,500		64,286,725		64,932,114
Weighted average potential dilutive common shares [(1)]		718,655		790,810		882,203
Weighted average common shares outstanding—assuming dilution		64,422,155		65,077,535		65,814,317
Net income per common share—basic	$	2.22	$	1.75	$	1.23
Net income per common share—diluted	$	2.20	$	1.73	$	1.21

(1) Potential common shares consist of common stock issuable under RSUs awards using the treasury stock method.

Refer to Note 19 - *Equity* for a detail of dividends declared and paid during 2025 and 2024.

Note 25—Commitments and Contingencies

As previously disclosed in the Company's Current Report on Form 8-K, dated September 2, 2025, on August 29, 2025, Sinqia, a Brazilian subsidiary of EVERTEC, identified unauthorized activity in its environment of the Brazilian Central Bank (“BCB”) real-time payment system known as Pix. In response, Sinqia promptly halted transaction processing, engaged external cybersecurity forensic experts, and notified relevant authorities and affected customers. The incident was limited to business-to-business financial transactions involving two financial institution customers. On September 15, 2025 Sinqia received authorization from the BCB to resume Pix operations. Sinqia's Pix environment is currently operational and all customers are able to use the system.

The Company has recognized estimated liabilities related to potential contractual claims associated with client losses, as well as costs incurred for legal counsel, forensic reviews, and other professional services. A substantial portion of these matters has been settled, and the Company believes that any remaining exposure is limited.

EVERTEC is a defendant in a number of legal proceedings arising in the ordinary course of business. Based on the opinion of legal counsel and other factors, management believes that the final disposition of these matters will not have a material adverse effect on the business, results of operations, financial condition, or cash flows of the Company. The Company has also identified other claims in which a loss may be incurred, but in the aggregate the loss would be inconsequential. For other claims, where the proceedings are in an initial phase, the Company is unable to estimate the range of possible loss, if any, at this time, but management believes that any loss related to such claims will not be material.

Leases

The Company has operating leases for certain office facilities, buildings, telecommunications and other equipment; and finance leases for certain equipment. The Company's lease contracts have remaining terms ranging from 1 year to 5 years, some of which may include options to extend the leases for up to 5 years, and some which may include the option to terminate the lease within 1 year.

Total lease cost consisted of the following:

	Years ended December 31,	
(in thousands)	2025	2024
Operating lease cost	$ 8,104	$ 7,821
Variable lease cost	3,070	2,943
Total lease costs	$ 11,174	$ 10,764

Other Balance Sheet information related to operating leases was as follows:

	December 31,	
(In thousands)	2025	2024
Right-of-use assets obtained in exchange for operating lease obligations	$ 34,369	$ 3,920
Weighted average remaining lease term, in years	7	3
Weighted average discount rate	5.5%	3.8%

The following table presents the balance of operating lease obligations:

	December 31,	
(In thousands)	2025	2024
Operating lease liability - current	$ 5,878	$ 6,229
Operating lease liability - long-term	33,305	4,924
Total operating lease liabilities	$ 39,183	$ 11,153

Future minimum operating lease payments at December 31, 2025 were as follows:

(In thousands)	
2026	7,762
2027	6,675
2028	5,263
2029	4,329
2030	4,259
Thereafter	13,273
Total future minimum lease payments	41,561
Less: imputed interest	(2,378)
Total	$ 39,183

Note 26—Segment Information

The Company has four operating and reportable segments: Payment Services - Puerto Rico & Caribbean, Latin America Payments and Solutions, Merchant Acquiring, and Business Solutions based upon organization of the Company by the nature of products and services provided to customers and geography.

The Payment Services - Puerto Rico & Caribbean segment revenues are comprised of revenues related to providing access to the ATH debit network and other card networks to financial institutions, including related services such as authorization, processing, management and recording of ATM and POS transactions, and ATM management and monitoring. The segment revenues also include revenues from card processing services (such as credit and debit card processing, authorization and settlement and fraud monitoring and control to debit or credit issuers), payment processing services (such as payment and billing products for merchants, businesses and financial institutions), ATH Movil (person-to-person) and ATH Business (person-to-merchant) digital transactions and EBT (which principally consist of services to the government of Puerto Rico for the delivery of benefits to participants). For ATH debit network and processing services, revenues are primarily driven by the number of transactions processed. Revenues are derived primarily from network fees, transaction switching and processing fees, and the leasing of POS devices. For card issuer processing, revenues are primarily dependent upon the number of cardholder accounts on file, transactions and authorizations processed, the number of cards embossed and other processing services. For EBT services, revenues are primarily derived from the number of beneficiaries on file.

The Latin America Payments and Solutions segment payment revenues consist of revenues related to providing access to the ATH network of ATMs and other card networks to financial institutions, including related services such as authorization, processing, management and recording of ATM and POS transactions, and ATM management and monitoring. The segment revenues also include revenues from card processing services (such as credit and debit card processing, authorization and settlement and fraud monitoring and control to debit or credit issuers), payment processing services (such as payment and billing products for merchants, businesses and financial institutions), as well as licensed software solutions for risk and fraud management and card payment processing. For network and processing services, revenues are primarily driven by the number of transactions processed. Revenues are derived primarily from transaction switching, processing fees, and the leasing of POS devices. For card issuer processing, revenues are primarily dependent upon the number of cardholder accounts on file, transactions and authorizations processed, the number of cards embossed, and other processing services. Solutions revenues consist of (a) licensing, support and maintenance (“subscription”), implementation and customization of software used to provide financial products in areas such as core banking, credit, investments, payments, foreign exchange, mutual funds, pension funds and consortium, in addition to software used to execute processes such as digital onboarding, digital signature, digital collection, and other digital transaction-related processes, including vehicle financing contract registration; and (b) outsourcing of mission critical IT services. Revenues are based on monthly fixed fees and, in several cases, variable fees based on usage.

The Merchant Acquiring segment consists of revenues from services that allow merchants to accept electronic methods of payment. In the Merchant Acquiring segment, revenues include a discount fee and membership fees charged to merchants, debit network fees and rental fees from POS devices and other equipment, net of credit card interchange and assessment fees charged by credit cards associations (such as VISA or MasterCard) or payment networks. The discount fee is generally a percentage of the transaction value. EVERTEC also charges merchants for other services that are unrelated to the number of transactions or the transaction value.

The Business Solutions segment consists of revenues from a full suite of business process management solutions in various product areas such as core bank processing, network hosting, managed services and managed security services, IT professional services, business process outsourcing, item processing, cash processing, and fulfillment. Core bank processing and network services revenues are derived in part from a recurrent fixed fee and from fees based on the number of accounts on file (i.e., savings or checking accounts, loans, etc.), server capacity usage or computer resources utilized. Revenues from other processing services within the Business Solutions segment are generally volume-based and depend on factors such as the number of accounts processed. In addition, EVERTEC is a reseller of hardware and software products and these resale transactions are generally non-recurring.

The Company’s Chief Operating Decision Maker ("CODM") is the President and Chief Executive Officer (“CEO”). The CODM uses revenue and Segment Adjusted EBITDA to evaluate segment performance and allocate resources, and regularly reviews performance at the segment level against budget and forecast when making decisions about the allocation of resources to each segment. Segment Adjusted EBITDA reviewed by the CODM is calculated as EBITDA further adjusted to exclude certain non-cash unrealized items and unusual expenses such as: share-based compensation, restructuring related expenses, fees and expenses from corporate transactions such as M&A activity and financing, equity investment income net of dividends received, and the impact from non-cash unrealized gains and losses on foreign currency remeasurement for assets and liabilities in non-functional currency. Segment Adjusted EBITDA is presented in conformity with ASC Topic 280, *Segment Reporting*, given that it is used by the CODM for purposes of evaluating performance and allocating resources.

The Company does not report assets or other balance sheet information to the CODM on a segment basis as the Company’s CODM does not assess performance, make strategic decisions, or allocate resources based on this information. No segment expense information is regularly provided to the CODM and therefore the Company does not report significant segment expenses.

Expense information that is regularly provided to the CODM on a consolidated financial statement basis include personnel costs, professional fees, equipment expenses and cost of sales, adjusted primarily for the impact of share-based compensation, restructuring related expenses, and fees and expenses from corporate transactions such as M&A activity and financing.

The following tables set forth information about the Company's operations by its four reportable segments for the periods indicated:

	December 31, 2025				
(In thousands)	Payment Services - Puerto Rico & Caribbean	Latin America Payments and Solutions	Merchant Acquiring, net	Business Solutions	Total Reportable Segments
Total revenues	$ 148,922	$ 342,898	$ 189,913	$ 250,085	$ 931,818
Intersegment revenues	74,344	26,569	—	—	100,913
Total segment revenues[1]	223,266	369,467	189,913	250,085	1,032,731
Less: Other segment items[2]	(98,590)	(261,853)	(111,545)	(156,149)	(628,137)
Segment Adjusted EBITDA	$ 124,676	$ 107,614	$ 78,368	$ 93,936	$ 404,594

(1) Total segment revenues include intersegment revenues eliminated on a consolidated basis. Intersegment revenue eliminations predominantly reflect the $59.9 million processing fee from Payments Services - Puerto Rico & Caribbean to Merchant Acquiring, intercompany software developments and transaction processing of $26.6 million from Latin America Payments and Solutions to Payment Services-Puerto Rico & Caribbean and Business Solutions, and transaction processing and monitoring fees of $14.5 million from Payment Services - Puerto Rico & Caribbean to Latin America Payments and Solutions.

(2) For each reportable segment, other segment items category includes: cost of revenues and selling, general and administrative expenses, exclusive of depreciation and amortization. These amounts are adjusted to exclude certain items such as: share-based compensation costs, severance payments, equity investment income net of dividends received, foreign currency remeasurement for assets and liabilities in non-functional currency, and expenses from corporate transactions as defined in the Credit Agreement to determine Segment Adjusted EBITDA.

	December 31, 2024				
(In thousands)	Payment Services - Puerto Rico & Caribbean	Latin America Payments and Solutions	Merchant Acquiring, net	Business Solutions	Total Reportable Segments
Total revenues	$ 139,343	$ 281,668	$ 180,500	$ 243,975	$ 845,486
Intersegment revenues	75,406	21,116	—	—	96,522
Total segment revenues[1]	214,749	302,784	180,500	243,975	942,008
Less: Other segment items[2]	(93,359)	(223,103)	(107,868)	(141,306)	(565,636)
Segment Adjusted EBITDA	$ 121,390	$ 79,681	$ 72,632	$ 102,669	$ 376,372

(1) Total segment revenues include intersegment revenues eliminated on a consolidated basis. Intersegment revenue eliminations predominantly reflect the $57.6 million processing fee from Payments Services - Puerto Rico & Caribbean to Merchant Acquiring, intercompany software developments and transaction processing of $21.1 million from Latin America Payments and Solutions to Payment Services-Puerto Rico & Caribbean and Business Solutions, and transaction processing and monitoring fees of $17.8 million from Payment Services - Puerto Rico & Caribbean to Latin America Payments and Solutions.

(2) For each reportable segment, other segment items category includes: cost of revenues and selling, general and administrative expenses, exclusive of depreciation and amortization. These amounts are adjusted to exclude certain items such as: share-based compensation costs, severance payments, equity investment income net of dividends received, foreign currency remeasurement for assets and liabilities in non-functional currency, and expenses from corporate transactions as defined in the Credit Agreement to determine Segment Adjusted EBITDA.

	December 31, 2023									
(In thousands)		Payment Services - Puerto Rico & Caribbean		Latin America Payments and Solutions		Merchant Acquiring, net		Business Solutions		Total Reportable Segments
Total revenues	$	135,973	$	169,410	$	162,366	$	226,960	$	694,709
Intersegment revenues		67,259		17,093		—		—		84,352
Total segment revenues[1]		203,232		186,503		162,366		226,960		779,061
Less: Other segment items[2]		(84,966)		(126,345)		(101,374)		(140,080)		(452,765)
Segment Adjusted EBITDA	$	118,266	$	60,158	$	60,992	$	86,880	$	326,296

(1) Total segment revenues include intersegment revenues eliminated on a consolidated basis. Intersegment revenue eliminations predominantly reflect the $52.9 million processing fee from Payments Services - Puerto Rico & Caribbean to Merchant Acquiring, intercompany software developments and transaction processing of $17.1 million from Latin America Payments and Solutions to Payment Services-Puerto Rico & Caribbean and Business Solutions, and transaction processing and monitoring fees of $14.3 million from Payment Services - Puerto Rico & Caribbean to Latin America Payments and Solutions.

(2) For each reportable segment, other segment items category includes: cost of revenues and selling, general and administrative expenses, exclusive of depreciation and amortization. These amounts are adjusted to exclude certain items such as: share-based compensation costs, severance payments, equity investment income net of dividends received, foreign currency remeasurement for assets and liabilities in non-functional currency, and expenses from corporate transactions as defined in the Credit Agreement to determine Segment Adjusted EBITDA.

e reconciliation of Segment Adjusted EBITDA to consolidated income before income taxes is as follows:

	Years ended December 31,					
(In thousands)		2025		2024		2023
Segment Adjusted EBITDA	$	404,594	$	376,372	$	326,296
Elimination of intersegment revenues		(100,913)		(96,522)		(84,352)
Other corporate expenses[1]		69,702		60,378		50,027
Compensation and benefits[2]		(36,033)		(31,644)		(29,312)
Transaction, refinancing and other fees[3]		(9,858)		4,217		(53,545)
Earnings from equity investees, net of dividends received		1,620		1,270		1,945
Gain (loss) on foreign currency remeasurement[4]		592		(5,198)		(8,276)
Interest income		15,035		13,332		8,512
Interest expense		(68,278)		(74,733)		(32,321)
Depreciation and amortization		(122,086)		(127,846)		(93,621)
Income before income taxes	$	154,375	$	119,626	$	85,353

(1) The other corporate expenses category consists of corporate overhead expenses and other non-operating expenses that are not included in the reportable segment, as well as intersegment eliminations.
(2) Primarily represents share-based compensation and severance payments.
(3) Primarily represents fees and expenses associated with corporate transactions as defined in the Credit Agreement and the elimination of unrealized earnings from equity investments, net of dividends received and multi-year non recurring gains recognized in connection with the sale of tax credits..
(4) Represents non-cash unrealized gains (losses) on foreign currency remeasurement for assets and liabilities denominated in non-functional currencies.

The geographic information below is classified based on the geographic location of the Company's subsidiaries:

(In thousands)	Years ended December 31, 2025	2024	2023
Revenues [(1)]			
Puerto Rico	$ 567,682	$ 543,568	$ 505,246
Caribbean	21,238	20,250	20,053
Latin America	342,898	281,668	169,410
Total Revenues	$ 931,818	$ 845,486	$ 694,709

(1) Revenues are based on subsidiaries' country of domicile.

Major customers

The Company has revenue concentration with Popular, revenues as a percentage of total revenues, were 29%, 31% and 35%, for the years ended December 31, 2025, 2024 and 2023, respectively.

The Company's next largest customer, the Government of Puerto Rico, consolidating all individual agencies and public corporations, represented 5%, 5%, and 7% of the Company's total revenues for the years ended December 31, 2025, 2024 and 2023, respectively.

Revenues related to Popular and the Government of Puerto Rico are both related to the Payment Services - Puerto Rico & Caribbean and Business Solutions segments.

Long-lived assets

Long-lived assets, excluding goodwill and other intangible assets, by location as of December 31, 2025 and 2024 were as follows:

(In thousands)	Years ended December 31, 2025	2024
Puerto Rico	$ 44,294	$ 44,563
Latin America	20,060	17,496
Total Property and equipment, net	$ 64,354	$ 62,059

Note 27—Subsequent Events

On February 2, 2026, Evertec Brasil Informática S.A ("Evertec BR" or "Buyer"), a wholly-owned indirect subsidiary of EVERTEC, Inc. ("Evertec" or the "Company"), entered into a Share Purchase Agreement (the "SPA"), dated as of February 2, 2026, by and among Evertec BR, Dimensa S.A. ("Dimensa"), TOTVS S.A., (the "Seller"), and Evertec Group, LLC ("Guarantor"). Pursuant to the terms of, and subject to the conditions specified in, the SPA, Evertec BR will purchase all outstanding common shares of Dimensa from the Seller for an aggregate purchase price of approximately R$950 million (the "Transaction"), representing approximately USD $184 million at current exchange rates, subject to customary adjustments. The Transaction is expected to be funded with the Company's existing liquidity. Following the consummation of the Transaction, Evertec BR will hold a 100% ownership stake in Dimensa on a fully diluted basis.

On February 19, 2026, the Board declared a regular quarterly cash dividend of $0.05 per share on the Company's outstanding shares of common stock. The dividend is expected to be paid on March 6, 2026 to stockholders of record as of the close of business on March 2, 2026. The Board anticipates declaring this dividend in future quarters on a regular basis; however future declarations of dividends are subject to Board's approval and may be adjusted as business needs or market conditions change.

On February 25, 2026 the Board approved an increase to Evertec's existing share repurchase authorization to permit future repurchases of up to an aggregate of $150 million worth of shares of the Company's common stock, par value $0.01 per share by December 31, 2027.

EVERTEC, Inc. Condensed Financial Statements
Parent Company Only

Condensed Balance Sheets

(In thousands)	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash	$ 1,684	$ 1,683
Prepaid expenses and other assets	40	17
Total current assets	1,724	1,700
Investment in subsidiaries, at equity	623,331	482,665
Deferred tax asset, net	33,758	22,934
Total assets	$ 658,813	$ 507,299
Liabilities and stockholders' equity		
Current liabilities:		
Accrued liabilities	$ 267	$ 280
Accounts payable	36,504	34,335
Income tax payable	436	160
Total liabilities	$ 37,207	$ 34,775
Stockholders' equity:		
Common stock	618	636
Additional paid-in capital	—	7,003
Accumulated earnings	687,696	599,608
Accumulated other comprehensive loss, net of tax	(66,708)	(134,723)
Total stockholders' equity	621,606	472,524
Total liabilities and stockholders' equity	$ 658,813	$ 507,299

Schedule I

Condensed Statements of Income and Comprehensive Income (Loss)

(In thousands)	Years ended December 31, 2025	2024	2023
Non-operating income (expenses)			
Equity in earnings of subsidiaries	$ 134,027	$ 100,545	$ 71,600
Interest income	512	592	497
Other expenses	(2,184)	(2,037)	(1,956)
Income before income taxes	132,355	99,100	70,141
Income tax expense	(9,235)	(13,520)	(9,581)
Net income	141,590	112,620	79,722
Other comprehensive (loss) income, net of tax			
Foreign currency translation adjustments	74,588	(152,851)	38,328
Loss on cash flow hedges	(6,593)	(74)	(3,618)
Unrealized gain (loss) on change in fair value of debt securities available-for-sale	20	(7)	(15)
Total comprehensive income (loss)	$ 209,605	$ (40,312)	$ 114,417

Condensed Statements of Cash Flows

(In thousands)	Years ended December 31, 2025	2024	2023
Cash flows from operating activities	$ 91,036	$ 104,701	$ 55,515
Cash flows from financing activities			
Dividends paid	(12,781)	(12,873)	(13,025)
Repurchase of common stock	(69,293)	(82,293)	(36,096)
Withholding taxes paid on share-based compensation	(8,961)	(9,970)	(5,956)
Net cash used in financing activities	(91,035)	(105,136)	(55,077)
Net change in cash	1	(435)	438
Cash at beginning of the period	1,683	2,118	1,680
Cash at end of the period	$ 1,684	$ 1,683	$ 2,118

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