### SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

## FORM 8-K

Current Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of report (Date of earliest event reported): May 12, 2016

# USA TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania

001-33365

23-2679963

(State or other jurisdiction of incorporation or organization)

(Commission File Number)

(I.R.S. Employer Identification No.)

100 Deerfield Lane, Suite 140 Malvern, Pennsylvania 19355 (Address of principal executive offices and zip code)

Registrant's telephone number, including area code: 610-989-0340

n/a

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

□ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

□ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

□ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

□ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

#### Item 2.02. Results of Operations and Financial Condition

On May 12, 2016, USA Technologies, Inc. (the "Company"), issued a press release reporting financial results for the fiscal quarter ended March 31, 2016, a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

#### Item 9.01. Financial Statements and Exhibits

Exhibit 99.1 Press Release of the Company dated May 12, 2016

#### SIGNATURES

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

USA TECHNOLOGIES, INC.

Dated: May 13, 2016

By: <u>/s/ Stephen P. Herbert</u> Stephen P. Herbert, Chairman and Chief Executive Officer Index to Exhibits

<u>Exhibit No.</u> <u>99.1</u> <u>Description of Exhibit</u> Press Release of the Company dated May 12, 2016



#### USA Technologies Announces Third Quarter Fiscal Year 2016 Results

MALVERN, Pa. – May 12, 2016 – USA Technologies, Inc. (NASDAQ:USAT) ("USAT"), a premier payment technology service provider of integrated cashless and mobile transactions in the self-service retail market, today reported results for its third quarter ended March 31, 2016.

#### Third Quarter Financial Highlights:

- Total quarterly revenue of \$20.4 million, a year-over-year increase of 33%
- 32,000 net connections for the quarter compared to 14,000 in the same quarter last year, a year-over-year increase of 129%
- 401,000 connections to ePort service, including 6,000 new connections attributable to the VendScreen acquisition which closed on January 15, 2016, representing a year-over-year increase of 33%
- Record 10,825 customers compared to 8,925 as of a year ago, a year-over-year increase of 21%
- Quarterly record license and transaction fee revenue of \$14.7 million, a year-over-year increase of 33%
- \$4.3 million of cash provided by operating activities representing the fifth straight quarter of positive operating cash flow
- Quarterly GAAP net loss of \$5.4 million, including the impact of a \$4.8 million non-cash expense for the fair value warrant liability adjustment, \$461,000 of non-recurring expenses relating to the acquisition and integration of the VendScreen business, and \$105,000 of professional fees incurred in connection with the class action litigation which was dismissed by the court in April 2016
- Quarterly Non-GAAP net loss of \$87,000, or \$(0.01) per share
- Quarterly adjusted EBITDA of \$1.3 million

### Third Quarter Financial Highlights & Transaction Data:

	Nii	ne months end Marc		nless noted			
(Connections, transactions and \$'s in thousands, except per share data)		2016		2015	_	# Change	% Change
Revenues:							
License and transaction fees Equipment sales	\$	41,326 14,138	\$	31,695 8,736	\$	9,631 5,402	30% 62%
Total revenues	\$	55,464	\$	40,431	\$	15,033	37%
License and transaction fees gross margin		33.5%		32.0%		1.5%	5%
Equipment sales gross margin		16.6%		21.6%		(5.0%)	-23%
Operating income (loss)	\$	111	\$	115	\$	(4)	-3.5%
Adjusted EBITDA	\$	5,358	\$	5,007	\$	351	7.0%
Net loss	\$	(5,934)	\$	(889)	\$	(5,045)	567.5%
Net earnings (loss) per common share - diluted	\$	(0.18)	\$	(0.04)	\$	(0.14)	312.8%
Net New Connections		68		36		32	89%
Total Connections (at period end)		401		302		99	33%
Total Number of Transactions		226,798		154,500		72,298	47%
Transaction Volume	\$	415,423	\$	276,200	\$	139,223	50%
	Thr	ee months en Marc		nless noted			
(Connections, transactions and \$'s in thousands, except per share data)	Thr	ee months en Marc 2016		nless noted 2015		# Change	% Change
(Connections, transactions and \$'s in thousands, except per share data)	Thr	Marc			_	# Change	% Change
Revenues:		Marc 2016	h 31,	2015	\$		
	Thr	Marc			\$	# Change 3,668 1,336	% Change 33% 31%
Revenues: License and transaction fees		Marc 2016 14,727	h 31,	2015	\$	3,668	33%
Revenues: License and transaction fees Equipment sales	\$	Marc 2016 14,727 5,634	h 31, \$ \$	2015 11,059 4,298	\$	3,668 1,336	
Revenues: License and transaction fees Equipment sales Total revenues	\$	Marc 2016 14,727 5,634 20,361	h 31, \$ \$	2015 11,059 4,298 15,357	\$	3,668 1,336 5,004	33% 31% 33%
Revenues: License and transaction fees Equipment sales Total revenues License and transaction fees gross margin	\$	Marc 2016 14,727 5,634 20,361 34.1%	h 31, \$ \$	2015 11,059 4,298 15,357 35.3%	\$	3,668 1,336 5,004 (1.2%)	33% 31% 33% -3%
Revenues: License and transaction fees Equipment sales Total revenues License and transaction fees gross margin Equipment sales gross margin	\$	Marc 2016 14,727 5,634 20,361 34.1% 11.5%	h 31, \$ \$	2015 11,059 4,298 15,357 35.3% 28.9%	\$	3,668 1,336 5,004 (1.2%) (17.4%)	33% 31% 33% -3% -60%
Revenues: License and transaction fees Equipment sales Total revenues License and transaction fees gross margin Equipment sales gross margin Operating income (loss)	\$ 	Marc 2016 14,727 5,634 20,361 34.1% 11.5%	h 31, \$ <u>\$</u>	2015 11,059 4,298 15,357 35.3% 28.9% 730 2,379	\$	3,668 1,336 5,004 (1.2%) (17.4%) (1,325)	33% 31% 33% -3% -60% -181.5%
Revenues: License and transaction fees Equipment sales Total revenues License and transaction fees gross margin Equipment sales gross margin Operating income (loss) Adjusted EBITDA	\$ <u>\$</u> \$	Marc 2016 14,727 5,634 20,361 34.1% 34.1% (595) 1,347	h 31, \$ \$ \$ \$	2015 11,059 4,298 15,357 35.3% 28.9% 730 2,379	\$ \$ \$	3,668 1,336 5,004 (1.2%) (17.4%) (1,325) (1,032)	33% 31% 33% -3% -60% -181.5% -43.4%
Revenues: License and transaction fees Equipment sales Total revenues License and transaction fees gross margin Equipment sales gross margin Operating income (loss) Adjusted EBITDA Net loss	\$ <u>\$</u> \$ \$	Marc 2016 14,727 5,634 20,361 34.1% (595) (595) 1,347 (5,420)	h 31, \$ \$ \$ \$ \$ \$ \$	2015 11,059 4,298 15,357 35.3% 28.9% 730 2,379 (567)	\$ \$ \$	3,668 1,336 5,004 (1.2%) (17.4%) (1,325) (1,032) (4,853)	33% 31% 33% -3% -60% -181.5% -43.4% 855.9%
Revenues: License and transaction fees Equipment sales Total revenues License and transaction fees gross margin Equipment sales gross margin Operating income (loss) Adjusted EBITDA Net loss Net loss per common share - basic and diluted	\$ <u>\$</u> \$ \$	Marc 2016 14,727 5,634 20,361 34.1% (595) (595) (5,420) (0.16)	h 31, \$ \$ \$ \$ \$ \$ \$	2015 11,059 4,298 15,357 35.3% 28.9% 28.9% 730 (567) (0.03)	\$ \$ \$	3,668 1,336 5,004 (1.2%) (17.4%) (1,325) (1,032) (4,853) (0.13)	33% 31% 33% -3% -60% -181.5% -43.4% 855.9% 531.3%
Revenues: License and transaction fees Equipment sales Total revenues License and transaction fees gross margin Equipment sales gross margin Operating income (loss) Adjusted EBITDA Net loss Net loss per common share - basic and diluted Net New Connections	\$ <u>\$</u> \$ \$	Marc 2016 14,727 5,634 20,361 34.1% (595) (595) (5,420) (0.16) 32	h 31, \$ \$ \$ \$ \$ \$ \$	2015 11,059 4,298 15,357 35.3% 28.9% 28.9% (0.03) (0.03) 14	\$ \$ \$	3,668 1,336 5,004 (1.2%) (17.4%) (1,325) (1,032) (4,853) (0.13) 18	33% 31% 33% -3% -60% -181.5% -43.4% 855.9% 531.3% 129%

#### USA Technologies Announces Third Quarter Fiscal Year 2016 Financial Results

"We are experiencing an inflection point in the unattended retail payments market with our cashless-payment solutions while achieving record revenue and integrating an acquisition," said Stephen P. Herbert, USA Technologies' chairman and chief executive officer. "With the introduction of our ePort Interactive Service, our most progressive solution to date, our customers now can leverage a content delivery platform to directly engage with their customers. Additionally, the Premium Support Service continues to incentivize operators to move to cashless payments at 100% of their locations, which proliferates the acceptance of cashless payments in the self-service retail market. We view the broadening adoption of cashless payment solutions, coupled with our continued growth, as validation that USAT is positioned as the clear leader in the self-service retail market."

#### Fiscal 2016 Outlook

For full fiscal year 2016, management raised its expectations for connections and revenue, and it now expects to add between 93,000 and 95,000 net new connections for the year, bringing total connections to our service to a range of 426,000 to 428,000 and expects total revenue to be between \$76 million and \$78 million. Additionally, the company anticipates that QuickStart will remain a popular program for customers, and management expects it to drive positive cash provided by operating activities in fiscal year 2016. We also expect to have year-over-year increases of adjusted EBITDA and non-GAAP net income.

#### Webcast and Conference Call

Management will host a conference call and webcast the event beginning at 8:30 a.m. Eastern Time today, May 12, 2016.

To participate in the conference call, please dial (866) 393-1608 approximately 10 minutes prior to the call. International callers should dial (224) 357-2194. Please reference conference ID # 2454754.

A live webcast of the conference call will be available at <u>http://investor.usatech.com/events.cfm</u>. Please access the website 15 minutes prior to the start of the call to download and install any necessary audio software.

A telephone replay of the conference call will be available from 11:30 a.m. Eastern Time on May 12, 2016 until 11:59 p.m. Eastern Time on May 15, 2016 and may be accessed by calling (855) 859-2056 (domestic dial-in) or (404) 537-3406 (international dial-in) and reference conference ID # 2454754. An archived replay of the conference call will also be available in the investor relations section of the company's website.

#### **About USA Technologies**

USA Technologies, Inc. is a premier payment technology service provider of integrated cashless and mobile transactions in the self-service retail market. The company also provides a broad line of cashless acceptance technologies including its NFC- ready ePort<sup>®</sup> G-series, ePort Mobile<sup>TM</sup> for customers on the go, and QuickConnect, an API Web service for developers. USA Technologies has 78 United States and foreign patents in force; and has agreements with Verizon, Visa, Chase Paymentech and customers such as Compass, AMI Entertainment and others. Visit the website at <u>www.usatech.com</u>.

#### **Forward-looking Statements:**

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: All statements other than statements of historical fact included in this release, including without limitation the business strategy and the plans and objectives of USAT's management for future operations, are forward-looking statements. When used in this release, words such as "anticipate", "believe", "estimate", "expect", "intend", and similar expressions, as they relate to USAT or its management, identify forward looking statements. Such forward-looking statements are based on the beliefs of USAT's management, as well as assumptions made by and information currently available to USAT's management. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors, including but not limited to, the ability of management to accurately predict or forecast future financial results, including earnings or taxable income of USAT; the incurrence by USAT of any unanticipated or unusual non-operational expenses which would require us to divert our cash resources from achieving our business plan; the ability of USAT to retain key customers from whom a significant portion of its revenues is derived; the ability of USAT to compete with its competitors to obtain market share; whether USAT's customers continue to utilize USAT's transaction processing and related services, as our customer agreements are generally cancelable by the customer on thirty to sixty days' notice; the ability of USAT to raise funds in the future through the sales of securities or debt financings in order to sustain its operations if an unexpected or unusual nonoperational event would occur; the ability of USAT to use available data to predict future market conditions, consumer behavior and any level of cashless usage; the ability to prevent a security breach of our systems or services or third party services or systems utilized by us; whether any patents issued to USAT will provide USAT with any competitive advantages or adequate protection for its products, or would be challenged, invalidated or circumvented by others; the ability of USAT to operate without infringing or violating the intellectual property rights of others; whether USAT would be able to sell sufficient ePort hardware to third party leasing companies as part of the QuickStart program in order to continue to increase cash flows from operations; whether USAT's ongoing remediation of a material weakness that USAT identified in its internal controls over financial reporting, and which was reflected in our annual report on Form 10-K for the fiscal year ended June 30, 2015, would be effective; whether USAT experiences additional material weaknesses in its internal controls over financial reporting in the future, and USAT is not able to accurately or timely report its financial condition or results of operations; and whether USAT's existing or anticipated customers purchase, rent or utilize ePort devices or our other products or services in the future at levels currently anticipated by USAT. Readers are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statement made by us in this release speaks only as of the date of this release. Unless required by law, USAT does not undertake to release publicly any revisions to these forward-looking statements to reflect future events or circumstances or to reflect the occurrence of unanticipated events.

#### **Financial Schedules:**

- A. Comparative Income Statement For 9 Months Ended March 31, 2016 and March 31, 2015
- B. Comparative Income Statement For 3 Months Ended March 31, 2016 and March 31, 2015
- C. Five Quarter Select Key Performance Indicators
- D. Comparative Condensed Balance Sheets March 31, 2016 to June 30, 2015
- E. Five Quarter Statement of Operations and Adjusted EBITDA
- F. Five Quarter Selling, General, & Administrative Expenses
- G. Five Quarter Condensed Balance Sheet and Other Data
- H. Five Quarter Condensed Statement of Cash Flows
- I. Consolidated Statement of Shareholders' Equity
- J. Reconciliation of Net Earnings/(Loss) to Non-GAAP Net Income (Loss) and Net Earnings/(Loss) Per Common Share Basic and Diluted to Non-GAAP Net Earnings/(Loss) Per Common Share Basic and Diluted

#### NEW ACCOUNTING CLASSIFICATION

Commencing with the September 30, 2015 financial statements, the Company changed the manner in which it presents certain uncollected customer accounts receivable and the related allowance in its consolidated balance sheets and the related statements of cash flows. These accounts receivable represent a large number of small balance amounts due from customers for processing and service fees which had not been billed to customers, and as to which, there had been no customer transaction proceeds from which the Company could collect the amounts due in accordance with its normal procedures. The previous accounting classification recorded these amounts as a reduction of its accounts payable in the consolidated balance sheets and the related statements of cash flows. The new accounting classification moves these amounts to accounts receivable and allowance for bad debt.

Accordingly, the respective balances for all prior periods presented in these financial statements were reclassified in order to be consistent and comparable to the accounting treatment of these items in our March 31, 2016 financial statements. The new accounting classification as well as the reclassification for prior periods had no effect on the consolidated statements of operations or the consolidated statements of shareholders' equity.

### (A) Comparative Income Statement For 9 Months Ended March 31, 2016 and March 31, 2015

(\$ in thousands, except share and per share data)	)	or the nine month	s en					
(unaudited)		2016	% of Sales		2015	% of Sales	Change	% Change
Revenues:								
License and transaction fees	\$	41,326	74.5%	\$	31,695	78.4%	\$ 9,631	30.4%
Equipment sales		14,138	25.5%		8,736	21.6%	5,402	61.8%
Total revenues		55,464	100.0%		40,431	100.0%	15,033	37.2%
Costs of sales/revenues:								
Cost of services		27,475	66.5%		21,566	68.0%	\$ 5,909	27.4%
Cost of equipment		11,787	83.4%		6,850	78.4%	4,937	72.1%
Total costs of sales/revenues		39,262	70.8%		28,416	70.3%	10,846	38.2%
Gross profit:								
License and transaction fees		13,851	33.5%		10,129	32.0%	3,722	36.7%
Equipment sales		2,351	16.6%		1,886	21.6%	465	24.7%
Total gross profit		16,202	29.2%		12,015	29.7%	4,187	34.8%
Operating expenses:								
Selling, general and administrative		15,652	28.2%		11,444	28.3%	\$ 4,208	36.8%
Depreciation		439	0.8%		456	1.1%	(17)	-3.7%
Total operating expenses		16,091	29.0%		11,900	29.4%	4,191	35.2%
Operating income		111	0.2%		115	0.3%	(4)	-3.5%
Other income (expense):								
Interest income		138	0.2%		41	0.1%	97	236.6%
Interest expense		(403)	-0.7%		(209)	-0.5%	(194)	92.8%
Change in fair value of warrant liabilities		(5,692)	-10.3%		(656)	-1.6%	(5,036)	767.7%
Total other income (expense), net		(5,957)	-10.7%		(824)	-2.0%	(5,133)	622.9%
Loss before provision for income taxes		(5,846)	-10.5%		(709)	-1.8%	(5,137)	724.5%
Benefit (provision) for income taxes		(88)			(180)		(92)	51.1%
Net loss		(5,934)	-10.7%		(889)	-2.2%	(5,045)	567.5%
Cumulative preferred dividends		(668)	-1.2%		(668)	-1.7%	-	0.0%
Net loss applicable to common shares	\$	(6,602)	-11.9%	\$	(1,557)	-3.9%	\$ (5,045)	324.0%
Net loss per common share - basic and diluted	\$	(0.18)		\$	(0.04)		\$ (0.14)	321.0%
Basic and diluted weighted average number of common shares outstanding	Э	85,961,648			35,705,210		256,438	0.7%
Adjusted EBITDA	\$	5,358	9.7%	\$	5,007	12.4%	\$ 351	7.0%
Non-GAAP net loss applicable to common								
shares	\$	(25)	0.0%	\$	(747)	-1.8%	\$ 722	0.0%
Total connections at period-end		401,000			302,000			
Net new connections in period		68,000			36,000			

### (B) Comparative Income Statement For 3 Months Ended March 31, 2016 and March 31, 2015

(\$ in thousands, except share and per share data)	) Fo	r the three months	•,			
(unaudited)	2016	% of Sales	2015	% of Sales	Change	% Change
Revenues:						
License and transaction fees	\$ 14,727	72.3% \$	11,059	72.0%	\$ 3,668	33.2%
Equipment sales	5,634	27.7%	4,298	28.0%	1,336	31.1%
Total revenues	20,361	100.0%	15,357	100.0%	5,004	32.6%
Costs of sales/revenues:						
Cost of services	9,703	65.9%	7,157	64.7%	\$ 2,546	35.6%
Cost of equipment	4,986	88.5%	3,054	71.1%	1,932	63.3%
Total costs of sales/revenues	14,689	72.1%	10,211	66.5%	4,478	43.9%
Gross profit:						
License and transaction fees	5,024	34.1%	3,902	35.3%	1,122	28.8%
Equipment sales	648	11.5%	1,244	28.9%	(596)	-47.9%
Total gross profit	5,672	27.9%	5,146	33.5%	526	10.2%
Operating expenses:						
Selling, general and administrative	6,094	29.9%	4,281	27.9%	\$ 1,813	42.3%
Depreciation	173	0.8%	135	0.9%	38	28.1%
Total operating expenses	6,267	30.8%	4,416	28.8%	1,851	41.9%
Operating income (loss)	(595)	-2.9%	730	4.8%	(1,325)	-181.5%
Other income (expense):						
Interest income	67	0.3%	27	0.2%	40	148.1%
Interest expense	(180)	-0.9%	(85)	-0.6%	(95)	111.8%
Change in fair value of warrant liabilities	(4,805)	-23.6%	(1,101)	-7.2%	(3,704)	336.4%
Total other income (expense), net	(4,918)	-24.2%	(1,159)	-7.5%	(3,759)	324.3%
Loss before provision for income taxes	(5,513)	-27.1%	(429)	-2.8%	(5,084)	1185.1%
Benefit (provision) for income taxes	93	_	(138)		231	-167.4%
Net loss	(5,420)	-26.6%	(567)	-3.7%	(4,853)	855.9%
Cumulative preferred dividends	(334)	-1.6%	(334)	-2.2%	-	0.0%
Net loss applicable to common shares	\$ (5,754)	-28.3% \$	(901)	-5.9%	\$ (4,853)	538.6%
Net loss per common share - basic and diluted	\$ (0.16)	\$	(0.03)	:	\$ (0.13)	531.3%
Basic and diluted weighted average number of common shares outstanding	36,161,613		35,747,979		413,635	1.2%
Adjusted EBITDA	\$ 1,347	6.6% \$	2,379	15.5%	\$ (1,032)	-43.4%
Non-GAAP net income (loss) applicable to						
common shares	<u>\$ (421)</u>	-2.1% \$	321	2.1%	\$ (742)	-231.2%
Total connections at period-end	401,000		302,000			
Net new connections in period	32,000		14,000			

### (C) Five Quarter Select Key Performance Indicators:

	Three months ended									
(unaudited)	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015					
Connections:										
Gross New Connections	38,000	24,000	20,000	34,000	24,000					
% from Existing Customer Base	91%	89%	86%	89%	82%					
Net New Connections	32,000	20,000	16,000	31,000	14,000					
Total Connections	401,000	369,000	349,000	333,000	302,000					
Customers:										
New Customers Added	200	350	675	675	475					
Total Customers	10,825	10,625	10,275	9,600	8,925					
Volumes:										
Total Number of Transactions (millions)	82.0	76.0	68.8	62.2	54.8					
Transaction Volume (\$millions)	\$ 151.0	\$ 138.0	\$ 126.4	\$ 112.8	\$ 97.7					
Financing Structure of Connections:										
JumpStart	7.4%	10.1%	10.2%	6.0%	11.3%					
QuickStart & All Others *	92.6%	89.9%	89.8%	94.0%	88.7%					
Total	100.0%	100.0%	100.0%	100.0%	100.0%					

\*Includes credit sales with standard trade receivable terms

### (D) Comparative Condensed Balance Sheets March 31, 2016 to June 30, 2015

(\$ in thousands) (unaudited)	М	arch 31, 2016	June 30, 2015	\$ Change	% Change
Assets					
Current assets:	¢	14.001	ф <u>11 О</u> .74	¢	210/
Cash	\$ *	14,901	\$ 11,374		31%
Accounts receivable, less allowance	Ŧ	8,345	5,971	2,374	40%
Finance receivables		1,677	941	736 (1,875)	78%
Inventory Deferred income taxes		2,341	4,216		
Deferred income taxes		1,276	1,258	18	1%
Prepaid expenses and other current assets		1,060	574	486	85%
Total current assets		29,600	24,334	5,266	22%
Finance receivables, less current portion		3,042	3,698	(656)	-18%
Property and equipment, net		10,584	12,869	(2,285)	-18%
Goodwill and intangbiles		12,976	8,095	4,881	60%
Deferred income taxes		25,701	25,788	(87)	0%
Other assets		337	350	(13)	-4%
Total assets	\$	82,240	\$ 75,134	\$ 7,106	9%
Liabilities and shareholders' equity					
Current liabilities:					
Accounts payable	* \$	12,029	\$ 10,542		14%
Accrued expenses		3,339	2,108	1,231	58%
Line of credit		6,980	4,000	2,980	75%
Current obligations under long-term debt		625	478	147	31%
Income taxes payable		-	54	(54)	-100%
Warrant liabilities		5,964	-	5,964	0%
Deferred gain from sale-leaseback transactions		860	860	-	0%
Total current liabilities		29,797	18,042	11,755	65%
Long-term liabilities					
Long-term debt, less current portion		1,742	1,854	(112)	
Accrued expenses, less current portion		19	49	(30)	
Warrant liabilities, less current portion		-	978	(978)	
Deferred gain from sale-leaseback transactions, less current portion		255	900	(645)	-72%
Total long-term liabilities		2,016	3,781	(1,765)	-47%
Total liabilities		31,813	21,823	9,990	46%
Shareholders' equity:		2 1 2 0	2 1 2 0		00/
Preferred stock, no par value		3,138	3,138	-	0%
Common stock, no par value		227,924	224,874	3,050	1%
Accumulated deficit		(180,635)	(174,701		
Total shareholders' equity		50,427	53,311	(2,884)	
Total liabilities and shareholders' equity	\$	82,240	\$ 75,134	\$ 7,106	9%
Total current assets	\$	29,600	\$ 24,334	\$ 5,266	22%
Total current liabilities	Ψ	29,797	18,042	11,755	65%
Net working capital	\$	(197)			-103%
iter working capitar	φ	(197)	ψ 0,292	φ (0,409)	-10370
* Accounts receivable, net of allowance for doubtful accounts and accounts					
payable have increased by the following amounts due to reclassifications	\$	-	\$ 1,299		

### (E) Five Quarter Statement of Operations and Adjusted EBITDA

					For	the three month	is ended				
Revenues: License and transaction fees 5 14.727 72.3% \$ 13.674 73.9% \$ 12.925 77.9% \$ 11.938 67.7% \$ 11.059 Furpingent \$1.573 22.1% 5.708 32.3% Taal revenue 20.361 100.0% 18.503 100.0% 16.600 100.0% Table revenue 20.361 100.0% 18.503 100.0% 15.640 100.0% 7.063 65.9% 7.157 License and transaction fees 9.703 65.9% 9.067 66.3% 6.705 67.4% 7.063 65.9% 7.157 Equipment shale transaction fees 9.703 65.9% 9.067 66.3% 6.705 67.4% 7.063 65.9% 7.157 Table revenues 14.669 72.1% 13.020 70.4% 11.553 69.6% 12.8.03 72.8% 10.211 Gross of asservenues 14.669 72.1% 13.020 70.4% 11.553 69.6% 12.8.03 72.8% 10.211 Gross profit License and transaction fees 5.022 434.1% 4.907 33.7% 4.220 72.6% 4.075 44.1% 4.909 Table revenues 644 11.5% 5.72 27.9% 5.403 29.6% 5.047 30.4% 4.009 27.2% 5.146 Operating expenses: Soling generation fees 6.024 29.9% 4.762 25.7% 4.796 28.9% 5.009 28.4% 4.281 Table generating fees 6.037 30.8% 4.889 26.4% 4.935 29.7% 5.155 29.3% 4.416 Operating income (loss) (595) -2.9% 5.344 3.2% 112 0.7% (357) -2.0% 7.30 Charlen for 67 0.3% 20 0.1% -0.0% -0.0% 5.0.07% 32.0% 7.30 Charlen finterest fincome -0.0% -0.0% -0.0% -0.0% 52 0.0.3% 42 0.2% 7.37 Other income (loss) (595) -2.9% (1134) -7.1% 275 1.7% 265 1.5% (1,10) Table revenues (100) -0.0% (551) 0.3% 42 0.2% 7.37 Charlen come -0.0% -0.0% -0.0% -0.0% -0.0% (20) -0.5% (429) Receiving infar value -0.0% -0.0% -0.0% -0.0% 52 0.3% -0.5% (1,10) Table revenues (100) -0.5% (110) -0.7% (350 2.2% (100) -0.6% (133) Net income (loss) (5,512) -22.1% (720) -3.8% 387 2.3% (92) -0.5% (429) Receiving infar value -0.0% -0.0% -0.0% -0.0% -0.0% -0.0% -0.0% -0.0% -0.0% Plus interest seques 100 -0.5% (1,20) -0.3% (27) -0.2% (109) -0.6% (139) Net income (loss) (5,512) -22.1% (720) -3.8% 387 2.3% (92) -0.5% (429) Receiving infar value -0.0% -0.0% -0.0% -0.0% -0.0% -0.0% -0.0% -0.0% -0.0% Plus interest seques 100 -0.5% (114) -0.7% 270 1.7% 265 1.5% (1,10) Plus interest seques 100 -0.5% (1,20) -0.3% (27) -0.2% (109) -0.6% (138) Plus interest seques 11.90 5.8% 1.32	(unaudited)										% of Sales
License and transaction free 5 14,727 72,3% 5 13,674 71,9% 5 12,925 77,9% 5 11,938 67,7% 5 11,059 Equipment Sales 5,634 77,7% 42,99 26,1% 3,675 22,1% 5,768 32,3% 42,99 26,1% 3,675 22,1% 5,768 32,3% 42,99 26,1% 3,675 22,1% 5,768 32,3% 42,99 26,1% 3,675 22,1% 5,768 32,3% 42,99 26,1% 3,675 22,1% 5,768 32,3% 42,99 26,1% 3,675 22,1% 5,768 32,5% 42,99 26,1% 3,768 10,00% 15,630 100,0% 17,646 100,0% 15,537 10,0% 12,038 10,0% 12,038 10,0% 1337 10,0% 15,00 10,0% 10,	Revenues:										0
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$											
Equipment Sales         5.634         27.7%         4.829         26.1%         5.075         2.2.1%         5.708         30.2.3%         4.2.98           Torol revenue         20,961         100.0%         18,503         100.0%         16,600         100.0%         17,645         100.0%         15,357           Costs of sales/revenues:         License and         700         66.3%         8,705         67.4%         7,863         65.9%         3.054           Total costs of         4.966         88.5%         3.953         81.9%         2.840         7.75%         4.975         87.2%         3.054           Total costs of         14.669         72.1%         13.020         70.4%         11,553         69.6%         12.838         72.8%         10.211           Gross Profit         License and         transaction fees         5.024         34.1%         4.007         33.7%         4.220         32.6%         4.075         34.1%         3.901           Total goos profit         5.672         27.9%         5.483         29.6%         5.047         30.4%         4.801         1.244           Total goos profit         6.694         2.99%         4.762         25.7%         4.795         5.699		\$ 14727	72.3%	\$ 13.674	73 9%	\$ 12 925	77 9%	\$ 11 938	67 7%	\$ 11.059	72.0%
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$											28.0%
Costs of sales/revenues: License and transaction fees         9.703         65.5%         9.067         66.3%         8.705         67.4%         7.863         65.9%         7.157           Fupipnent sales         4.986         88.5%         3.953         81.9%         2.448         77.5%         4.975         87.2%         3.054           rale costs of sales/revenues         14.689         72.1%         13.020         70.4%         11.553         60.6%         12.838         72.9%         10.211           Gross Profit         License and transaction fees         5.022         23.4%         4.200         32.6%         4.075         34.1%         3.002           Equipuncts sales         6.44         11.5%         6.76         10.1%         627         22.5%         733         12.20%         5.146           Operating expenses:         5.502         27.9%         5.448         29.6%         5.0047         30.4%         4.808         27.2%         5.146           Operating income (loss)         6.595         -2.9%         5.94         3.2%         112         0.7%         6357         -2.0%         739           Other income (spense):         increest income (spense):         increest income (spense):         increest income (spense):	1 1										100.0%
License and transaction fees $4.986$ $88.5\%$ $3.953$ $81.9\%$ $2.948$ $77.5\%$ $4.975$ $87.2\%$ $3.054$ Total costs of transaction fees $4.986$ $88.5\%$ $3.953$ $81.9\%$ $2.948$ $77.5\%$ $4.975$ $87.2\%$ $3.054$ Total costs of transaction fees $14.689$ $72.1\%$ $13.020$ $70.4\%$ $11.553$ $69.6\%$ $12.838$ $72.8\%$ $10,211$ Gross Perfit: License and transaction fees $5.024$ $34.1\%$ $4.077$ $33.7\%$ $4.220$ $32.6\%$ $4.075$ $34.1\%$ $3.002$ Equipment soles $648$ $11.5\%$ $876$ $18.1\%$ $4227$ $22.5\%$ $7.33$ $12.8\%$ $12.83$ $3.002$ Equipment soles $648$ $11.5\%$ $676$ $18.1\%$ $4270$ $22.5\%$ $7.33$ $12.8\%$ $12.8\%$ $4.005$ $22.9\%$ $5.168$ Operating expenses: Selling general and administrative $6.094$ $29.9\%$ $4.762$ $25.7\%$ $4.796$ $28.9\%$ $5.009$ $28.4\%$ $4.281$ Depresion for $173$ $0.8\%$ $122$ $0.7\%$ $139$ $0.4\%$ $1508$ $29.9\%$ $5.165$ $29.3\%$ $4.416$ Operating expenses: $6.67$ $30.8\%$ $4.288$ $20.4\%$ $4.905$ $29.7\%$ $5.165$ $29.3\%$ $4.416$ Operating income (loss) $\overline{595}$ $2.9\%$ $\overline{594}$ $3.2\%$ $112$ $0.7\%$ $(\overline{357})$ $-2.0\%$ $\overline{730}$ Other income $67$ $0.3\%$ $4.00\%$ $4.00\%$ $51$ $0.3\%$ $42$ $0.2\%$ $7.3\%$ Other income $67$ $0.3\%$ $(104)$ $-0.0\%$ $119$ $0.7\%$ $\overline{(357)}$ $-2.0\%$ $\overline{730}$ Other income $67$ $0.3\%$ $(104)$ $-0.0\%$ $-0.0\%$ $52$ $0.3\%$ $(1,51)$ Other income $(695)$ $-2.3.6\%$ $(103)$ $-0.0\%$ $-0.0\%$ $-2.3.6\%$ $(15)$ Other income $(695)$ $-2.3.6\%$ $(1630)$ $-0.0\%$ $-2.0.\%$ $(20)$ $-1.1\%$ $(257)$ Income taxes $93$ $0.5\%$ $(154)$ $-0.3\%$ $427$ $0.2\%$ $109$ $-0.5\%$ $(27)$ $-0.2\%$ $(109)$ $-0.6\%$ $(130)$ Net income $(695)$ $\frac{(5,51)}{(5,22)}$ $-2.6.\%$ $(372)$ $-3.3\%$ $337$ $2.3\%$ $(92)$ $-0.5\%$ $(103)$ $-0.0\%$ $(154)$ $-0.0\%$ $-0.0\%$ $-1.0\%$ $(151)$ Deces $1000$ $10000$ $10000$ $10000$ $10000$ $10000$ $-0.0\%$ $-1.0\%$ $-0.0\%$ $-1.0\%$ $-0.0\%$ $-1.0\%$ $-0.0\%$ $-1.0\%$ $-0.0\%$ $-1.0\%$	10tul levelue	20,001	100.070	10,000	100.070	10,000	100.070	17,040	100.070	10,007	100.07
	Costs of sales/revenues:										
Equipment sales         4.986         8.0.5%         3.953         81.9%         2.448         77.5%         4.975         87.2%         3.054           sales/revenues         14.689         72.1%         13.020         70.4%         11,553         69.6%         12,838         72.8%         10.211           Grass Profit:         License and transaction fees         5.024         34.1%         4.607         33.7%         4.220         32.6%         4.075         34.1%         3.002           Equipment sales         5.672         27.9%         5.483         22.0%         5.047         30.4%         4.808         27.2%         5,146           Operating expenses:         Selfer         2.0%         5.047         0.4%         4.808         27.2%         5,146           Operating expenses:         Selfer         0.0%         1.2         0.7%         138         0.8%         155         0.9%         1.55           Total operating expenses         6.695         2.9%         5.994         3.2%         112         0.7%         5.05         2.9.3%         4.416           Operating income (oss)         6.055         -2.9%         5.94         3.2%         112         0.7%         1.55         1.5%	License and										
Equipment sales         4.996         8.9%         3.953         81.9%         2.848         77.5%         4.975         87.2%         3.054           salestrevenues         14.689         72.1%         13.020         70.4%         11,553         69.6%         12.838         72.8%         10.211           Grass Profit:         Licessa and transaction fees         5.024         34.1%         4.077         33.7%         4.220         32.6%         4.075         34.1%         3.002           Equipment sales         648         11.5%         476         18.1%         4220         32.6%         4.075         34.1%         3.002           Icleag prosp profit         5.672         27.9%         5.483         28.6%         5.047         30.4%         4.808         27.2%         5.146           Operating expenses         5.672         30.8%         1.28         4.038         29.7%         5.165         29.3%         4.415           Deprecision         173         0.0%         4.088         20.5%         4.035         29.7%         5.165         29.3%         4.415           Operating income (loss)         (130)         -2.9%         5.94         3.2%         112         0.7%         20.5%	transaction fees	9,703	65.9%	9,067	66.3%	8,705	67.4%	7,863	65.9%	7,157	64.7%
Total costs of selections of label{eq:selection} in the selection of the	Equipment sales	4,986		3,953		2.848	77.5%		87.2%	,	71.1%
seles/revenues       14,689       72.1%       13,020       70.4%       11,553       69.6%       12,838       72.8%       10,211         Grass Purifi:       License and transaction fees       5,024       34.1%       4,607       33,7%       4,220       32,6%       4075       34,1%       3902         Equipment sales       648       11.5%       807       18,1%       827       22.5%       733       12,4%       1,244         Total gross profit       5,672       27.9%       5,483       29.6%       5,047       30.4%       4,805       1,244         Operating expenses:       5,677       20.9%       4,762       25.7%       4,795       28.9%       5,009       28.4%       4,281         Depreciation       173       0.8%       127       0.7%       139       0.9%       156       0.9%       135         Total operating income (loss)       (555)       -2.9%       5,94       3.2%       112       0.7%       (357)       -2.0%       72.0%         Other income       6,004       -0.0%       -       0.0%       -       0.0%       -       0.0%       -       0.0%       -       0.0%       -       0.0%       -       0.0% <t< td=""><td></td><td>,</td><td></td><td></td><td></td><td>,</td><td></td><td>,</td><td></td><td>-,</td><td></td></t<>		,				,		,		-,	
Gross Profit: License and transaction fees         5,024         34.1%         4,607         33.7%         4,220         32.6%         4,075         34.1%         3,024         34.1%         3,021         34.1%         32.6%         4,075         34.1%         3,022           Engine expenses:           Solid group expense:           Solid group expense:           Solid group expense:           Solid group expense:           Timerest from expense:           Solid group expense:           Solid group expense:		14.689	72.1%	13.020	70.4%	11.553	69.6%	12.838	72.8%	10.211	57.9%
License and transaction fees 5.024 34.1% 4.607 33.7% 4.220 32.6% 4.075 34.1% 3.992 Equipment sales 6.48 11.5% 8.76 18.1% 8.27 22.5% 7.33 12.8% 1.244 Total gross profit 5.672 2.7.9% 5,483 22.6% 5,047 30.4% 4.008 2.7.2% 5,146 Operating expenses 5.502 27.9% 5,483 22.6% 5,047 30.4% 4.008 2.7.2% 5,146 Depreciation 173 0.8% 127 0.7% 4.762 2.5.7% 4.796 28.9% 5,009 28.4% 4.281 Depreciation 173 0.8% 127 0.7% 139 0.8% 156 0.9% 1.35 Total operating expenses 6.267 30.8% 4.762 2.5.7% 4.796 28.9% 5,165 2.9.3% 4.416 Operating income (loss) (595) -2.9% 594 3.2% 112 0.7% (357) -2.0% 730 Other income (spense): The terst income 67 0.3% 2.0 0.1% 51 0.3% 42 0.2% 2.0.3% 1.416 Other income 67 0.3% 2.0 0.1% 51 0.3% 42 0.2% 2.0.3% 1.55 0.1% 1.55 0.1% (1.55) 0ther income 67 0.3% 0.0 0.1% 51 0.3% 42 0.2% 2.0.3% 1.55 0.1% (1.55) 0ther income 67 0.3% 0.0 0.0% 52 0.3% 1.55 0.3% 1.55 0.3% (1.51) 0.0% 52 0.3% 1.55		,				,		,	,		
	Gross Profit:										
Equipment sales         648         11.5%         876         18.1%         827         22.5%         733         12.8%         1.244           Total gross profit         5,672         27.9%         5,483         29.6%         5,047         30.4%         4,808         27.2%         5,146           Operating expenses:         6,094         29.9%         4,762         25.7%         4,796         28.9%         5,009         28.4%         4,281           Depreciation         173         0.08%         127         0.7%         139         0.8%         155         0.99%         135           Total operating expenses         6,267         30.8%         4,889         26.4%         4,935         29.7%         5,165         29.3%         4,416           Operating income (loss)         (595)         -2.9%         594         3.2%         112         0.7%         (357)         -2.0%         730           Other income         67         0.3%         20         0.1%         -         0.3%         -         0.7%         0.39         -         0.3%         -         0.3%         -         0.3%         -         0.3%         -         0.0%         -         0.0%         0.3%	License and										
Equipment sales         648         11.5%         876         18.1%         827         22.5%         733         12.8%         1.244           Total gross profit         5,672         27.9%         5,483         29.6%         5,047         30.4%         4,808         27.2%         5,146           Operating expenses:         6,094         29.9%         4,762         25.7%         4,796         28.9%         5,009         28.4%         4,281           Depreciation         173         0.08%         127         0.7%         139         0.8%         155         0.99%         135           Total operating expenses         6,267         30.8%         4,889         26.4%         4,935         29.7%         5,165         29.3%         4,416           Operating income (loss)         (595)         -2.9%         594         3.2%         112         0.7%         (357)         -2.0%         730           Other income         67         0.3%         20         0.1%         -         0.3%         -         0.7%         0.39         -         0.3%         -         0.3%         -         0.3%         -         0.3%         -         0.0%         -         0.0%         0.3%	transaction fees	5,024	34.1%	4,607	33.7%	4,220	32.6%	4,075	34.1%	3,902	35.3%
Total gross profit $5,672$ $27.9\%$ $5,483$ $29.6\%$ $5,047$ $30.4\%$ $4,808$ $27.2\%$ $5,146$ Operating expenses:         Selling, general and administrative $6.094$ $29.9\%$ $4.762$ $25.7\%$ $4.796$ $28.9\%$ $5,009$ $28.4\%$ $4.281$ Depreciation         173 $0.8\%$ $127$ $0.7\%$ $139$ $0.8\%$ $156$ $0.9\%$ $135$ Total operating expenses $6.267$ $30.8\%$ $4.809$ $26.4\%$ $4.935$ $29.7\%$ $5.165$ $29.3\%$ $4.416$ Operating income (loss)         (595) $-2.9\%$ $594$ $3.2\%$ $112$ $0.7\%$ $657$ $2.0\%$ $730$ There income $6$ $0.3\%$ $20$ $0.1\%$ $10.3\%$ $42$ $0.2\%$ $27$ There income $0.0\%$ $0.0\%$ $0.0\%$ $0.0\%$ $20.3\%$ $-110$ $0.2\%$ $0.5\%$ $0.2\%$ $0.2\%$ $0.2\%$ $0.2\%$ $0.2\%$ $0.2\%$	Equipment sales				18.1%						28.9%
											33.5%
Selling general and administrative       6,004       29.9%       4,752       25.7%       4,706       28.9%       5.009       28.4%       4,221         Depreciation       173       0.8%       125       0.9%       135         Total operating expenses       6,267       30.8%       4,263       29.7%       5,165       28.9%       5,009       28.4%       4,221         Operating expense       6,267       30.8%       20.7%       5,165       29.3%       4,416         Operating expense       6,267       0.3%       21.0%       (337)       -2.0%       730         Other income       6       0.3%       20.0%       6       730.8%       21.0%       (1.101)         Toricome       6       0.3%       2.0%       6       6       1.15%       (1.101)	Broos Pront	0,072	27.370	0,100	_0.070	5,017	20.170	.,000	_//0	3,110	00.07
Selling general and administrative       6,004       29.9%       4,752       25.7%       4,706       28.9%       5.009       28.4%       4,221         Depreciation       173       0.8%       125       0.9%       135         Total operating expenses       6,267       30.8%       4,263       29.7%       5,165       28.9%       5,009       28.4%       4,221         Operating expense       6,267       30.8%       20.7%       5,165       29.3%       4,416         Operating expense       6,267       0.3%       21.0%       (337)       -2.0%       730         Other income       6       0.3%       20.0%       6       730.8%       21.0%       (1.101)         Toricome       6       0.3%       2.0%       6       6       1.15%       (1.101)	Operating expenses:										
$\begin{array}{c c c c c c c c c c c c c c c c c c c $											
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	administrative	6,094	29.9%	4,762	25.7%	4,796	28.9%	5,009	28.4%	4,281	27.9%
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Depreciation						0.8%		0.9%		0.9%
Operating income (loss)         (595) $-2.9\%$ 594 $3.2\%$ 112 $0.7\%$ (357) $-2.0\%$ 730           Other income (expense):         Interest income         67 $0.3\%$ 20 $0.1\%$ 51 $0.3\%$ 42 $0.2\%$ $-7$ Other income $-0.0\%$ $-0.0\%$ $-0.0\%$ $-0.0\%$ $-2.0\%$ (73)           Interest income $-0.0\%$ $-0.0\%$ $-0.0\%$ $-2.0\%$ (73)           Change in favalue $0.0\%$ $-10.0\%$ $-0.0\%$ $-2.0\%$ (73)           of warrant liabilities $(4.918)$ $-24.2\%$ $(1,131)$ $-7.1\%$ 275 $1.7\%$ 265 $1.5\%$ $(1,101)$ Total other income         (4.918) $-24.2\%$ $(1,314)$ $-7.1\%$ 275 $1.7\%$ 265 $1.5\%$ $(1,101)$ Total other income         (65,13) $-27.1\%$ $(720)$ $-3.9\%$ 387 $2.3\%$ $(92)$ $-0.5\%$ $(429)$ Benefit (provision) for income taxes $(5,512)$ $-$	•										28.8%
Other income (expense): Interest income         67 $0.3\%$ $20$ $0.1\%$ $51$ $0.3\%$ $42$ $0.2\%$ $27$ Other income         - $0.0\%$ - $0.0\%$ - $0.0\%$ 52 $0.3\%$ -           Interest expense         (180) $-0.9\%$ (104) $-0.6\%$ (119) $-0.7\%$ (92) $-0.5\%$ (85)           Change in fair value of warrant liabilities         (4.805) $-23.6\%$ (1.230) $-6.6\%$ $343$ $2.1\%$ $263$ $1.5\%$ (1.101)           Total other income (expense), net         (4.918) $-24.2\%$ (1.314) $-7.1\%$ 275 $1.7\%$ 265 $1.5\%$ (1.159)           Income (loss) before provision for income taxes         (5.513) $-27.1\%$ (720) $-3.9\%$ 387 $2.3\%$ (92) $-0.5\%$ (429)           Beneffi (provision) for income taxes         (5.513) $-27.1\%$ (720) $-3.9\%$ 387 $2.3\%$ (92) $-0.5\%$ (1.38)           Net income (loss)         (5,5420) $-$	fotal operating expenses	0,207	50.070	1,000	20.170	1,000	20.770	5,105	20.070	1,110	20.07
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	Operating income (loss)	(595)	) -2.9%	594	3.2%	112	0.7%	(357)	-2.0%	730	4.8%
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$											
Other income       -       0.0%       -       0.0%       52       0.3%       -         Interest expense       (180)       -0.9%       (104)       -0.6%       (119)       -0.7%       (92)       -0.5%       (85)         Change in fair value       (4,805)       -23.6%       (1,230)       -6.6%       343       2.1%       263       1.5%       (1,101)         Total other income       (4,918)       -24.2%       (1,314)       -7.1%       275       1.7%       265       1.5%       (1,159)         Income (loss) before provision for income taxes       (5,513)       -27.1%       (720)       -3.9%       387       2.3%       (92)       -0.5%       (429)         Benefit (provision) for income taxes       93       0.5%       (154)       -0.8%       (27)       -0.2%       (109)       -0.6%       (138)         Net income (loss)       (5,420)       -26.6%       (874)       -4.7%       360       2.2%       (201)       -1.1%       (567)         Less interest income       (67)       -0.3%       (20)       -0.1%       (51)       -0.3%       (42)       -0.2%       (27)         Plus interest expenses       1.80       0.9%       104       0.6%	Other income (expense):										
Interest expense(180) $-0.9\%$ (104) $-0.6\%$ (119) $-0.7\%$ (92) $-0.5\%$ (85)Change in fair value of warrant liabilities(4,805) $-23.6\%$ (1,230) $-6.6\%$ $343$ $2.1\%$ $263$ $1.5\%$ (1,101)Total other income (expense), net(4,918) $-24.2\%$ (1,314) $-7.1\%$ $275$ $1.7\%$ $265$ $1.5\%$ (1,159)Income (loss) before provision for income taxes(5,513) $-27.1\%$ (720) $-3.9\%$ $387$ $2.3\%$ (92) $-0.5\%$ (429)Benefit (provision) for income taxes93 $0.5\%$ (154) $-0.8\%$ (27) $-0.2\%$ (109) $-0.6\%$ (138)Net income (loss)(5,420) $-26.6\%$ (874) $-4.7\%$ $360$ $2.2\%$ (201) $-1.1\%$ (567)Less interest income expense(67) $-0.3\%$ (20) $-0.1\%$ (51) $-0.3\%$ (42) $-0.2\%$ (27)Plus income tax expense(93) $-0.5\%$ 154 $0.8\%$ 27 $0.2\%$ 109 $0.6\%$ 138Plus depreciation expense1,190 $5.8\%$ $1,323$ $7.2\%$ $1,350$ $8.1\%$ $1,381$ $7.8\%$ $1,433$ Plus depreciation expense44 $0.2\%$ $ 0.0\%$ $ 0.0\%$ $ -$ Plus (less) change in fair value of warrant liabilities4,805 $23.6\%$ $1,230$ $6.6\%$ $(343)$ $-2.1\%$ $1.5\%$ $1,101$ Plus tock-bas	Interest income	67	0.3%	20	0.1%	51	0.3%	42	0.2%	27	0.2%
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Other income	-	0.0%	-	0.0%	-	0.0%	52	0.3%	-	0.0%
of warrant liabilities $(4.805)$ $-23.6\%$ $(1,20)$ $-6.6\%$ $343$ $2.1\%$ $263$ $1.5\%$ $(1,101)$ Total other income (expense), net $(4.918)$ $-24.2\%$ $(1,314)$ $-7.1\%$ $275$ $1.7\%$ $265$ $1.5\%$ $(1,159)$ Income (loss) before provision for income taxes $(5,513)$ $-27.1\%$ $(720)$ $-3.9\%$ $387$ $2.3\%$ $(92)$ $-0.5\%$ $(429)$ Benefit (provision) for income taxes $93$ $0.5\%$ $(154)$ $-0.8\%$ $(27)$ $-0.2\%$ $(109)$ $-0.6\%$ $(138)$ Net income (loss) $(5,420)$ $-26.6\%$ $(874)$ $-4.7\%$ $360$ $2.2\%$ $(201)$ $-1.1\%$ $(557)$ Less interest income expense $(67)$ $-0.3\%$ $(20)$ $-0.1\%$ $(51)$ $-0.3\%$ $(42)$ $-0.2\%$ $(27)$ Plus interest expenses expense $180$ $0.9\%$ $104$ $0.6\%$ $119$ $0.7\%$ $92$ $0.5\%$ $85$ Plus income tax expense $(93)$ $-0.5\%$ $154$ $0.8\%$ $27$ $0.2\%$ $109$ $0.6\%$ $138$ Plus depreciation expense $44$ $0.2\%$ $ 0.0\%$ $ 0.0\%$ $-$ Plus depreciation expense $44$ $0.2\%$ $ 0.0\%$ $ 0.0\%$ $-$ Plus udepreciation expense $44$ $0.2\%$ $ 0.0\%$ $ 0.0\%$ $-$ Plus (less) change in fair value of warrant liabilities $4.805$	Interest expense	(180)	) -0.9%	(104)	-0.6%	(119)	-0.7%	(92)	-0.5%	(85)	-0.6%
Total other income (expense), net(4,918) $-24.2\%$ (1,314) $-7.1\%$ $275$ $1.7\%$ $265$ $1.5\%$ (1,159)Income (loss) before provision for income taxes(5,513) $-27.1\%$ (720) $-3.9\%$ $387$ $2.3\%$ (92) $-0.5\%$ (429)Benefit (provision) for income taxes93 $0.5\%$ (154) $-0.8\%$ (27) $-0.2\%$ (109) $-0.6\%$ (138)Net income (loss)(5,420) $-26.6\%$ (874) $-4.7\%$ $360$ $2.2\%$ (201) $-1.1\%$ (567)Less interest income expense180 $0.9\%$ 104 $0.6\%$ 119 $0.7\%$ 92 $0.5\%$ 85Plus interest expenses pus income tax(93) $-0.5\%$ 154 $0.8\%$ 27 $0.2\%$ 109 $0.6\%$ 138Plus depreciation expense(1,190) $5.8\%$ $1.323$ $7.2\%$ $1.350$ $8.1\%$ $1.381$ $7.8\%$ $1.433$ Plus depreciation expense(1,190) $5.8\%$ $1.230$ $6.6\%$ $(343)$ $-2.1\%$ $(263)$ $-1.5\%$ $1,101$ Plus (less) change in fair value of warrant liabilities $4.805$ $23.6\%$ $1.230$ $6.6\%$ $(343)$ $-2.1\%$ $(263)$ $-1.5\%$ $1,101$ Plus vendScreen non- recurring charges $461$ $2.3\%$ $106$ $0.6\%$ $17$ $0.1\%$ $-0.0\%$ $-$ Plus class action professional fees $105$ $0.5\%$ $ 0.0\%$ $ 0.0\%$ $ 0.0$	Change in fair value										
(expense), net(4,918) $-24.2\%$ (1,314) $-7.1\%$ $275$ $1.7\%$ $265$ $1.5\%$ (1,159)Income (loss) before provision for income taxes(5,513) $-27.1\%$ (720) $-3.9\%$ $387$ $2.3\%$ (92) $-0.5\%$ (429)Benefit (provision) for income taxes93 $0.5\%$ (154) $-0.8\%$ (27) $-0.2\%$ (109) $-0.6\%$ (138)Net income (loss)(5,420) $-26.6\%$ (874) $-4.7\%$ $360$ $2.2\%$ (201) $-1.1\%$ (567)Less interest income Plus interest expenses180 $0.9\%$ 104 $0.6\%$ 119 $0.7\%$ 92 $0.5\%$ 85Plus interest expenses expense(93) $-0.5\%$ 154 $0.8\%$ 27 $0.2\%$ 109 $0.6\%$ 138Plus depreciation expense1,1905.8\%1,323 $7.2\%$ 1,3508.1%1,381 $7.8\%$ 1,433Plus amortization expense44 $0.2\%$ $ 0.0\%$ $ 0.0\%$ $ 0.0\%$ $-$ Plus cless othange in fair value of warrant liabilities4,80523.6\%1,230 $6.6\%$ (343) $-2.1\%$ (263) $-1.5\%$ 1,101Plus cless action compensation142 $0.7\%$ 237 $1.3\%$ 272 $1.6\%$ 175 $1.0\%$ 216Plus class action professional fees105 $0.5\%$ $ 0.0\%$ $ 0.0\%$ $ 0.0\%$ $-$	of warrant liabilities	(4,805)	) -23.6%	(1,230)	-6.6%	343	2.1%	263	1.5%	(1,101)	-7.2%
Income (loss) before provision for income taxes(5,513) $-27.1\%$ (720) $-3.9\%$ $387$ $2.3\%$ (92) $-0.5\%$ (429)Benefit (provision) for income taxes93 $0.5\%$ (154) $-0.8\%$ (27) $-0.2\%$ (109) $-0.6\%$ (138)Net income (loss)(5,420) $-26.6\%$ (874) $-4.7\%$ 360 $2.2\%$ (201) $-1.1\%$ (567)Less interest income(67) $-0.3\%$ (20) $-0.1\%$ (51) $-0.3\%$ (42) $-0.2\%$ (27)Plus interest expenses180 $0.9\%$ 104 $0.6\%$ 119 $0.7\%$ 92 $0.5\%$ 85Plus income tax expense(93) $-0.5\%$ 154 $0.8\%$ 27 $0.2\%$ 109 $0.6\%$ 138Plus depreciation expense1,190 $5.8\%$ $1,323$ $7.2\%$ $1,350$ $8.1\%$ $1,381$ $7.8\%$ $1,433$ Plus depse hange in fair value of warrant liabilities $4,805$ $23.6\%$ $1,230$ $6.6\%$ (343) $-2.1\%$ (263) $-1.5\%$ $1,101$ Plus stock-based compensation142 $0.7\%$ 237 $1.3\%$ 272 $1.6\%$ $175$ $1.0\%$ 216Plus VendScreen non- recurring charges461 $2.3\%$ 106 $0.6\%$ 17 $0.1\%$ $ 0.0\%$ $-$ Plus class action professional fees105 $0.5\%$ $ 0.0\%$ $ 0.0\%$ $ 0.0\%$ $-$	Total other income										
provision for income taxes(5,513) $-27.1\%$ (720) $-3.9\%$ $387$ $2.3\%$ (92) $-0.5\%$ (429)Benefit (provision) for income taxes93 $0.5\%$ (154) $-0.8\%$ (27) $-0.2\%$ (109) $-0.6\%$ (138)Net income (loss)(5,420) $-26.6\%$ (874) $-4.7\%$ $360$ $2.2\%$ (201) $-1.1\%$ (567)Less interest income(67) $-0.3\%$ (20) $-0.1\%$ (51) $-0.3\%$ (42) $-0.2\%$ (27)Plus interest expenses180 $0.9\%$ 104 $0.6\%$ 119 $0.7\%$ 92 $0.5\%$ 85Plus interest expenses(93) $-0.5\%$ 154 $0.8\%$ 27 $0.2\%$ 109 $0.6\%$ 138Plus depreciation expense(93) $-0.5\%$ 154 $0.8\%$ 27 $0.2\%$ 109 $0.6\%$ 138Plus depreciation expense1,190 $5.8\%$ $1,323$ $7.2\%$ $1,350$ $8.1\%$ $1,381$ $7.8\%$ $1,433$ Plus depreciation expense44 $0.2\%$ $ 0.0\%$ $ 0.0\%$ $ 0.0\%$ $-$ Plus (less) change in fair value of warrant liabilities $4,805$ $23.6\%$ $1,230$ $6.6\%$ $(343)$ $-2.1\%$ $(263)$ $-1.5\%$ $1,101$ Plus vendScreen non- recurring charges461 $2.3\%$ $106$ $0.6\%$ $17$ $0.1\%$ $ 0.0\%$ $-$ Plus class action professional fees $105$ $0.5\%$ <td< td=""><td>(expense), net</td><td>(4,918)</td><td>) -24.2%</td><td>(1,314)</td><td>-7.1%</td><td>275</td><td>1.7%</td><td>265</td><td>1.5%</td><td>(1,159)</td><td>-7.5%</td></td<>	(expense), net	(4,918)	) -24.2%	(1,314)	-7.1%	275	1.7%	265	1.5%	(1,159)	-7.5%
provision for income taxestaxes $(5,513)$ $-27.1\%$ $(720)$ $-3.9\%$ $387$ $2.3\%$ $(92)$ $-0.5\%$ $(429)$ Benefit (provision) for income taxes93 $0.5\%$ $(154)$ $-0.8\%$ $(27)$ $-0.2\%$ $(109)$ $-0.6\%$ $(138)$ Net income (loss) $(5,420)$ $-26.6\%$ $(874)$ $-4.7\%$ $360$ $2.2\%$ $(201)$ $-1.1\%$ $(557)$ Less interest income $(67)$ $-0.3\%$ $(20)$ $-0.1\%$ $(51)$ $-0.3\%$ $(42)$ $-0.2\%$ $(27)$ Plus interest expenses180 $0.9\%$ $104$ $0.6\%$ $119$ $0.7\%$ $92$ $0.5\%$ $85$ Plus interest expenses $(93)$ $-0.5\%$ $154$ $0.8\%$ $27$ $0.2\%$ $109$ $0.6\%$ $138$ Plus depreciation expense $1,190$ $5.8\%$ $1,323$ $7.2\%$ $1,350$ $8.1\%$ $1,381$ $7.8\%$ $1,433$ Plus depreciation expense $44$ $0.2\%$ $ 0.0\%$ $ 0.0\%$ $-$ Plus (less) change in fair value of warrant liabilities $4,805$ $23.6\%$ $1,230$ $6.6\%$ $(343)$ $-2.1\%$ $(263)$ $-1.5\%$ $1,101$ Plus stock-based compensation $142$ $0.7\%$ $237$ $1.3\%$ $272$ $1.6\%$ $175$ $1.0\%$ $216$ Plus class action professional fees $105$ $0.5\%$ $ 0.0\%$ $ 0.0\%$ $-$	In a serie (la se) h a favo										
taxes $(5,513)$ $-27.1\%$ $(720)$ $-3.9\%$ $387$ $2.3\%$ $(92)$ $-0.5\%$ $(429)$ Benefit (provision) for income taxes93 $0.5\%$ $(154)$ $-0.8\%$ $(27)$ $-0.2\%$ $(109)$ $-0.6\%$ $(138)$ Net income (loss) $(5,420)$ $-26.6\%$ $(874)$ $-4.7\%$ $360$ $2.2\%$ $(201)$ $-1.1\%$ $(557)$ Less interest income $(67)$ $-0.3\%$ $(20)$ $-0.1\%$ $(51)$ $-0.3\%$ $(42)$ $-0.2\%$ $(27)$ Plus interest expenses180 $0.9\%$ 104 $0.6\%$ 119 $0.7\%$ 92 $0.5\%$ 85Plus interest expenses $(93)$ $-0.5\%$ 154 $0.8\%$ 27 $0.2\%$ 109 $0.6\%$ 138Plus depreciation expense $(1,190)$ $5.8\%$ $1,323$ $7.2\%$ $1,350$ $8.1\%$ $1,381$ $7.8\%$ $1,433$ Plus amortization expense $44$ $0.2\%$ $ 0.0\%$ $ 0.0\%$ $-$ Plus (less) change in fair value of warrant liabilities $4,805$ $23.6\%$ $1,230$ $6.6\%$ $(343)$ $-2.1\%$ $(263)$ $-1.5\%$ $1,101$ Plus vendScreen non- recurring charges $461$ $2.3\%$ $106$ $0.6\%$ $17$ $0.1\%$ $ 0.0\%$ $-$ Plus class action professional fees $105$ $0.5\%$ $ 0.0\%$ $ 0.0\%$ $ 0.0\%$ $-$											
Benefit (provision) for income taxes       93       0.5%       (154)       -0.8%       (27)       -0.2%       (109)       -0.6%       (138)         Net income (loss)       (5,420)       -26.6%       (874)       -4.7%       360       2.2%       (201)       -1.1%       (567)         Less interest income       (67)       -0.3%       (20)       -0.1%       (51)       -0.3%       (42)       -0.2%       (27)         Plus interest expenses       180       0.9%       104       0.6%       119       0.7%       92       0.5%       85         Plus interest expenses       (93)       -0.5%       154       0.8%       27       0.2%       109       0.6%       138         Plus depreciation       expense       (93)       -0.5%       154       0.8%       27       0.2%       109       0.6%       138         Plus depreciation       expense       1,190       5.8%       1,323       7.2%       1,350       8.1%       1,381       7.8%       1,433         Plus (less) change in fair value of warrant liabilities       4,805       23.6%       1,230       6.6%       (343)       -2.1%       (263)       -1.5%       1,101         Plus cless chared compensati	-	(= = 4 0)		(====)	D 00/	207	0.00/		0 =0/	(120)	2.00
income taxes       93       0.5%       (154)       -0.8%       (27)       -0.2%       (109)       -0.6%       (138)         Net income (loss)       (5,420)       -26.6%       (874)       -4.7%       360       2.2%       (201)       -1.1%       (567)         Less interest income       (67)       -0.3%       (20)       -0.1%       (51)       -0.3%       (42)       -0.2%       (27)         Plus interest expenses       180       0.9%       104       0.6%       119       0.7%       92       0.5%       85         Plus income tax		(5,513)	) -27.1%	(720)	-3.9%	387	2.3%	(92)	-0.5%	(429)	-2.8%
Net income (loss) $(5,420)$ $-26.6\%$ $(874)$ $-4.7\%$ $360$ $2.2\%$ $(201)$ $-1.1\%$ $(567)$ Less interest income $(67)$ $-0.3\%$ $(20)$ $-0.1\%$ $(51)$ $-0.3\%$ $(42)$ $-0.2\%$ $(27)$ Plus interest expenses $180$ $0.9\%$ $104$ $0.6\%$ $119$ $0.7\%$ $92$ $0.5\%$ $85$ Plus income tax $expense$ $(93)$ $-0.5\%$ $154$ $0.8\%$ $27$ $0.2\%$ $109$ $0.6\%$ $138$ Plus depreciation $expense$ $1,190$ $5.8\%$ $1,323$ $7.2\%$ $1,350$ $8.1\%$ $1,381$ $7.8\%$ $1,433$ Plus amortization $expense$ $44$ $0.2\%$ $ 0.0\%$ $ 0.0\%$ $ 0.0\%$ $-$ Plus (less) change in fair value of warrant liabilities $4,805$ $23.6\%$ $1,230$ $6.6\%$ $(343)$ $-2.1\%$ $(263)$ $-1.5\%$ $1,101$ Plus stock-based compensation $142$ $0.7\%$ $237$ $1.3\%$ $272$ $1.6\%$ $175$ $1.0\%$ $216$ Plus VendScreen non- recurring charges $461$ $2.3\%$ $106$ $0.6\%$ $17$ $0.1\%$ $ 0.0\%$ $-$ Plus class action professional fees $105$ $0.5\%$ $ 0.0\%$ $ 0.0\%$ $ 0.0\%$ $-$	-	00	0.50/		0.00/		0.00/	(100)	0.00/	(100)	0.00
Less interest income $(67)$ $-0.3\%$ $(20)$ $-0.1\%$ $(51)$ $-0.3\%$ $(42)$ $-0.2\%$ $(27)$ Plus interest expenses180 $0.9\%$ 104 $0.6\%$ 119 $0.7\%$ 92 $0.5\%$ 85Plus income taxexpense $(93)$ $-0.5\%$ 154 $0.8\%$ 27 $0.2\%$ 109 $0.6\%$ 138Plus depreciationexpense $(1,190)$ $5.8\%$ $1,323$ $7.2\%$ $1,350$ $8.1\%$ $1,381$ $7.8\%$ $1,433$ Plus amortizationexpense $44$ $0.2\%$ $ 0.0\%$ $ 0.0\%$ $ 0.0\%$ $-$ expense $44$ $0.2\%$ $ 0.0\%$ $ 0.0\%$ $ 0.0\%$ $-$ Plus (less) change in fair value of warrant liabilities $4,805$ $23.6\%$ $1,230$ $6.6\%$ $(343)$ $-2.1\%$ $(263)$ $-1.5\%$ $1,101$ Plus stock-based compensation $142$ $0.7\%$ $237$ $1.3\%$ $272$ $1.6\%$ $175$ $1.0\%$ $216$ Plus VendScreen non- recurring charges $461$ $2.3\%$ $106$ $0.6\%$ $17$ $0.1\%$ $ 0.0\%$ $-$ Plus class action professional fees $105$ $0.5\%$ $ 0.0\%$ $ 0.0\%$ $-$	income taxes	93	0.5%	(154)	-0.8%	(27)	-0.2%	(109)	-0.6%	(138)	-0.9%
Less interest income $(67)$ $-0.3\%$ $(20)$ $-0.1\%$ $(51)$ $-0.3\%$ $(42)$ $-0.2\%$ $(27)$ Plus interest expenses180 $0.9\%$ 104 $0.6\%$ 119 $0.7\%$ 92 $0.5\%$ 85Plus income taxexpense $(93)$ $-0.5\%$ 154 $0.8\%$ 27 $0.2\%$ 109 $0.6\%$ 138Plus depreciationexpense $(1,190)$ $5.8\%$ $1,323$ $7.2\%$ $1,350$ $8.1\%$ $1,381$ $7.8\%$ $1,433$ Plus amortizationexpense $44$ $0.2\%$ $ 0.0\%$ $ 0.0\%$ $ 0.0\%$ $-$ expense $44$ $0.2\%$ $ 0.0\%$ $ 0.0\%$ $ 0.0\%$ $-$ Plus (less) change in fair value of warrant liabilities $4,805$ $23.6\%$ $1,230$ $6.6\%$ $(343)$ $-2.1\%$ $(263)$ $-1.5\%$ $1,101$ Plus stock-based compensation $142$ $0.7\%$ $237$ $1.3\%$ $272$ $1.6\%$ $175$ $1.0\%$ $216$ Plus VendScreen non- recurring charges $461$ $2.3\%$ $106$ $0.6\%$ $17$ $0.1\%$ $ 0.0\%$ $-$ Plus class action professional fees $105$ $0.5\%$ $ 0.0\%$ $ 0.0\%$ $-$	Not income (loss)	(E 420)	) 76.60/	(974)	4 70/	260	ר ר ר/	(201)	1 10/	(567)	-3.7%
Plus interest expenses         180         0.9%         104         0.6%         119         0.7%         92         0.5%         85           Plus income tax expense         (93)         -0.5%         154         0.8%         27         0.2%         109         0.6%         138           Plus depreciation expense         1,190         5.8%         1,323         7.2%         1,350         8.1%         1,381         7.8%         1,433           Plus amortization expense         44         0.2%         -         0.0%         -         0.0%         -         0.0%         -           Plus (less) change in fair value of warrant liabilities         4,805         23.6%         1,230         6.6%         (343)         -2.1%         (263)         -1.5%         1,101           Plus stock-based compensation         142         0.7%         237         1.3%         272         1.6%         175         1.0%         216           Plus VendScreen non- recurring charges         461         2.3%         106         0.6%         17         0.1%         -         0.0%         -           Plus class action professional fees         105         0.5%         -         0.0%         -         0.0%         -	ivet income (ioss)	(5,420)	) -20.0%	(6/4)	-4./%	002	2,2%	(201)	-1.1%	(507)	-3.7%
Plus interest expenses         180         0.9%         104         0.6%         119         0.7%         92         0.5%         85           Plus income tax expense         (93)         -0.5%         154         0.8%         27         0.2%         109         0.6%         138           Plus depreciation expense         1,190         5.8%         1,323         7.2%         1,350         8.1%         1,381         7.8%         1,433           Plus amortization expense         44         0.2%         -         0.0%         -         0.0%         -         0.0%         -           Plus (less) change in fair value of warrant liabilities         4,805         23.6%         1,230         6.6%         (343)         -2.1%         (263)         -1.5%         1,101           Plus stock-based compensation         142         0.7%         237         1.3%         272         1.6%         175         1.0%         216           Plus VendScreen non- recurring charges         461         2.3%         106         0.6%         17         0.1%         -         0.0%         -           Plus class action professional fees         105         0.5%         -         0.0%         -         0.0%         -	Less interest income	(67)	0.3%	(20)	_0.1%	(51)	_0.3%	(42)	_0.2%	(27)	-0.2%
Plus income tax         expense       (93)       -0.5%       154       0.8%       27       0.2%       109       0.6%       138         Plus depreciation </td <td></td> <td>-0.27</td>											-0.27
expense(93)-0.5%1540.8%270.2%1090.6%138Plus depreciationexpense1,1905.8%1,3237.2%1,3508.1%1,3817.8%1,433Plus amortization0.0%-0.0%-0.0%-expense440.2%-0.0%-0.0%-0.0%-Plus (less) change in fair value of warrant </td <td>-</td> <td>100</td> <td>0.9%</td> <td>104</td> <td>0.070</td> <td>119</td> <td>0.770</td> <td>92</td> <td>0.5%</td> <td>05</td> <td>0.07</td>	-	100	0.9%	104	0.070	119	0.770	92	0.5%	05	0.07
Plus depreciation       expense       1,190       5.8%       1,323       7.2%       1,350       8.1%       1,381       7.8%       1,433         Plus amortization       expense       44       0.2%       -       0.0%		(03)	0.5%	154	0.8%	77	0.204	100	0.6%	139	0.9%
expense       1,190       5.8%       1,323       7.2%       1,350       8.1%       1,381       7.8%       1,433         Plus amortization       expense       44       0.2%       -       0.0%       -       0.0%       -       0.0%       -         Plus (less) change in fair value of warrant       -       -       0.0%       -       0.0%       -       0.0%       -       0.0%       -         Ilabilities       4,805       23.6%       1,230       6.6%       (343)       -2.1%       (263)       -1.5%       1,101         Plus stock-based       -       -       -       -       -       -       -       -       -       -       216         Plus VendScreen non-recurring charges       461       2.3%       106       0.6%       17       0.1%       -       0.0%       -       -       Plus class action       -       -       -       -       0.0%       -       -       -       0.0%       -       -       0.0%       -       -       -       0.0%       -       -       -       0.0%       -       -       -       0.0%       -       -       -       0.0%       -       -       -		(33)	) -0.370	154	0.070	27	0.270	105	0.070	150	0.97
Plus amortization         expense       44       0.2%       -       0.0%       -       0.0%       -         Plus (less) change in fair value of warrant       -       -       -       -       -       -       -       -       Plus (less) change in fair value of warrant       -	-	1 100	5 904	1 272	7 2%	1 350	Q 10/	1 201	7 804	1 /22	9.3%
expense       44       0.2%       -       0.0%       -       0.0%       -       0.0%       -         Plus (less) change in fair value of warrant       -       <		1,190	5.070	1,525	7.270	1,550	0.170	1,301	7.070	1,435	9.37
Plus (less) change in fair value of warrant         fair value of warrant         liabilities       4,805       23.6%       1,230       6.6%       (343)       -2.1%       (263)       -1.5%       1,101         Plus stock-based		44	0.2%	_	0.0%	_	0.0%	_	0.0%	_	0.0%
fair value of warrant         liabilities       4,805       23.6%       1,230       6.6%       (343)       -2.1%       (263)       -1.5%       1,101         Plus stock-based             1.10%       216         Plus stock-based           237       1.3%       272       1.6%       175       1.0%       216         Plus VendScreen non-                216         Plus VendScreen non-                       216		44	0.270	-	0.070	-	0.070	-	0.070	-	0.07
liabilities       4,805       23.6%       1,230       6.6%       (343)       -2.1%       (263)       -1.5%       1,101         Plus stock-based compensation       142       0.7%       237       1.3%       272       1.6%       175       1.0%       216         Plus VendScreen non- recurring charges       461       2.3%       106       0.6%       17       0.1%       -       0.0%       -         Plus class action professional fees       105       0.5%       _       0.0%       _       0.0%       _       0.0%       _	· · •										
Plus stock-based       237       1.3%       272       1.6%       175       1.0%       216         Plus VendScreen non-       recurring charges       461       2.3%       106       0.6%       17       0.1%       -       0.0%       -         Plus class action			22.60/	1 220	C C0/	(2.42)	D 10/	(202)	1 50/	1 101	7 20
compensation         142         0.7%         237         1.3%         272         1.6%         175         1.0%         216           Plus VendScreen non- recurring charges         461         2.3%         106         0.6%         17         0.1%         -         0.0%         -           Plus class action professional fees         105         0.5%         _         0.0%         _         0.0%         _         _		4,805	23.6%	1,230	6.6%	(343)	-2.1%	(263)	-1.5%	1,101	7.29
Plus VendScreen non-recurring charges         461         2.3%         106         0.6%         17         0.1%         -         0.0%         -           Plus class action         professional fees         105         0.5%         _         0.0%         _         0.0%         _         _		1.45	0.50	225	1 50/		1 60/		1.00/	24.6	1 10
recurring charges         461         2.3%         106         0.6%         17         0.1%         -         0.0%         -           Plus class action         professional fees         105         0.5%          0.0%          0.0%          0.0%	-	142	0.7%	237	1.3%	272	1.6%	175	1.0%	216	1.4%
Plus class action         professional fees         105         0.5%         -         0.0%         -         0.0%         -					0						
professional fees <u>105</u> 0.5% <u>-</u> 0.0% <u>-</u> 0.0% <u>-</u> 0.0% <u>-</u>		461	2.3%	106	0.6%	17	0.1%	-	0.0%	-	0.0%
·											
	•										0.0%
Adjusted EBITDA         \$ 1,347         6.6%         \$ 2,260         12.2%         \$ 1,751         10.6%         \$ 1,251         7.1%         \$ 2,379	Adjusted EBITDA	<u>\$ 1,347</u>	6.6%	\$ 2,260	12.2%	\$ 1,751	10.6%	\$ 1,251	7.1%	\$ 2,379	15.5%

See discussion of Non-GAAP financial measures later in this document

### (F) Five Quarter Selling, General, & Administrative Expenses

	Three months ended										
(\$ in thousands) (unaudited)	March 201		% of SG&A	December 3 2015	l, % of SG&A	September 30, 2015	% of SG&A	June 30, 2015	% of SG&A	March 31, 2015	% of SG&A
Salaries and benefit											
costs	\$2,	761	45.4%	\$ 2,78	6 58.6%	\$ 2,685	56.0%	\$ 2,295	45.8%	\$ 2,534	59.2%
Marketing related expenses		362	5.9%	33	5 7.0%	333	6.9%	580	11.6%	184	4.3%
Professional											
services	1,	256	20.6%	83	9 17.6%			844	16.8%	708	16.5%
Bad debt expense		505	8.3%	23	9 5.0%	236	4.9%	497	9.9%	303	7.1%
Premises, equipment and insurance costs		460	7.5%	34	.7 7.3%	399	8.3%	475	9.5%	372	8.7%
Research and development expenses		131	2.1%	3	7 0.8%	191	4.0%	154	3.1%	96	2.2%
VendScreen non-		151	2.170	J	0.070	151	4.070	134	5.170	50	2.270
recurring charges		461	7.6%	10	6 2.2%	17	0.4%	_	0.0%	_	0.0%
Other expenses		158	2.6%	-	3 1.5%				3.3%	84	2.0%
Total SG&A expenses		094	100%						100%		100%
Total Revenue	20,	361		18,50	3	16,600		17,646		15,357	
SG&A expenses as a percentage of											
revenue		<u>2</u> 9.9%		25.	.7%	28.9	%	28.4%	6	27.9%	, )
						11					

### (G) Five Quarter Condensed Balance Sheet and Other Data

(\$ in thousands) (unaudited)	_	March 31, 2016	De	ecember 31, 2015	Sep	otember 30, 2015		June 30, 2015		/larch 31, 2015
Assets										
Current assets:										
Cash	\$	14,901	\$	14,809	\$	11,592	\$	11,374	\$	8,475
Accounts receivable, less allowance	*	8,345		6,976		6,448		5,971		5,245
Finance receivables		1,677		1,503		946		941		750
Inventory		2,341		2,849		3,718		4,216		4,241
Other current assets		2,336		2,160		1,883		1,832		1,322
Total current assets		29,600		28,297		24,587		24,334		20,033
Finance receivables, less current portion		3,042		2,435		3,525		3,698		3,505
Other assets		337		326		342		350		423
Property and equipment, net		10,584		10,856		11,890		12,869		13,574
Deferred income taxes		25,701		25,607		25,761		25,788		26,169
Goodwill and intangibles		12,976		8,095		8,095		8,095		8,095
Total assets	\$	82,240	\$	75,616	\$	74,200	\$	75,134	\$	71,799
Liabilities and shareholders' equity Current liabilities:		12.000	<b>^</b>		<i>•</i>		<b>^</b>		<b>•</b>	
Accounts payable and accrued expenses	* \$	15,368	\$	9,992	\$	11,615	\$	12,650	\$	9,044
Line of credit		6,980		7,000		4,000		4,000		4,000
Warrant Liabilities		5,964		-		-		-		-
Other current liabilities		1,485		1,384		1,497		1,392		1,294
Total current liabilities		29,797		18,376		17,112		18,042		14,338
Long-term liabilities		2.010		0.0.15		0.110		0.501		1 1 2 1
Total long-term liabilities		2,016	_	3,945		3,116		3,781		4,134
Total liabilities		31,813		22,321		20,228		21,823		18,472
Shareholders' equity:										
Total shareholders' equity		50,427		53,295		53,972		53,311		53,327
Total liabilities and shareholders' equity	\$	82,240	\$	75,616	\$	74,200	\$	75,134	\$	71,799
Total current assets	\$	29,600	\$	28,297	\$	24,587	\$	24,334	\$	20,033
Total current liabilities		29,797		18,376		17,112		18,042		14,338
Net working capital	\$	(197)	\$	9,921	\$	7,475	\$	6,292	\$	5,695
* Accounts receivable, net of allowance for doubtful accounts and accounts payable have increased by the following amounts due to reclassifications	<u>\$</u>	<u> </u>	\$		\$	<u> </u>	\$	1,299	\$	1,842

### (H) Five Quarter Condensed Statement of Cash Flows

	Three months ended								
	_	March 31, 2016	D	ecember 31, 2015		eptember 30, 2015	June 30, 2015		March 31, 2015
(\$ in thousands) (unaudited)									
OPERATING ACTIVITIES:									
Net income (loss)	\$	(5,420)	\$	(874)	\$	360 5	6 (201)	\$	(567)
Adjustments to reconcile net income (loss) to net cash									
provided by (used in) operating activities: Charges incurred in connection with the vesting and									
issuance of common stock for employee and director		140		227		272	175		216
compensation Gain on disposal of property and equipment		142 (15)		237 (41)		272 (1)	175 (4)		216 (6)
Bad debt expense		506		238		236	497		302
Depreciation		1,190		1,323		1,350	1,381		1,433
Amortization of intangible assets		44		-,		_,	_,		-
Change in fair value of warrant liabilities		4,805		1,230		(343)	(263)		1,101
Deferred income taxes, net		(93)		154		27	31		121
Gain on sale of finance receivables		-		-		-	(52)		-
Recognition of deferred gain from sale-leaseback transactions		(215)		(215)		(215)	(215)		(216)
Changes in operating assets and liabilities:	*	(1.072)		(7(7))		(717)	(1 222)		(00.4)
Accounts receivable Finance receivables	*	(1,872)		(767) 533		(713) 168	(1,223)		(984)
Inventory		(154) 250		649		219	(332) (639)		(2,248) 651
Prepaid expenses and other assets		(160)		(254)		48	(033)		152
Accounts payable	*	4,154		(1,623)		(1,044)	3,491		(141)
Accrued expenses		1,166		(13)		(2)	93		234
Income taxes payable		-		(70)		-	37		17
Net change in operating assets and liabilities	_	3,384		(1,545)		(1,324)	1,330		(2,319)
Net cash provided by operating activities		4,328		507		362	2,680		65
INVESTING ACTIVITIES:									
Purchase and additions of property and equipment		(164)		(33)		(49)	(6)		(4)
Proceeds from sale of property and equipment		19		101		4	8		19
Cash paid for assets acquired from VendScreen		(5,625)		-		-	-		-
Net cash provided by (used in) investing activities		(5,770)		68		(45)	2		15
FINANCING ACTIVITIES:									
Cash used for the retirement of common stock		-		(40)		-	-		-
Proceeds from exercise of common stock warrants		1,652		-		29	-		-
Excess tax benefits from share-based compensation		-		-		-	10		-
Proceeds (payments) from line of credit		33		3,000		-	-		-
Proceeds from long-term debt		- (151)		- (רבר)		- (120)	304		1,753
Repayment of long-term debt	_	(151)		(233)		(128)	(97)		(93)
Net cash provided by (used in) financing activities		1,534		2,727		(99)	217		1,660
Net increase in cash		92		3,217		218	2,899		1,741
Cash at beginning of period		14,809		11,592		11,374	8,475		6,734
Cash at end of period	\$	14,901	\$	14,809	\$	11,592	5 11,374	\$	8,475
Supplemental disclosures of cash flow information:									
Interest paid in cash	\$	191	\$	107	\$	106 5	5 99	\$	67
Depreciation expense allocated to cost of services	\$	1,051	\$	1,186	\$	1,199 \$	5 1,179	\$	1,271
Reclass of rental program property to inventory, net	\$	347	\$	777	\$	(279) 5		\$	1,374
Prepaid items financed with debt	\$		\$	-	\$	103 5		\$	1,074
-	ф ф				5 \$				
Equipment and software acquired under capital lease	\$	409	\$	-		35 5		\$	
Disposal of property and equipment	\$	189	\$	238	\$	99 9		\$	343
Fair value of common stock warrants at issuance	\$	52	\$	-	\$	- 5	- 5	\$	-
Proceeds from debt for debt financing costs	\$	79	\$	-	\$	- 2	- 5	\$	-
* Accounts Receivable									
Reclassification of cash provided by and included in accounts payable to accounts receivable	\$	-	\$	-	\$	- 5	543	\$	(10)
1 U									

* Accounts Payable						
Reclassification of cash provided by and included in accounts payable to accounts receivable	\$	-	\$ - \$	-	\$ (543) \$	10
	-				. ,	

### (I) Consolidated Statement of Shareholders' Equity

	Seri Conv Preferre		Commo	on Ste	ock	Ac	cumulated	
(\$ in thousands, except shares)	Shares	 Amount	Shares		Amount		Deficit	 Total
Balance, June 30, 2015, as previously reported	442,968	\$ 3,138	35,747,242	\$	224,874	\$	(174,701)	\$ 53,311
Adjustments	2,095	-	16,421		-		-	-
Balance, June 30, 2015, as adjusted	445,063	\$ 3,138	35,763,663	\$	224,874	\$	(174,701)	\$ 53,311
Warrants issued in conjunction with Line of Credit Agreement	-	_	-		52		-	52
Reclass of fair value of warranty liability upon exercise of warrants			-		706			706
Exercise of warrants	-	-	645,100		1,681		-	1,681
Stock based compensation								
2013 Stock Incentive Plan	-	-	169,913		377		-	377
2014 Stock Option Incentive Plan	-	-	12,785		274		-	274
Retirement of common stock	-	-	(12,746)		(40)		-	(40)
Net loss	-	 -			<u> </u>		(5,934)	 (5,934)
Balance, March 31, 2016	445,063	\$ 3,138	36,578,715	\$	227,924	\$	(180,635)	\$ 50,427

# (J) Reconciliation of Net Earnings/(Loss) to Non-GAAP Net Income (Loss) and Net Earnings/(Loss) Per Common Share – Basic and Diluted to Non-GAAP Net Earnings/(Loss) Per Common Share – Basic and Diluted

	Three months ended									
(\$ in thousands)		March 31,	D	ecember 31,	Se	eptember 30,	June 30,		l	March 31,
(unaudited)		2016		2015		2015		2015		2015
Net income (loss)	\$	(5,420)	\$	(874)	\$	360	\$	(201)	\$	(567)
Non-GAAP adjustments:										
Non-cash portion of income tax provision		(38)		224		27		72		121
Fair value of warrant adjustment		4,805		1,230		(343)		(263)		1,101
Non-recurring charges		461		106		-		-		-
Class action professional fees		105		-		-		-		-
Non-GAAP net income (loss)	\$	(87)	\$	686	\$	44	\$	(392)	\$	655
Net income (loss)	\$	(5,420)	\$	(874)	\$	360	\$	(201)	\$	(567)
Cumulative preferred dividends		(334)		-		(334)		-		(334)
Net income (loss) applicable to common shares	\$	(5,754)	\$	(874)	\$	26	\$	(201)	\$	(901)
Non-GAAP net income (loss)	\$	(87)	\$	686	\$	44	\$	(392)	\$	655
Cumulative preferred dividends		(334)		-		(334)		-		(334)
Non-GAAP net income (loss) applicable to common shares	\$	(421)	\$	686	\$	(290)	\$	(392)	\$	321
Net earnings (loss) per common share - basic	\$	(0.16)	\$	(0.02)	\$	0.00	\$	(0.01)	\$	(0.03)
Non-GAAP net earnings (loss) per common share - basic	\$	(0.01)	\$	0.02	\$	(0.01)	\$	(0.01)	\$	0.01
Basic weighted average number of common shares outstanding		36,161,613		35,898,773		35,826,731		35,761,251		35,747,979
Net earnings (loss) per common share - diluted	\$	(0.16)	\$	(0.02)	\$	0.00	\$	(0.01)	\$	(0.03)
Non-GAAP net earnings (loss) per common share - diluted	\$	(0.01)	\$	0.02	\$	(0.01)	\$	(0.01)	\$	0.01
Diluted weighted average number of common shares										
outstanding		36,161,613		35,898,773		36,466,215		35,761,251		35,747,979

See discussion of Non-GAAP financial measures later in this document

#### **Discussion of Non-GAAP Financial Measures:**

This press release contains certain non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. Reconciliations between non-GAAP and GAAP measures are set forth above in Financial Schedules (E) and (J).

The following non-GAAP financial measures are discussed herein: adjusted EBITDA, non-GAAP net income (loss) and non-GAAP net earnings (loss) per common share – basic and diluted. The presentation of these additional financial measures is not intended to be considered in isolation from, or superior to, or as a substitute for the financial measures prepared and presented in accordance with GAAP (Generally Accepted Accounting Principles), including the net income or net loss of USAT. Management recognizes that non-GAAP financial measures have limitations in that they do not reflect all of the items associated with USAT's net income or net loss as determined in accordance with GAAP. These non-GAAP financial measures are not required by or defined under GAAP and may be materially different from the non-GAAP financial measures used by other companies. USAT has provided above in Financial Schedules (E) and (J) the reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures.

As used herein, non-GAAP net income represents GAAP net income (loss) excluding costs or benefits relating to any adjustment for fair value of warrant liabilities, non-cash portions of the Company's income tax benefit (provision), non-recurring professional service fees recorded in SG&A during the quarter ended December 31, 2015 that were incurred in connection with the VendScreen transaction, non-recurring costs and expenses recorded in SG&A during the quarter ended March 2016 that were incurred in connection with the acquisition and integration of the VendScreen business, and professional fees incurred during the March 31, 2016 quarter in connection with the class action litigation. Non-GAAP net earnings (loss) per common share - diluted is calculated by dividing non-GAAP net income (loss) applicable to common shares by the number of diluted weighted average shares outstanding.

Management believes that non-GAAP net income (loss) and non-GAAP net earnings (loss) per common share - diluted are important measures of USAT's business. Management uses the aforementioned non-GAAP measures to monitor and evaluate ongoing operating results and trends and to gain an understanding of our comparative operating performance. We believe that these non-GAAP financial measures serve as useful metrics for our management and investors because they enable a better understanding of the long-term performance of our core business and facilitate comparisons of our operating results over multiple periods, and when taken together with the corresponding GAAP financial measures and our reconciliations, enhance investors' overall understanding of our current and future financial performance. Additionally, the Company utilizes non-GAAP net income as a metric in its management and executive officer incentive compensation plans.

#### USA Technologies Announces Third Quarter Fiscal Year 2016 Financial Results

Adjusted EBITDA represents net income (loss) before interest income, interest expense, income taxes, depreciation, amortization, non-recurring professional service fees recorded in SG&A during the quarter ended December 31, 2015 that were incurred in connection with the VendScreen transaction, non-recurring costs and expenses recorded in SG&A during the quarter ended March 31, 2016 that were incurred in connection with the acquisition and integration of the VendScreen business, professional fees incurred during the March 31, 2016 quarter in connection with the class action litigation, change in fair value of warrant liabilities, and stock-based compensation expense. We have excluded the non-operating item, change in fair value of warrant liabilities, because it represents a non-cash gain or (charge) that is not related to USAT's operations. We have excluded the non-cash expense, stock-based compensation, as it does not reflect the cash-based operations of USAT. We have excluded the nonrecurring costs and expenses incurred in connection with the VendScreen transaction in order to allow more accurate comparisons of the financial results to historical operations. We have excluded the professional fees incurred in connection with the class action litigation because we believe they represent a charge that is not related to USAT's operations. Adjusted EBITDA is presented because we believe it is useful to investors as a measure of comparative operating performance. Additionally, the Company utilizes Adjusted EBITDA as a metric in its management and executive officer incentive compensation plans.

Investor Contact: Mike Bishop The Blueshirt Group Tel: +1 415-217-4968 mike@blueshirtgroup.com

Source: USA Technologies, Inc. F-USAT