As filed with the Securities and Exchange Commission on May 21, 2018

REGISTRATION NO. 333-224804

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

AMENDMENT NO.1
TO
FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

USA TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania	**7359**	**23-2679963**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

100 Deerfield Lane, Suite 300
Malvern, Pennsylvania 19355
(610) 989-0340
(Address, including zip code, and telephone number, including area code, of registrant's principal executive officers)

Stephen P. Herbert
Chief Executive Officer
USA Technologies, Inc.
100 Deerfield Lane, Suite 300
Malvern, Pennsylvania 19355
(610) 989-0340
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Douglas M. Lurio, Esquire **Shaila Prabhakar, Esquire** **Lurio & Associates, P.C.** **2005 Market Street, Suite 3120** **Philadelphia, PA 19103-7015** **(215) 665-9300**	**Justin P. Klein, Esquire** **Gerald J. Guarcini, Esquire** **Ballard Spahr LLP** **1735 Market Street, 51st Floor** **Philadelphia, PA 19103** **(215) 665-8500**	**Michael D. Maline, Esquire** **Seo Salimi, Esquire** **Goodwin Procter LLP** **620 Eighth Avenue** **New York, NY 10018** **(212) 813-8966**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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 ☐
(Do not check if a 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 to Section 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

Title of each class of Securities to be Registered	Proposed Maximum Aggregate Offering Price (1)(2)	Amount of Registration Fee (3)
Common stock, no par value	$ 63,100,000	$ $7,856

(1) Pursuant to Rule 416 under the Securities Act, the securities registered hereunder include such indeterminate number of securities as may be issuable with respect to the securities being registered hereunder as a result of stock splits, stock dividends or similar transactions. Includes shares of common stock which may be issued upon exercise of a 30-day option granted to the underwriters to cover overallotments, if any.
(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended.
(3) The registration fee was previously paid in connection with the initial filing of this registration statement.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. Neither we nor the selling shareholders may sell these securities or accept offers to buy these securities until the registration statement filed with the Securities and Exchange Commission becomes effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus Dated May 21, 2018

PROSPECTUS

4,669,750 Shares of Common Stock

USA TECHNOLOGIES, INC.

We and the selling shareholders are offering 4,116,563 shares and 553,187 shares, respectively, of our common stock, assuming a public offering price of $11.75, the last reported sale price of our common stock on The NASDAQ Global Market on May 15, 2018, with an aggregate market value of approximately $48,369,618 and $6,499,947, respectively. We will not receive any proceeds from the sale of the shares to be offered by the selling shareholders. Our common stock is quoted on The Nasdaq Global Market under the symbol "USAT."

Investing in our common stock involves risks. You should read the section entitled "Risk Factors," beginning on page 12 of this prospectus and the documents incorporated by reference into this prospectus, and all other information included in this prospectus in connection with an investment in our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions (1)	$	$
Proceeds to us, before expenses	$	$
Proceeds to selling shareholders, before expenses	$	$

(1) See the section entitled "Underwriting," beginning on page 32 of this prospectus, for additional information regarding underwriting compensation.

We have granted the underwriters an option to buy up to an additional 700,463 shares of common stock to cover over-allotments, assuming a public offering price of $11.75, the last reported sale price of our common stock on The NASDAQ Global Market on May 15, 2018, with an aggregate market value of approximately $8,230,435. The underwriters may exercise this option at any time during the 30-day period from the date of this prospectus.

The underwriters are offering the shares of common stock for sale on a firm commitment basis. The underwriters expect to deliver the shares of common stock to the purchasers on or about , 2018.

Sole Book-Running Manager

William Blair

Craig-Hallum Capital Group

Northland Capital Markets

Barrington Research

The date of this prospectus is , 2018

TABLE OF CONTENTS

ABOUT THIS PROSPECTUS

This prospectus is a part of a registration statement that we filed with the Securities and Exchange Commission ("SEC"). Under this registration process, we and the selling shareholders may sell 4,116,563 and 553,187 shares of common stock, respectively, assuming a public offering price of $11.75, the last reported sale price of our common stock on The NASDAQ Global Market on May 15, 2018. We may also sell up to an additional 700,463 shares of common stock, on the same terms and conditions as set forth above, to cover over-allotments that we have granted to the underwriters. This prospectus provides you with a general description of the common stock we and the selling shareholders may offer. We may also authorize one or more free writing prospectuses to be provided to you that may contain material information relating to the offering. The prospectus supplement and any related free writing prospectus that we may authorize to be provided to you may also add, update or change information contained in this prospectus or in any documents that we have incorporated by reference into this prospectus. You should read this prospectus, any applicable prospectus supplement and any related free writing prospectus, together with the information incorporated herein by reference as described under the heading "Where You Can Find More Information."

You should rely only on the information that we have provided or incorporated by reference in this prospectus, any applicable prospectus supplement and any related free writing prospectus that we may authorize to be provided to you. Neither we, the selling shareholders nor the underwriters have authorized any dealer, salesman or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus, any applicable prospectus supplement or any related free writing prospectus that we may authorize to be provided to you. You must not rely upon any information or representation not contained or incorporated by reference in this prospectus, any prospectus supplement or related free writing prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

This prospectus, any information incorporated by reference herein, any prospectus supplement and any related free writing prospectus, if any, do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the registered securities to which they relate, nor do this prospectus, any information incorporated by reference herein, any prospectus supplement or any related free writing prospectus, constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. You should not assume that the information contained in this prospectus, any applicable prospectus supplement or any related free writing prospectus is accurate on any date subsequent to the date set forth on the front of the document or that any information we have incorporated by reference therein is correct on any date subsequent to the date of the document incorporated by reference, even though this prospectus, any applicable prospectus supplement or any related free writing prospectus is delivered or the applicable securities are sold on a later date.

USA Technologies® and our other logos and trademarks are the property of USA Technologies, Inc. Our use or display of other parties' trademarks, trade dress or products in this prospectus does not imply that we have a relationship with, or the endorsement or sponsorship of, the trademark or trade dress owners.

PROSPECTUS SUMMARY

This prospectus summary contains information about us and this offering. Because it is a summary, it does not contain all of the information that you should consider before deciding whether or not you should purchase shares of our common stock. To understand this offering fully, you should carefully read this entire prospectus, including the "Risk Factors" section, and the documents incorporated herein by reference. The following summary is qualified in its entirety by reference to the detailed information appearing elsewhere or incorporated by reference into this registration statement.

Our Company

USA Technologies, Inc. (the "Company," "we," "USAT," "us" or "our") provides wireless networking, cashless transactions, asset monitoring, and other value-added services principally to the small ticket, unattended Point of Sale ("POS") market. Our ePort technology can be installed and/or embedded into everyday devices such as vending machines, a variety of kiosks, amusement games, and commercial laundry via either our ePort hardware or our Quick Connect solution. Our associated service, ePort Connect, is a Payment Card Industry Data Security Standard (PCI DSS)-compliant, comprehensive service that includes simplified credit card processing and support, consumer engagement services as well as telemetry, Internet of Things ("IoT") and machine-to-machine ("M2M") services, including the ability to remotely monitor, control, and report on the results of distributed assets containing our electronic payment solutions.

We are a leading provider in the small ticket, beverage and food vending industry and are expanding our solutions and services to other unattended market segments, such as amusement, commercial laundry, kiosk and others. Historically, these distributed assets have relied on cash for payment in the form of coins or bills, whereas, our systems allow them to accept cashless payments through the use of credit or debit cards or other emerging contactless forms, such as mobile payment.

On November 9, 2017, we acquired Cantaloupe Systems, Inc. ("Cantaloupe"), a premier provider of cloud and mobile solutions for the self-service retail market, in a transaction valued at approximately $85 million, consisting of $65.2 million in cash and $19.8 million in shares of our common stock. The acquisition expanded our existing cashless payment and asset monitoring platform to an end-to-end logistics and enterprise platform by integrating Cantaloupe's Seed software services, which provide dynamic route scheduling, automated pre-kitting, responsive merchandising, inventory management, and warehouse and accounting management. We believe that the services we obtained as a result of the acquisition are highly complementary, value-added cloud-based and mobile services, which we are now able to cross-sell to our existing customer base. In addition to new technology and services, due to Cantaloupe's existing customer base, the acquisition expands our footprint into new global markets. As a result of the Cantaloupe acquisition, we acquired approximately 1,400 new customers and 270,000 new connections to our service.

We generate revenue from the sale of equipment and from license and transaction fees. During the fiscal year ended June 30, 2017, and the nine months ended March 31, 2018, we derived 66% and 74% of our revenues, respectively, from recurring license and transaction fees related to our service and 34% and 26% of our revenues, respectively, from equipment sales. We consider a connection to be the utilization by an unattended location owned or operated by our customer of at least one of the services offered by our end-to-end enterprise platform. These services include cashless payment, loyalty, inventory management, warehouse and accounting management, and responsive merchandising. Connections to our service include those resulting from the sale or lease of our POS electronic payment devices or certified payment software or the servicing of similar third-party installed POS terminals. Connections to our service are the most significant driver of our revenues, particularly the higher margin recurring revenues from license and transaction fees. We believe that our service-approach business model, including our value-added services, could create a high-margin stream of recurring revenues that could create a foundation for long-term value and continued growth.

Our Industry

We operate primarily in the small ticket electronic payments industry and, more specifically, the unattended POS market. We also have the ability to accept cashless payment "on the go" through mobile-based payment services, which are generally higher ticket transactions. Our solutions and services facilitate electronic payments in industries that have traditionally relied on cash transactions. We believe the following industry trends are driving growth in demand for electronic payment systems in general and more specifically within the markets we serve:

Shift Toward Electronic Payment Transactions and Away from Cash and Checks. There has been an ongoing shift away from paper-based methods of payment, including cash and checks, towards electronic-based methods of payment. According to The Nilson Report, December 2016, paper-based methods of payment continued to decline in 2015, representing 26.14% of transaction dollars measured compared to 28.07% in 2014. The four card-based systems—credit, debit, prepaid, and electronic benefits transfer—generated $5.67 trillion in the United States in 2015, 59.32% of transaction dollars measured. The Nilson Report projects that, by 2019, spending at merchants in the U.S. from the four card-based systems will grow to 67.03% of total transaction dollars measured.

Increase in Consumer Demand for Electronic Payments. The unattended, vending and kiosk POS market has historically been dominated by cash purchases. However, oftentimes, cash purchases at unattended POS locations represent a cumbersome transaction for the consumer because they do not have the correct monetary value (paper or coin), or the consumer does not have the ability to convert their bills into coins. We believe electronic payment system providers such as the Company that can meet consumers' demand within the unattended market will be able to offer retailers, card associations, card issuers and payment processors and business owners an expanding value proposition at the POS. Based upon our survey of selected vending machines connected to our service over a recent twelve-month period, we estimate that average annual cashless sales per machine increased by approximately 44% from those of a prior twelve-month period, and cashless sales as a percentage of total machine sales (cashless and cash) increased by 15% from those of such prior twelve-month period. In addition, average consumer purchases during the recent twelve-month period in which the consumer utilized a credit or debit card were approximately 35% higher than purchases where the consumer utilized cash.

Increase in Merchant/Operator Demand for Electronic Payments. We believe that, increasingly, merchants and operators of unattended payment locations (e.g., vending machines, laundry, tabletop games, etc.) are utilizing electronic payment alternatives as a means to improve business results. The Company works with its customers to help them drive increased revenue of their distributed assets through this expanded market opportunity. In addition, electronic payment systems can provide merchants and operators real-time sales and inventory data utilized for back-office reporting and forecasting, like the Company's solutions and services, helping them to manage their business more efficiently.

Increase in Demand for Integrated Payment Solutions. We believe that merchants have come to value payment solutions that are integrated or bundled with other solutions and software. Offering an integrated solution allows us to provide a single source solution for our products and results in better customer retention, less focus on price and a better overall experience for our customers. Our recent acquisition of Cantaloupe allows us to provide an end-to-end enterprise solution to our customers, which includes dynamic route scheduling, automated pre-kitting, responsive merchandising, inventory management, and warehouse and accounting management. We also view our integrated solutions as a significant competitive advantage as competitors will need fully integrated solutions to compete.

Increase in Demand for Networked Assets. Machine-to-machine ("M2M") technology includes capturing value from wireless modules and electronic devices to improve business productivity and customer service. In addition, networked assets can provide valuable information regarding consumers' purchasing patterns and payment preferences, allowing operators to more effectively tailor their offerings to consumers. Gartner, Inc. forecasts that 20.8 billion connected things will be in use worldwide by 2020.

POS Technology and NFC Equipped Mobile Phone Payment Improvements. Near Field Communication ("NFC") is a short range wireless connectivity technology that uses electromagnetic radio fields to enable communication between devices when there is a physical touch, or when they are within close proximity to one another. We believe that POS contactless terminals that are enabled to accept NFC payments and digital wallet applications, such as Google Wallet, Chase Pay, Apple Pay, the recently introduced Android Pay, and others, stand to benefit from these evolving trends in mobile payment. Digital wallet is essentially a digital service, accessed via the web or a mobile phone application that serves as a substitute for the traditional credit or debit card. Providers can also market directly to targeted consumers with coupons and loyalty programs. As approximately 622,000 of our connections are contactless enabled to accept NFC payments (in addition to magnetic stripe cards) as of December 31, 2017, we believe that we are well-positioned to benefit from this emerging space.

Our Connection Base

As of June 30, 2017 and March 31, 2018, we had 568,000 and 969,000 connections, respectively, to our service. These connections represented a 32% and 92% increase from connections as of June 30, 2016 and March 31, 2017, respectively. During the fiscal year ended June 30, 2017, we processed approximately 414.9 million cashless transactions totaling approximately $803 million in transaction dollars, representing a 31% increase in transaction volume and a 37% increase in dollars processed during the previous fiscal year ended June 30, 2016. During the three months ended March 31, 2018, we processed approximately 170.6 million cashless transactions, totaling approximately $318.0 million in transaction dollars, representing a 63% increase in transaction volume and a 57% increase in dollars processed during the three months ended March 31, 2017.

As of March 31, 2018, we had approximately 15,600 customers. Our customers range from global food service organizations to small businesses that operate primarily in the self-serve, small ticket retail markets including beverage and food vending, amusement and arcade machines, smartphones via our ePort Online solution, commercial laundry, tolls and various other self-serve kiosk applications, as well as equipment developers or manufacturers who incorporate our service into their product offerings. We estimate that there are approximately 13 million to 15 million potential connections in this self-serve, small ticket retail market. We estimate that our current customers represent approximately 2 million of these potential connections, exclusive of any potential connections attributable to new customers acquired from Cantaloupe.

Our customers can obtain POS electronic payment devices from us in the following ways:

- Purchasing devices directly from us or one of our authorized resellers;
- Financing devices under the Company's QuickStart Program, which are non-cancellable sixty-month sales-type leases, through an unrelated equipment financing company, if available, or directly from the Company; and
- Renting devices under our JumpStart Program, which are cancellable month-to-month operating leases.

Our Solutions

Our solutions and services have been designed to simplify the transition to cashless for traditionally cash-only based businesses. As such, they are turn-key and include our comprehensive ePort Connect service and POS electronic payment devices or certified payment software, which are able to process traditional magnetic stripe credit and debit cards, contactless credit and debit cards and mobile payments. Standard services through ePort Connect are maintained on our proprietary operating systems and include merchant account setup on behalf of the customer, automatic processing and settlement, sales reporting and 24x7 customer support. Other value-added services that customers can choose from include things such as cashless deployment planning, cashless performance review and loyalty products and services. Our solutions also provide flexibility to execute a variety of payment applications on a single system, transaction security, connectivity options, compliance with certification standards, and centralized, accurate, real-time sales and inventory data to manage distributed assets (wireless telemetry and M2M).

Our ePort® Interactive is a cloud-based interactive media and content delivery management system that provides enhanced vendor management system ("VMS") integration and consumer product information, including nutritional data. The technology is NFC enabled and compatible with mobile wallets including Apple Pay and Android Pay, and supports instant refunds, couponing, advertising and real-time consumer feedback to the owner and operator.

Our Competitive Strengths

We believe that we benefit from a number of advantages gained through our nearly twenty-five year history in our industry. They include:

- *One-Stop Shop, End-to-End Solution*. We offer our customers one point of contact through a bundled cashless payment solution, which, following the Cantaloupe acquisition, includes dynamic route scheduling, automated pre-kitting, responsive merchandising, inventory management and warehouse and accounting management.
- *Trusted Brand Name*. Our ePort Connect solution has a strong national reputation for quality, reliability and innovation.
- *Market Leadership*. With 969,000 connections to our network as of March 31, 2018, we believe we have the largest installed base of unattended POS electronic payment systems in the unattended small ticket retail market for food and beverage and we are continuing to expand to other adjacent markets.
- *Attractive Value Proposition for Our Customers*. We believe that our solutions provide our customers an attractive value proposition by reducing costs, improve operating efficiencies and increasing the purchases of their consumers machines.
- *Increasing Scale and Financial Stability*. Due to the continued growth in connections to our service, during the 2017 fiscal year and the nine months ended March 31, 2018, 66% and 74% of our revenues, respectively, were derived from licensing and processing fees, which are recurring in nature.
- *Customer-Focused Research and Development*. We have generated considerable intellectual property and know-how with 86 patents (US and International) as of March 31, 2018.

Our Growth Opportunity

Our primary objective is to continue to enhance our position as a leading provider of technology that enables electronic payment transactions and value-added services. We plan to execute this growth strategy organically and through strategic acquisitions. Key elements of our strategy are to:

- Leverage and further penetrate our existing customers/partners

- Expand distribution and sales reach
- Further penetrate attractive adjacent markets
- Capitalize on opportunities in international markets
- Capitalize on the emerging NFC and growing mobile payments trends
- Continuously enhance our solutions and services through innovation
- Provide comprehensive service and support
- Leverage intellectual property consisting of 86 U.S. and foreign patents

Our Acquisition Strategy

We have historically, and expect to continue to, drive growth in connections and expand the value of our services through strategic acquisitions of businesses, products, or technologies. We intend to pursue acquisitions of businesses that are accretive and complementary to our current product and service offerings by broadening our customer base, expanding our geographic footprint, and acquiring strategic technologies or otherwise complementing our current or future business.

On November 9, 2017, we acquired Cantaloupe, a premier provider of cloud and mobile solutions for the self-service retail market, for which the Company paid $65.2 million in cash and issued shares of its common stock valued at $19.8 million. We have funded the cash portion of the transaction with cash on hand from a public offering that closed in July 2017, and through a new $37.5 million credit facility with JPMorgan Chase Bank, N.A. The acquisition expanded our existing cashless payment and asset monitoring platform to an end-to-end logistics and enterprise platform by integrating Cantaloupe's Seed software services, which provide dynamic route scheduling, automated pre-kitting, responsive merchandising, inventory management and warehouse and accounting management.

Risk Factors Associated with our Business

Our business is subject to numerous risks and uncertainties, including those highlighted in the section captioned "Risk Factors" immediately following this prospectus summary and those contained in our most recent Annual Report on Form 10-K, as revised or supplemented by our Quarterly Reports on Form 10-Q filed with the SEC since the filing of our most recent Annual Report on Form 10-K. These risks include, among others, the following:

- We have a history of losses since inception and if we continue to incur losses, the price of our shares can be expected to fall.
- Our products may fail to gain substantial increased market acceptance. As a result, we may not generate sufficient revenues or profit margins to achieve our financial objectives or growth plans.
- The loss of one or more of our key customers could significantly reduce our revenues, results of operations, and net income.
- Competition from others could prevent us from increasing revenue and achieving our growth plans.
- Substantially all of the network service contracts with our customers are terminable for any or no reason upon thirty to sixty days' advance notice.
- Our products and services may be vulnerable to security breach.
- Our combination with Cantaloupe may not result in the realization of the full benefits and synergies anticipated from the Cantaloupe merger because of integration and other challenges.

Corporate Information

We were incorporated in the Commonwealth of Pennsylvania in 1992. Our principal executive offices are located at 100 Deerfield Lane, Suite 300, Malvern, Pennsylvania 19355, and our phone number is (610) 989-0340. Additional information regarding our company, including our audited financial statements and description of our business, is contained in our most recent Annual Report on Form 10-K, as revised or supplemented by our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K filed with the SEC since the filing of our most recent Annual Report on Form 10-K. See "Where You Can Find More Information." Our web site is www.usatech.com. Information on our website is not incorporated in this prospectus and is not a part of this prospectus.

Summary of This Offering

Securities we are Offering	4,116,563 shares of common stock with an aggregate market value of approximately $48,369,618 (or 4,817,026 shares of common stock with an aggregate market value of approximately $56,600,053 if the underwriters exercise their over-allotment option in full), assuming a public offering price of $11.75, the last reported sale price of our common stock on The NASDAQ Global Market on May 15, 2018.
Securities Offered by the Selling Shareholders	553,187 shares of common stock, with an aggregate market value of approximately $6,499,947, assuming a public offering price of $11.75, the last reported sale price of our common stock on The NASDAQ Global Market on May 15, 2018.
Over-allotment option	The underwriters have an option for a period of 30 days after the date of this prospectus to purchase up to an additional 700,463 shares of common stock from us, on the same terms and conditions as set forth above, to cover any over-allotments.
Shares Issued and Outstanding after Completion of this Offering	57,787,030 shares of our common stock will be issued and outstanding (58,487,493 shares if the underwriters exercise their option to purchase additional shares in full).
Use of Proceeds	The proceeds from this offering to us, less fees and expenses incurred by us in connection with the offering, are intended to be used for general corporate purposes and working capital to support anticipated growth. These purposes may include, among other things, future acquisitions of businesses, products and technologies, or establishing or implementing strategic alliances that we believe will complement our current or future business. We may also utilize the net proceeds to prepay all or a portion of our bank debt. We will not receive any proceeds from the sale of shares of common stock by the selling shareholders. See “Use of Proceeds” for a more complete description of our intended use of proceeds from this offering.
Risk Factors	You should read the “Risk Factors” section beginning on page 12 and other information included in, or incorporated by reference into, this prospectus for a discussion of factors you should carefully consider before investing in our securities.
Trading Symbol	Our common stock is quoted on The Nasdaq Global Market under the symbol “USAT.”

The number of shares of common stock that will be issued and outstanding after this offering is based on 53,670,467 shares of common stock issued and outstanding as of May 1, 2018, and excludes, in each case as of such date:

- 23,978 shares of common stock underlying warrants issued by us to our previous bank lender at an exercise price of $5.00 per share in connection with the loan agreement;
- 310,047 shares of common stock issuable upon the exercise of outstanding stock options issued under our 2015 Equity Incentive Plan, and (ii) 652,870 shares of common stock issuable upon the exercise of outstanding stock options issued under our 2014 Stock Option Incentive Plan;
- 1,500,000 shares of common stock reserved for issuance under our 2018 Equity Incentive Plan, (ii) 656,734 shares of common stock reserved for issuance under our 2015 Equity Incentive Plan, (iii) 1,447 shares of common stock underlying stock options reserved for issuance under our 2014 Stock Option Incentive Plan, and (iv) 2,997 shares of common stock reserved for issuance under our 2013 Stock Incentive Plan;
- 103,493 shares issuable upon the conversion of issued and outstanding preferred stock and cumulative preferred stock dividends; and
- 140,000 shares issuable to our former chief executive officer upon the occurrence of certain fundamental transactions involving us.

Summary Consolidated Financial Data and Other Data

The following tables summarize our consolidated financial data and should be read together with the sections entitled “Selected Consolidated Financial Data and Other Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included in our annual report on Form 10-K for the fiscal year ended June 30, 2017, and our quarterly report on Form 10-Q for the three months ended March 31, 2018.

We have derived the summary condensed consolidated statement of operations data for the years ended June 30, 2017 and 2016 from our audited consolidated financial statements included in our annual report on Form 10-K for the fiscal year ended June 30, 2017. We have derived the summary consolidated statement of operations data for the nine months ended March 31, 2018 and the summary condensed consolidated balance sheet data as of March 31, 2018 from our unaudited interim consolidated financial statements included in quarterly report on Form 10-Q for the three months ended March 31, 2018.

We have prepared the unaudited interim consolidated financial statements on the same basis as the audited consolidated financial statements and have included, in our opinion, all adjustments, consisting only of normal recurring adjustments, that we consider necessary for a fair statement of the financial information set forth in those statements. Our historical results are not necessarily indicative of the results that should be expected in the future, and interim results are not necessarily indicative of the results that should be expected for the full year or any other period.

($ in thousands, except per share data and as otherwise noted)	Nine Months Ended March 31, 2018	As of and for the Year ended June 30, 2017	2016
OPERATIONS DATA:			
Revenues	$ 93,955	$ 104,093	$ 77,408
Operating income (loss)	$ (4,252)	$ 135	$ (1,467)
Net Income (loss)	$ (11,569)	$ (1,852)	$ (6,806)
Cumulative preferred dividends	(668)	(668)	(668)
Net income (loss) applicable to common shares	$ (12,237)	$ (2,520)	$ (7,474)
Net earnings (loss) per common share - basic and diluted (1)	$ (0.24)	$ (0.06)	$ (0.21)
Cash dividends per common share	-	-	-
BALANCE SHEET DATA:			
Total assets	$ 191,393	$ 97,691	$ 84,833
Long-term debt	$ 32,895	$ 1,061	$ 1,576
Shareholders' equity	$ 115,911	$ 65,778	$ 55,025
CASH FLOW DATA:			
Net cash provided by (used in) operating activities	$ 8,689	$ (6,771)	$ 6,468
Net cash provided by (used in) investing activities	(67,934)	(3,693)	(5,772)
Net cash provided by (used in) financing activities	63,607	3,937	7,202
Net increase (decrease) in cash and cash equivalents	4,362	(6,527)	7,898
Cash and cash equivalents at beginning of period	12,745	19,272	11,374
Cash and cash equivalents at end of period	$ 17,107	$ 12,745	$ 19,272
CONNECTIONS AND TRANSACTION DATA (UNAUDITED):			
Net New Connections #	401,000 (2)	139,000	96,000
Total Connections #	969,000	568,000	429,000
New Customers Added #	2,900 (3)	1,650	1,450
Total Customers #	15,600	12,700	11,050
Total Number of Transactions (millions) #	436.5	414.9	315.8
Transaction Volume (millions)	$ 829.9	$ 803.0	$ 584.4

(1) See note 2 to our consolidated financial statements appearing in our Annual Report on Form 10-K for the fiscal year ended June 30, 2017 for a description of the method used to calculate basic and diluted net income (loss) per share of common stock.
(2) Includes 270,000 new connections resulting from the acquisition of Cantaloupe.
(3) Includes approximately 1,400 customers resulting from the acquisition of Cantaloupe.

RISK FACTORS

Investing in our common stock involves risks. Before making an investment decision, please carefully review the risks described below and the risks discussed under the section captioned "Risk Factors" contained in our most recent Annual Report on Form 10-K, as revised or supplemented by our Quarterly Reports on Form 10-Q filed with the SEC since the filing of our most recent Annual Report on Form 10-K, each of which is incorporated by reference into this prospectus, together with all other information in this prospectus and the other documents incorporated by reference, and in any free writing prospectus that we have authorized for use in connection with this offering. The occurrence of any of those risks could materially and adversely affect our business, prospects, financial condition, results of operations or cash flow. Other risks and uncertainties that we do not now consider to be material or of which we are not now aware may become important factors that affect us in the future. Any of these risks could cause the trading price of our common stock to decline, resulting in a loss of all or part of your investment. Please also read carefully the section entitled "Special Note Regarding Forward-Looking Statements."

Risks Relating to the Offering

Management will have broad discretion as to the use of the Company's proceeds from this offering, and we may not use the proceeds effectively.

Our management will have broad discretion in the application of our net proceeds from this offering and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our common stock. Our failure to apply these funds effectively could have a material adverse effect on our business, delay the growth of our business, and cause the price of our common stock to decline. We will not receive any proceeds from sales by the selling shareholders.

You will experience immediate and substantial dilution in the net tangible book value per share of the common stock you purchase.

Since the price per share of our common stock being offered is substantially higher than the net tangible book value per share of our common stock, you will suffer immediate and substantial dilution in the net tangible book value of the common stock you purchase in this offering. As of March 31, 2018, the Company's net tangible book value was $0.41 per share. After giving effect to the sale of our common stock at an assumed public offering price of $11.75 per share, which is the last reported sale price of our common stock on The Nasdaq Global Market on May 15, 2018, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us, the net tangible book value of our common stock would be $1.16 per share as of March 31, 2018. This represents an immediate increase in net tangible book value of $0.75 per share to existing shareholders, and an immediate dilution in net tangible book value of $10.59 per share to new investors purchasing shares of common stock in this offering at an assumed offering price of $11.75 per share.

You may experience future dilution as a result of future equity offerings.

In order to raise additional capital, we may in the future offer additional shares of our common stock or other securities convertible into or exchangeable for our common stock at prices that may not be the same as the price per share in this offering. We cannot assure you that we will be able to sell shares or other securities in any other offering at a price per share that is equal to or greater than the price per share paid by investors in this offering, and investors purchasing shares or other securities in the future could have rights superior to existing shareholders, including investors who purchase shares of common stock in this offering. The price per share at which we sell additional shares of our common stock or securities convertible into common stock in future transactions may be higher or lower than the price per share in this offering.

If securities and/or industry analysts fail to continue publishing research about our business, if they change their recommendations adversely, or if our results of operations do not meet their expectations, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. In addition, it is likely that, in some future period, our operating results will be below the expectations of securities analysts or investors. If one or more of the analysts who cover us downgrade our stock, or if our results of operations do not meet their expectations, our stock price could decline.

Because we do not intend to declare cash dividends on our shares of common stock in the foreseeable future, shareholders must rely on the appreciation of the value of our common stock for any return on their investment.

We have never declared or paid cash dividends on our common stock. We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends in the foreseeable future. In addition, the terms of our existing debt agreements preclude and future debt agreements may preclude us from paying dividends, and our articles of incorporation prohibit the declaration of any dividends on our common stock unless and until all unpaid and accumulated dividends on the series A convertible preferred stock have been declared and paid. Through May 1, 2018, the unpaid and cumulative dividends on the series A convertible preferred stock are $14.99 million. As a result, we expect that only an appreciation of the price of our common stock, if any, will provide a return to investors in this offering for the foreseeable future.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference herein contain certain forward-looking statements regarding, among other things, the anticipated financial and operating results of our company. For this purpose, forward-looking statements are any statements contained herein that are not statements of historical fact and include, but are not limited to, those preceded by or that include the words, “estimate,” “could,” “should,” “would,” “likely,” “may,” “will,” “plan,” “intend,” “believes,” “expects,” “anticipates,” “projected,” or similar expressions. Those statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual results to differ materially from those contemplated by the statements. The forward-looking information is based on various factors and was derived using numerous assumptions. Important factors that could cause the Company’s actual results to differ materially from those projected, include, for example:

- general economic, market or business conditions unrelated to our operating performance;
- our ability to raise funds in the future through sales of securities or debt financing in order to sustain our operations if an unexpected or unusual event would occur;
- our ability to compete with our competitors to obtain market share;
- whether our current or future customers purchase, lease, rent or utilize ePort devices or our other products in the future at levels currently anticipated by us;
- whether our customers continue to utilize our transaction processing and related services, as our customer agreements are generally cancelable by the customer on thirty to sixty days’ notice;
- our ability to satisfy our trade obligations included in accounts payable and accrued expenses;
- our ability to sell to third party lenders all or a portion of our finance receivables;
- the ability of a sufficient number of our customers to utilize third party financing companies under our QuickStart program in order to improve our net cash used by operating activities;
- the incurrence by us of any unanticipated or unusual non-operating expenses which would require us to divert our cash resources from achieving our business plan;
- our ability to predict or estimate our future quarterly or annual revenues and expenses given the developing and unpredictable market for our products;
- our ability to retain key customers from whom a significant portion of our revenues is derived;
- the ability of a key customer to reduce or delay purchasing products from us;
- our ability to obtain widespread commercial acceptance of our products and service offerings such as ePort QuickConnect, mobile payment and loyalty programs;
- whether any patents issued to us will provide us with any competitive advantages or adequate protection for our products, or would be challenged, invalidated, or circumvented by others;
- our ability to operate without infringing the intellectual property rights of others;
- the ability of our products and services to avoid unauthorized hacking or credit card fraud;
- whether our suppliers would increase their prices, reduce their output or change their terms of sale;
- our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes may be impaired; and
- our ability to realize the full benefits and synergies anticipated from the Cantaloupe merger because of integration and other challenges.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Actual results or business conditions may differ materially from those projected or suggested in forward-looking statements as a result of various factors including, but not limited to, those described above. We cannot assure you that we have identified all the factors that create uncertainties. Moreover, new risks emerge from time to time and it is not possible for our management to predict all risks, nor can we assess the impact of all risks on our business or the extent to which any risk, or combination of risks, may cause actual results to differ from those contained in any forward-looking statements. Readers should not place undue reliance on forward-looking statements.

Any forward-looking statement made by us in this prospectus or any document incorporated by reference herein speaks only as of the date of such document. Unless required by law, we undertake no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this prospectus or the document incorporated by reference herein, as applicable, or to reflect the occurrence of unanticipated events.

USE OF PROCEEDS

We estimate that our net proceeds from the sale of our shares of common stock offered hereby, after deducting the underwriting discounts and commissions and estimated expenses payable by us, will be approximately $45.02 million, or approximately $52.75 million if the underwriters exercise their over-allotment option in full, assuming a public offering price of $11.75 per share, which was the last reported sale price of our common stock on The Nasdaq Global Market on May 15, 2018.

We intend to use the net proceeds received from the offering for general corporate purposes and working capital to support anticipated growth. These purposes may include, among other things, future acquisitions of businesses, products and technologies, possible expansion into international markets, or establishing or implementing strategic alliances, that we believe will complement our current or future business. We evaluate these opportunities on an ongoing basis, and engage in discussions in connection with potential opportunities. While we have no existing agreements, commitments or understandings for any specific future acquisitions or strategic alliances at this time, we may use a portion of the net proceeds for these purposes. We may also utilize the net proceeds received from this offering to prepay all or a portion of our debt obligations due by us to our bank lender.

We will retain broad discretion in the allocation of our net proceeds from this offering. Pending the uses described above, we intend to invest our net proceeds from this offering in short-term interest-bearing securities.

We will not receive any proceeds from the sale of shares of common stock by the selling shareholders.

SELLING SHAREHOLDERS

We are registering 553,187 shares of common stock to permit the shareholders listed in the table below, which we otherwise refer to as the selling shareholders, to resell such shares. The shares of common stock offered for resale by the selling shareholders were acquired by them on the date we acquired Cantaloupe (November 9, 2017) in exchange for their securities of Cantaloupe. Pursuant to the acquisition of Cantaloupe, we issued an aggregate of 3,423,367 shares to all of the former Cantaloupe security holders, of which 1,496,707 shares were issued to the escrow agent to be held in escrow for a period of 15 months following the closing in order to secure the indemnification obligations of Cantaloupe under the merger agreement, and the remaining 1,926,660 shares were issued to the former Cantaloupe security holders (the “Non-Escrow Shares”). The shares being offered by the selling shareholders pursuant to this offering represent all of the Non-Escrow Shares owned by the selling shareholders. Except for any shares which may be (or deemed to be) held by our affiliates, and subject to the terms of the Lock-Up Agreement by and between us and each of the former Cantaloupe security holders (the “Lock-Up Agreement”), the Non-Escrow Shares became freely tradeable under Rule 144 promulgated under the under the Securities Act of 1933, as amended (the “Securities Act”) on May 9, 2018.

As a condition of receiving the shares of the Company, each former Cantaloupe security holder entered into a Lock-Up Agreement, pursuant to which they agreed not to transfer their shares for a period of six months following the closing (“Lock-Up Period”). Additionally, during each trading day during the twelve-month period following the expiration of the Lock-Up Period, each former Cantaloupe security holder is permitted to sell shares in an aggregate amount not to exceed 5% of the three-month average daily trading volume of our common stock, with exceptions for privately negotiated, off-market block trades.

None of the former Cantaloupe security holders was granted any registration rights in connection with the shares issued in exchange for their Cantaloupe securities. Because of the large percentage of Non-Escrow Shares owned by the selling shareholders, we have provided the selling shareholders with the right to participate in this offering. Each selling shareholder and the Company have entered into an amendment to their Lock-Up Agreement which provides for and permits the resale of the selling shareholder’s shares pursuant to this offering.

The following table sets forth the number of shares of common stock owned by the selling shareholders prior to this offering, the number of shares of common stock to be offered for sale by the selling shareholders in this offering, the number of shares of common stock to be owned by the selling shareholders after completion of this offering, and the percentage of common stock to be owned by the selling shareholders after giving effect to the completion of this offering as of the date hereof. We have prepared the table based on information given to us by, or on behalf of, the selling shareholders on or before May 1, 2018. The beneficial ownership of our common stock by the selling shareholders set forth in the table is determined as of May 1, 2018, in accordance with Rule 13d-3 under the Exchange Act.

Name of Selling Shareholder	Number of Shares Owned Prior to Offering	Percentage of Shares Beneficially Owned Prior to Offering	Number of Shares Being Offered	Number of Shares Beneficially Owned After Offering	Percentage of Shares Beneficially Owned After Offering
Foundation Capital VI, L.P. (1)	1,015,902	1.89%	547,074	468,828	*
Foundation Capital VI Principals Fund, LLC (1)	11,351	*	6,113	5,238	*

* Less than 1%

(1) Foundation Capital Management Co. VI, L.L.C. is the sole manager of Foundation Capital VI, L.P. and Foundation Capital VI Principals Fund, LLC and has sole voting and investment power with respect to the shares held by Foundation Capital VI, L.P. and Foundation Capital VI Principals Fund, LLC. William B. Elmore, Paul G. Koontz, Michael N. Schuh, Paul R. Holland, Steve P. Vassallo, Charles P. Moldow and Warren M. Weiss are managing members of Foundation Capital Management Co. VI, L.L.C., and may be deemed to share voting and investment power over the shares owned by Foundation Capital VI, L.P. and Foundation Capital VI Principals Fund, LLC. Each of the managing members of Foundation Capital Management Co. VI, L.L.C. disclaims beneficial ownership in the shares held by the aforementioned entities except to the extent of his or her pecuniary interest therein. The address of the selling shareholders is 550 High Street, 3rd Floor, Palo Alto, CA 94301.

MARKET FOR COMMON STOCK AND RELATED SHAREHOLDER MATTERS

Our common stock is traded on The Nasdaq Global Market under the symbol “USAT.”

The high and low sales prices on The Nasdaq Global Market for the common stock were as follows:

Year ending June 30, 2018	High	Low
First Quarter (through September 30, 2017)	$ 6.30	$ 4.50
Second Quarter (through December 31, 2017)	$ 10.10	$ 5.85
Third Quarter (through March 31, 2018)	$ 10.00	$ 7.40
Fourth Quarter (through May 15, 2018)	$ 12.33	$ 8.25

Year ended June 30, 2017	High	Low
First Quarter (through September 30, 2016)	$ 5.81	$ 4.05
Second Quarter (through December 31, 2016)	$ 5.77	$ 3.55
Third Quarter (through March 31, 2017)	$ 4.85	$ 3.80
Fourth Quarter (through June 30, 2017)	$ 5.60	$ 3.95

Year ended June 30, 2016	High	Low
First Quarter (through September 30, 2015)	$ 3.52	$ 1.70
Second Quarter (through December 31, 2015)	$ 3.40	$ 2.18
Third Quarter (through March 31, 2016)	$ 4.54	$ 2.69
Fourth Quarter (through June 30, 2016)	$ 4.73	$ 3.50

As of May 15, 2018, the closing price of our common stock was $11.75. As of May 1, 2018, there were approximately 632 holders of record of our common stock. This number does not include shareholders for whom shares were held in a “nominee” or “street” name.

DIVIDEND POLICY

The holders of our common stock are entitled to receive such dividends as our Board of Directors may from time to time declare out of funds legally available for payment of dividends. We have never declared or paid dividends on our common stock and do not contemplate paying any such cash dividend in the foreseeable future. No dividend may be paid on the common stock until all accumulated and unpaid dividends on the preferred stock have been paid. As of the date of this prospectus, such accumulated unpaid dividends amounted to $14.99 million. In addition, our credit agreement with JPMorgan Chase Bank, N.A. prohibits us from paying dividends on our common stock, and generally limits our ability to pay dividends on our preferred stock.

We currently intend to retain available cash for use in our business to finance ongoing operations and the potential growth of our business. Payments of future dividends, if any, will be at the discretion of our Board of Directors after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs and plans for expansion and any other factors the Board of Directors may deem relevant, and subject to any restrictions contained in our financing and bank agreements.

CAPITALIZATION

The following table sets forth our capitalization, cash and cash equivalents:

- on an actual basis as of March 31, 2018; and
- on an as adjusted basis to give effect to the sale of 4,116,563 shares in this offering, assuming an offering price of $ 11.75 per share, which was the last reported sale price of our common stock on The Nasdaq Global Market on May 15, 2018, our receipt of the net proceeds from that sale after deducting estimated offering expenses payable by us and the application of the net proceeds from this offering as described in “Use of Proceeds.”

You should consider this table in conjunction with our unaudited pro forma combined consolidated financial statements and the notes to those unaudited pro forma consolidated financial statements included elsewhere in this prospectus and our consolidated financial statements and the notes to those consolidated financial statements incorporated by reference herein.

($ in thousands)	As of March 31, 2018 Actual (Unaudited)	As of March 31, 2018 As Adjusted (1) (Unaudited)
Cash and Cash Equivalents	$ 17,107	$ 62,124
Total liabilities	$ 75,482	$ 75,482
Shareholders' equity:		
Preferred stock, no par value:		
Authorized shares- 1,800,000; Series A convertible preferred- Authorized shares- 900,000; Issued and outstanding shares- 445,063, actual and as adjusted, with liquidation preference of $19,109	$ 3,138	$ 3,138
Common stock, no par value:		
Authorized shares- 640,000,000, Issued and outstanding shares-53,619,898, actual; shares issued and outstanding, as adjusted	$ 307,634	$ 352,651
Accumulated deficit	$ (194,861)	$ (194,861)
Total shareholders' equity	$ 115,911	$ 160,928
Total capitalization	$ 191,393	$ 236,410

(1) The as adjusted information set forth above is illustrative only and will change based on the actual public offering price and other terms of this offering determined at pricing. Each $1.00 increase or decrease in the assumed public offering price of $ 11.75 per share, which is the last reported sale price of our common stock on The Nasdaq Global Market on May 15, 2018, would increase or decrease as adjusted cash and cash equivalents, total shareholders' equity, and total capitalization by approximately $ 3.87 million, assuming that the number of shares of common stock offered by us and the selling shareholders, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions payable by us. We may also increase or decrease the number of shares of common stock we or the selling shareholders are offering. A 1,000,000-share increase or decrease in the number of shares of common stock offered by us would increase or decrease as adjusted cash and cash equivalents, total shareholders' equity, and total capitalization by approximately $ 11.05 million, assuming that the assumed public offering price remains the same, and after deducting underwriting discounts and commissions payable by us.

The information presented in the table above is based on 53,666,718 shares of common stock issued and outstanding as of March 31, 2018, and excludes, in each case as of such date:

- 23,978 shares of common stock underlying warrants issued by the Company to our previous bank lender at an exercise price of $5.00 per share in connection with the loan agreement;
- 310,047 shares of common stock issuable upon the exercise of outstanding stock options issued under the Company's 2015 Equity Incentive Plan, and (ii) 642,870 shares of common stock issuable upon the exercise of outstanding stock options issued under the Company's 2014 Stock Option Incentive Plan;
- 658,903 shares of common stock reserved for issuance under the Company's 2015 Equity Incentive Plan, (ii) 1,447 shares of common stock underlying stock options reserved for issuance under the Company's 2014 Stock Option Incentive Plan, and (iii) 2,997 shares of common stock reserved for issuance under the Company's 2013 Stock Incentive Plan;
- 103,493 shares issuable upon the conversion of issued and outstanding preferred stock and cumulative preferred stock dividends; and
- 140,000 shares issuable to our former chief executive officer upon the occurrence of certain fundamental transactions involving the Company.

Unaudited Pro Forma Combined Consolidated Financial Statements of USA Technologies, Inc.

The unaudited pro forma consolidated statements of operations for the year ended June 30, 2017 and for the nine months ended March 31, 2018 set forth below were derived by the application of pro forma adjustments to our consolidated financial statements and related notes incorporated by reference herein. This prospectus incorporates by reference our annual report on Form 10-K for the year ended June 30, 2017 and our quarterly report on Form 10-Q for the period ended March 31, 2018.

Pursuant to the Agreement and Plan of Merger dated November 6, 2017 ("Merger Agreement"), USA Technologies, Inc. (the "Company") completed its acquisition of Cantaloupe Systems, Inc. ("Cantaloupe") for approximately $85.0 million in aggregate consideration, net of cash acquired (the "Acquisition") on November 9, 2017 ("Acquisition Date").

In connection with the Acquisition, the Company paid $65.2 million in cash ("Cash Consideration") and issued 3,423,367 shares of the Company's common stock ("USAT Shares") with a fair value as determined under the Merger Agreement of $19.8 million (collectively, "Merger Consideration") as consideration for all of the issued and outstanding shares of stock, options, and warrants of Cantaloupe. During the third quarter ended March 31, 2018, the Company finalized the post-closing adjustment, with respect to Cantaloupe's net working capital, as set forth in the Merger Agreement. In connection with the final working capital adjustment of $253 thousand, the Company recorded a $232 thousand receivable and cancelled 3,577 of our shares that were held in escrow, with a value of $21 thousand as determined under the Merger Agreement. Pursuant to an Escrow Agreement, 1,496,707 of the USAT Shares, with a value of $8.7 million as determined under the Merger Agreement, were not delivered to the former stockholders or warrantholders of Cantaloupe but are to be held in escrow for a minimum of fifteen months following the Acquisition as partial security for certain indemnification obligations of the former stockholders and warrantholders of Cantaloupe under the Merger Agreement.

In order to partially finance the Acquisition, the Company entered into a credit agreement with JPMorgan Chase Bank, N.A. (the "Financing" and together with the Acquisition, the "Transactions"), as the lender and administrative agent for the lender, pursuant to which the JPMorgan Chase Bank (i) made a $25.0 million term loan to the Company ("Term Loan") and (ii) provided the Company with a revolving line of credit ("Line of Credit") under which the Company may borrow revolving credit loans in an aggregate principal amount not to exceed $12.5 million at any time. The proceeds of the Term Loan ($25.0 million) and borrowings under the Line of Credit ($10.0 million), in an aggregate principal amount equal to $35.0 million, were used by the Company to finance a portion of the purchase price for the acquisition of Cantaloupe and repay the Company's existing indebtedness to Heritage Bank of Commerce (the "Heritage Line of Credit").

As used herein, the terms the "Company," "USAT," "we," and "our" refer to USA Technologies, Inc., and where applicable, its consolidated subsidiaries. The unaudited combined consolidated pro forma financial statements presented in this SEC Registration Statement Form S-1 ("Form S-1") should be read in conjunction with the accompanying notes. In addition, the unaudited pro forma combined consolidated financial statements were based on and should be read in conjunction with:

- USAT audited consolidated financial statements and related notes thereto as of June 30, 2017 and for the year ended June 30, 2017 as reported on Form 10-K;
- USAT unaudited consolidated financial statements and related notes thereto as of March 31, 2018 and for the nine months ended March 31, 2018 as reported on Form 10-Q; and
- Cantaloupe audited financial statements and related notes thereto as of December 31, 2016 and 2015 and for the years ended December 31, 2016 and 2015 as contained in our current report on Form 8-K/A dated January 25, 2018.

The Company and Cantaloupe have different fiscal year ends. To meet the Securities and Exchange Commission's (the "SEC") pro forma requirements of combining operating results for an annual period that ends within 93 days of the end of our latest annual fiscal period as filed with the SEC, we adjusted Cantaloupe's historical financial information for the year ended December 31, 2016 to include the interim period ended June 30, 2017 and subtracted the comparable interim period ended June 30, 2016. The Cantaloupe revenue and net income for the six months ended June 30, 2017 were $10.6 million and $664 thousand, respectively; and, the Cantaloupe revenue and net income for the six months ended June 30, 2016 were $8.5 million and $66 thousand, respectively. We combined this Cantaloupe unaudited historical financial information for the twelve months ended June 30, 2017 with our fiscal year ended June 30, 2017 financial information to prepare the unaudited pro forma combined consolidated statement of operations.

As the Transactions occurred on November 9, 2017 and are reflected in the Company's financial position as of March 31, 2018, as set forth in the Company's unaudited condensed balance sheet included in this Form S-1, a pro forma balance sheet is not required to be presented herein. The unaudited pro forma combined consolidated statements of operations for the twelve months ended June 30, 2017 and the nine months ended March 31, 2018 combine the historical consolidated statements of operations of USAT and Cantaloupe, giving effect to the Transactions as if each occurred on July 1, 2016. The unaudited pro forma combined consolidated statement of operations does not purport to represent the actual results of operations that would have occurred if the Acquisition had taken place on the date specified and are not necessarily indicative of the results of operations that may be achieved in the future.

The historical combined financial information has been adjusted to give effect to events that are (i) directly attributable to the Acquisition, (ii) factually supportable, and (iii) with respect to the statements of operations, expected to have a continuing impact on the combined results. The detailed assumptions used to prepare the pro forma financial information are contained in the notes to the unaudited pro forma combined consolidated financial statements. Items not adjusted for in the unaudited pro forma combined consolidated financial statements include the following:

- Operating synergies that we may realize as a result of the Acquisition;
- Any potential impact related to our assessment of the realizability of deferred tax assets acquired; and
- Non-recurring expenses expected to be incurred in connection with the Acquisition, as it relates to the unaudited pro forma combined consolidated statement of operations.

The Acquisition has been accounted for as a business combination (in accordance with ASC 805, *Business Combinations*) and, as such, Cantaloupe's assets acquired and liabilities assumed have been recorded at their respective fair values. The determination of fair value for the identifiable tangible and intangible assets acquired and liabilities assumed requires extensive use of accounting estimates and judgments. Significant estimates and assumptions include, but are not limited to, estimating future cash flows and determining the appropriate discount rate. The estimated fair values of the assets acquired and liabilities assumed on the Acquisition Date included in the unaudited pro forma combined consolidated financial statements are provisional and subject to change. Any changes to the final fair values could be material.

USA TECHNOLOGIES, INC.
UNAUDITED PRO FORMA COMBINED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED MARCH 31, 2018
(In thousands, except per share data)

	USA Technologies, Inc.	Cantaloupe Systems, Inc. Reclassified (7/1 – 11/9) (Note 3)	Conforming Accounting Policy Adjustments (Note 4)	Financing Adjustments (Note 5)	Acquisition Adjustments (Note 6)	USA Technologies, Inc. Pro Forma Combined
Revenues:						
License and transaction fees	$ 69,817	$ 6,583	$ -	$ -	$ -	$ 76,400
Equipment sales	24,138	1,383	2,485 (a)	-	-	28,006
Total revenues	93,955	7,966	2,485	-		104,406
Cost of sales:						
Cost of services	43,700	1,383	(531) (c)	-	-	44,552
Cost of equipment	21,909	1,602	2,237 (b)	-	-	25,748
Total cost of sales	65,609	2,985	1,706	-	-	70,300
Gross profit	28,346	4,981	779	-	-	34,106
Operating expenses:						
Selling, general and administrative expenses	24,647	4,470	-	-	-	29,117
Integration and acquisition costs	5,844	-	-	-	(5,844) (b)	-
Depreciation and amortization	2,107	57	-	-	1,027 (a)	3,191
Total operating expenses	32,598	4,527	-	-	(4,817)	32,308
Operating (loss) income	(4,252)	454	779	-	4,817	1,798
Other income (expense):						
Interest income	465	-	-	-	-	465
Interest expense	(1,315)	(89)	-	(529) (a)	23 (c)	(1,910)
Total other expense, net	(850)	(89)	-	(529)	23	(1,445)
(Loss) income before income taxes	(5,102)	365	779	(529)	4,840	353
(Provision) benefit for income taxes	(6,467)	-	(238) (d)	161 (b)	(1,477) (d)	(8,021)
Net (loss) income	(11,569)	365	541	(368)	3,363	(7,668)
Preferred dividends	(668)	-	-	-	-	(668)
Net (loss) income applicable to common shares	$ (12,237)	$ 365	$ 541	$ (368)	$ 3,363	$ (8,336)
Net (loss) income per common share (Note 7):						
Basic and diluted	$ (0.24)					$ (0.16)
Weighted average number of common shares outstanding (Note 7):						
Basic and diluted	51,101,813					53,601,684

The accompanying notes are an integral part of the unaudited pro forma combined condensed financial statements.

USA TECHNOLOGIES, INC.
UNAUDITED PRO FORMA COMBINED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2017
(In thousands, except per share data)

	USA Technologies, Inc.	Cantaloupe Systems, Inc. Reclassified (Note 3)	Conforming Accounting Policy Adjustments (Note 4)	Financing Adjustments (Note 5)	Acquisition Adjustments (Note 6)	USA Technologies, Inc. Pro Forma Combined
Revenues:						
License and transaction fees	$ 69,142	$ 16,773	$ -	$ -	$ -	$ 85,915
Equipment sales	34,951	3,285	4,035 (a)	-	-	42,271
Total revenues	104,093	20,058	4,035	-	-	128,186
Cost of sales:						
Cost of services	47,053	3,941	(1,307) (c)	-	-	49,687
Cost of equipment	30,394	3,827	3,346 (b)	-	-	37,567
Total cost of sales	77,447	7,768	2,039	-	-	87,254
Gross profit	26,646	12,290	1,996	-	-	40,932
Operating expenses:						
Selling, general and administrative expenses	25,493	10,920	-	-	-	36,413
Depreciation and amortization	1,018	172	-	-	2,875 (a)	4,065
Total operating expenses	26,511	11,092	-	-	2,875	40,478
Operating (loss) income	135	1,198	1,996	-	(2,875)	454
Other income (expense):						
Interest income	482	1	-	-	-	483
Interest expense	(892)	(300)	-	(1,612) (a)	103 (c)	(2,701)
Change in fair value of warrant liabilities	(1,490)	-	-	-	-	(1,490)
Total other expense, net	(1,900)	(299)	-	(1,612)	103	(3,708)
(Loss) income before income taxes	(1,765)	899	1,996	(1,612)	(2,772)	(3,254)
(Provision) benefit for income taxes	(87)	(4)	(738) (d)	597 (b)	1,025 (d)	793
Net (loss) income	(1,852)	895	1,258	(1,015)	(1,747)	(2,461)
Preferred dividends	(668)	-	-	-	-	(668)
Net loss applicable to common shares	$ (2,520)	$ 895	$ 1,258	$ (1,015)	$ (1,747)	$ (3,129)
Net loss per common share (Note 7):						
Basic and diluted	$ (0.06)					$ (0.06)
Weighted average number of common shares outstanding:						
Basic and diluted	39,860,335					52,849,217

The accompanying notes are an integral part of the unaudited pro forma combined condensed financial statements.

USA TECHNOLOGIES, INC.
NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. BASIS OF PRESENTATION

The financial results of Cantaloupe from the Acquisition Date through March 31, 2018 were consolidated and included in the Company's unaudited financial results as of March 31, 2018. Therefore, a pro forma balance sheet is not presented as the balance sheet of USAT as of March 31, 2018 already includes the financial position of Cantaloupe.

The unaudited pro forma combined consolidated statement of operations for the twelve months ended June 30, 2017 combines the historical year ended June 30, 2017 results for USAT and the historical twelve months ended June 30, 2017 for Cantaloupe to conform to USAT's fiscal year-end. The unaudited pro forma combined consolidated statement of operations for the nine months ended March 31, 2018 combines the historical third quarter ended March 31, 2018 results for USAT and the historical 131-day results for Cantaloupe beginning July 1, 2017 through November 9, 2017. Subsequent to November 9, 2017, the financial results of Cantaloupe are consolidated with the financial results of USAT in the Company's consolidated statement of operations for the period ended December 31, 2017. The unaudited pro forma combined consolidated statements of operations give effect to the Transactions as if each occurred on July 1, 2016.

The unaudited pro forma combined consolidated statements of operations do not reflect the non-recurring expenses that we incurred in connection with the Transactions, including fees to financing sources, attorneys, accountants and other professional advisors, the write-off of deferred financing costs, and other transaction-related costs that will not be capitalized. Additionally, the unaudited pro forma combined consolidated statements of operations do not reflect the effects of any anticipated cost savings and any related non-recurring costs to achieve those cost savings. The unaudited pro forma combined consolidated statements of operations do not purport to represent our actual results of operations that would have occurred if the acquisitions had taken place on the dates specified, nor are they necessarily indicative of the results of operations that may be achieved in the future. The unaudited pro forma financial statements includes certain reclassifications to conform the historical financial information of Cantaloupe to our financial presentation as discussed in Note 3, *Reclassifications*.

NOTE 2. CONSIDERATION TRANSFERRED

USAT completed the acquisition of 100% of the outstanding shares of Cantaloupe on November 9, 2017, upon which Cantaloupe became a wholly-owned subsidiary of USA Technologies. As part of the transaction and pursuant to the Merger Agreement, all of the outstanding options and warrants to acquire the stock of Cantaloupe were cancelled.

The fair value of the purchase price consideration consisted of the following:

(In thousands)	
Cash Consideration [1]	$ (65,181)
USAT Shares issued as stock consideration [2]	(19,810)
Post-closing adjustment for working capital [3]	253
Total Consideration	$ (84,738)

(1) The Cash Consideration is subject to certain post-closing adjustments, including with respect to the Company's net working capital, as set forth in the Merger Agreement. This adjustment was finalized in the third quarter and is identified separately in the table above.
(2) Represents the stock consideration amount pursuant to the terms and conditions of the Merger Agreement equal to the 3,423,367 USAT Shares issued by the Company, multiplied by the fair market value per share of the USAT common stock, as determined by the Merger Agreement. Pursuant to an Escrow Agreement, 1,496,707 of the USAT Shares, with a value of $8.7 million as determined under the Merger Agreement, were not delivered to the former stockholders or warrantholders of Cantaloupe but are to be held in escrow for a minimum of fifteen months following the Acquisition as partial security for certain indemnification obligations of the former stockholders and warrantholders of Cantaloupe under the Merger Agreement.
(3) During the third quarter ended March 31, 2018, the Company recorded a receivable of $232 thousand and cancelled 3,577 of our shares that had been held in escrow with a value of $21 thousand to reflect the final net working capital adjustment, as set forth in the Merger Agreement.

The purchase price of Cantaloupe was allocated to the following assets acquired and liabilities assumed as of the Acquisition Date:

(In thousands)	
Accounts receivable, net	$ 3,232
Finance receivable, net	1,640
Inventory	782
Prepaid expense and other current assets	682
Finance receivables, less current portion	3,483
Other assets	50
Property, plant and equipment	1,573
Intangibles, net	30,800
Goodwill	52,704
Total assets acquired	94,946
Accounts payable	(1,591)
Accrued expenses	(1,832)
Deferred revenue, current portion	(626)
Deferred income tax liabilities	(4,359)
Capital lease obligations and current obligations under long-term debt	(666)
Capital lease obligations and long-term debt, less current portion	(1,134)
Net assets acquired	$ 84,738

NOTE 3. RECLASSIFICATIONS

The following identifies the reclassifications made to Cantaloupe's historical financial statements in order to conform to our financial statement presentation:

Cantaloupe reclassifications in the unaudited pro forma combined consolidated statements of operations

131 days ended November 9, 2017:

(In thousands)	Before Reclassification	Reclassification		After Reclassification
Revenue	$ 7,966	$ (7,966)	(a),(b)	$ -
Equipment sales	-	1,383	(a)	1,383
License and transaction fees	-	6,583	(b)	6,583
Cost of revenue	2,985	(2,985)	(c),(d)	-
Cost of equipment	-	1,602	(c)	1,602
Cost of services	-	1,383	(d)	1,383
Depreciation and amortization	-	57	(e)	57
Research and development	1,229	(1,229)	(f)	-
Sales and marketing	1,210	(1,210)	(f)	-
General and administration	2,088	(2,088)	(e),(f)	-
Selling, general and administrative	-	4,470	(f)	4,470
Interest and other expense, net	(89)	89	(g)	-
Interest expense	-	(89)	(g)	(89)

Twelve months ended June 30, 2017:

(In thousands)	Cantaloupe Systems, Inc. Historical	Cantaloupe Systems, Inc. Reclassifications		Cantaloupe Systems, Inc. Reclassified
Revenue	$ 20,058	$ (20,058)	(a),(b)	$ -
Equipment sales	-	3,285	(a)	3,285
License and transaction fees	-	16,773	(b)	16,773
Cost of revenue	7,768	(7,768)	(c),(d)	-
Cost of equipment	-	3,827	(c)	3,827
Cost of services	-	3,941	(d)	3,941
Depreciation and amortization	-	172	(e)	172
Research and development	3,584	(3,584)	(f)	-
Sales and marketing	2,092	(2,092)	(f)	-
General and administration	5,416	(5,416)	(e),(f)	-
Selling, general and administrative	-	10,920	(f)	10,920
Interest and other expense, net	(299)	299	(g)	-
Interest expense	-	(300)	(g)	(300)
Interest income	-	1	(g)	1

(a) Represents the reclassification of Cantaloupe revenue on Cantaloupe's statement of operations into equipment sales to conform to USAT's statement of income presentation.

(b) Represents the reclassification of Cantaloupe revenue on Cantaloupe's statement of operations into license and transaction fees to conform to USAT's statement of income presentation.

(c) Represents the reclassification of Cantaloupe cost of revenue on Cantaloupe's statement of operations into cost of equipment to conform to USAT's statement of income presentation.

(d) Represents the reclassification of Cantaloupe cost of revenue on Cantaloupe's statement of operations into cost of services to conform to USAT's statement of income presentation.

(e) Represents the reclassification of Cantaloupe general and administration on Cantaloupe's statement of operations into depreciation and amortization to conform to USAT's statement of income presentation.

(f) Represents the reclassifications of Cantaloupe research and development, sales and marketing, and general and administration, respectively, on Cantaloupe's statement of operations into selling, general and administrative to conform to USAT's statement of income presentation.

(g) Represents the reclassification of Cantaloupe interest and other expense, net on Cantaloupe's statement of operations into interest expense, and income, respectively, to conform to USAT's statement of income presentation.

NOTE 4. ACCOUNTING POLICIES

Management performed a review of Cantaloupe's significant accounting policies for the purpose of identifying any material differences and noted an accounting policy difference related to multiple element arrangements, whereby Cantaloupe historically recognized the sale of its cashless payment devices and the related services as one unit of accounting (over the length of the contract) and USAT recognizes these elements as separate deliverables (with equipment sales recognized up-front for outright sales or for leases determined to qualify as sales-type in accordance with ASC 840 *Leases)*. As a result, the pro forma financial statements include the following adjustments to recognize Cantaloupe revenue related to the sale of equipment up-front:

(a) Refer to the table below for adjustments to equipment revenue:

(In thousands)	Nine months ended March 31, 2018	Twelve months ended June 30, 2017
Record revenue for equipment sales [1]	$ 3,461	$ 7,320
Eliminate revenue for previously deferred equipment sales [2]	(976)	(3,285)
Total adjustment	$ 2,485	$ 4,035

1. Adjustment to recognize revenue for cashless payment hardware related to new contracts comprising outright sales or sales-type leases during the nine months ended March 31, 2018 and fiscal year ended June 30, 2017.
2. Adjustment to eliminate revenue for nine months ended March 31, 2018 and fiscal year ended June 30, 2017 related to the deferred portion of previous sales which were being recognized ratably over the contract.

(b) Refer to the table below for adjustments to cost of equipment sales:

(In thousands)	Nine months ended March 31, 2018	Twelve months ended June 30, 2017
Record cost of sales for equipment sales (1)	$ 3,210	$ 6,767
Eliminate cost of equipment sales for previously deferred equipment sales(2)	(973)	(3,421)
Total adjustment	$ 2,237	$ 3,346

1. Adjustment to recognize cost of equipment for cashless payment hardware related to new contracts comprising outright sales or sales-type leases during the nine months ended March 31, 2018 and fiscal year ended June 30, 2017.
2. Adjustment to eliminate cost of equipment for nine months ended March 31, 2018 and fiscal year ended June 30, 2017 related to the deferred portion of previous sales which were being recognized ratably over the contract.

(c) Adjustment to eliminate depreciation expense for the nine months ended March 31, 2018 and the fiscal year ended June 30, 2017 related to cashless payment hardware considered to be sales-type leases.

(d) On December 22, 2017, the Tax Cuts and Jobs Act (the “Act”) was signed into law. The Act includes significant changes to the Internal Revenue Code of 1986, including amendments which significantly change the taxation of individuals and business entities. The Act contains numerous provisions impacting the Company, the most significant of which reduces the Federal corporate statutory tax rate. For purposes of income tax accounting, a blended tax rate would apply for non-calendar year-end companies for their fiscal periods that include the effective date of the rate change. As such, an estimated income tax rate of approximately 37.0% has been used for the adjustments for the conforming accounting policies for the year ended June 30, 2017, while an estimated income tax rate of approximately 30.5% has been used for the adjustments for the conforming accounting policies for the nine months ended March 31, 2018. The estimated income tax rates are based on the applicable enacted statutory rates for the period. The rates are an estimate and do not reflect the Company’s effective tax rates, which include other items and may be significantly different than the rates assumed for purposes of preparing these unaudited pro forma financial statements.

NOTE 5. PRO FORMA ADJUSTMENTS RELATED TO FINANCING

The unaudited pro forma combined consolidated financial statements reflect the following adjustments related to the Financing:

(a) Adjustment to interest expense consists of the following:

(In thousands)	Nine months ended March 31, 2018	Twelve months ended June 30, 2017
Eliminate interest expense associated with the Heritage Line of Credit	$ 168	$ 495
Record interest expense associated with the Term Loan	(474)	(1,491)
Record interest expense associated with the Line of Credit	(212)	(586)
Record amortization of deferred financing fees	(11)	(30)
Pro forma adjustment to interest expense	$ (529)	$ (1,612)

A 0.125% change in the estimated interest rates on the variable rate indebtedness at the closing of the Transactions, would result in an increase or decrease in the pro forma annual interest expense of approximately $31 thousand annually and $14 thousand for a nine-month period.

(b) On December 22, 2017, the Tax Cuts and Jobs Act (the "Act") was signed into law. The Act includes significant changes to the Internal Revenue Code of 1986, including amendments which significantly change the taxation of individuals and business entities. The Act contains numerous provisions impacting the Company, the most significant of which reduces the Federal corporate statutory tax rate. For purposes of income tax accounting, a blended tax rate would apply for non-calendar year-end companies for their fiscal periods that include the effective date of the rate change. As such, an estimated income tax rate of approximately 37.0% has been used for adjustments related to the Financing for the year ended June 30, 2017, while an estimated income tax rate of approximately 30.5% has been used for the adjustments related to the Financing for the nine months ended March 31, 2018. The estimated income tax rates are based on the applicable enacted statutory rates for the period. The rates are an estimate and do not reflect the Company's effective tax rates, which include other items and may be significantly different than the rates assumed for purposes of preparing these unaudited pro forma financial statements.

NOTE 6. PRO FORMA ADJUSTMENTS RELATED TO THE ACQUISITION

The unaudited pro forma combined consolidated financial statements reflect the following adjustments related to the Acquisition:

(a) Adjustment to record the acquired identifiable intangible assets and related amortization expense. The estimated fair values of developed technology and trade names were determined using the relief from royalty method, a form of the income approach, which estimates the fair value of an asset by quantifying the cost savings derived from owning the asset instead of paying a royalty to license the asset from a third party. The estimated fair value of customer relationships was determined using the multi-period excess earnings method, a form of the income approach. The principle behind this method is that the value of the intangible asset is equal to the present value of the after-tax cash flows attributable to the intangible asset only. Contributory asset charges are taken for all other assets that contribute to the generation of the customer relationship's cash flows. The following tables represent information related to the intangible assets and the related amortization expense:

(In thousands)	Nine months ended March 31, 2018	Twelve months ended June 30, 2017
Eliminate Cantaloupe's historical amortization expense	$ (44)	$ (121)
Record amortization expense for the acquired intangible assets	1,071	2,996
Pro forma adjustment	$ 1,027	$ 2,875

(b) Adjustment to eliminate $5.8 million of non-recurring transaction-related expenses incurred by USAT through March 31, 2018 in connection with the Acquisition.

(c) Adjustment to eliminate Cantaloupe's historical interest expense related to Silicon Valley Bank loan and line of credit, which were settled by USAT as part of the Acquisition.

(d) On December 22, 2017, the Tax Cuts and Jobs Act (the "Act") was signed into law. The Act includes significant changes to the Internal Revenue Code of 1986, including amendments which significantly change the taxation of individuals and business entities. The Act contains numerous provisions impacting the Company, the most significant of which reduces the Federal corporate statutory tax rate. For purposes of income tax accounting, a blended tax rate would apply for non-calendar year-end companies for their fiscal periods that include the effective date of the rate change. As such, an estimated income tax rate of approximately 37.0% has been used for adjustments related to the Acquisition for the year ended June 30, 2017, while an estimated income tax rate of approximately 30.5% has been used for the adjustments related to the Acquisition for the nine months ended March 31, 2018. The estimated income tax rates are based on the applicable enacted statutory rates for the period. The rates are an estimate and do not reflect the Company's effective tax rates, which includes other items and may be significantly different than the rates assumed for purposes of preparing these unaudited pro forma financial statements.

NOTE 7. EARNINGS PER SHARE INFORMATION

The unaudited pro forma combined basic and diluted earnings per share for the period presented are based on the basic and diluted weighted average number of common shares outstanding. The pro forma combined shares outstanding for the twelve months ended June 30, 2017 and the nine months ended March 31, 2018 are impacted by the July 19, 2017 offering of 9,583,332 shares, and the 3,423,367 shares that were issued by the Company as stock consideration in connection with the Acquisition.

The unaudited pro forma basic and diluted earnings per share ("EPS") are calculated as follows:

(In thousands except share and per share data)	Nine months ended March 31, 2018	Twelve months ended June 30, 2017
Pro Forma Basic and Diluted EPS		
Pro forma net income (loss)	$ (8,336)	$ (3,129)
Pro forma basic weighted-average common stock outstanding	53,601,684	52,849,217
Pro forma basic and diluted EPS	$ (0.16)	$ (0.06)

DESCRIPTION OF SECURITIES

General

We are authorized to issue up to 640,000,000 shares of common stock, no par value, and 1,800,000 shares of undesignated preferred stock. As of the date hereof, 900,000 preferred shares have been designated as series A convertible preferred stock, no par value. As of May 1, 2018, there were 53,670,467 shares of common stock issued and outstanding and 445,063 shares of series A convertible preferred stock issued and outstanding which are convertible into 88,499 shares of common stock.

Common Stock

The holder of each share of common stock:

- is entitled to one vote on all matters submitted to a vote of the shareholders, including the election of directors. There is no cumulative voting for directors;
- does not have any preemptive rights to subscribe for or purchase shares, obligations, warrants, or other securities; and
- is entitled to receive such dividends as the board of directors may from time to time declare out of funds legally available for payment of dividends.

No dividend may be paid on the common stock until all accumulated and unpaid dividends on the series A convertible preferred stock have been paid. Upon any liquidation, dissolution or winding up of the Company, holders of shares of common stock are entitled to receive *pro rata* all of the assets of the Company available for distribution, subject to the liquidation preference of the series A convertible preferred stock of $10 per share, and any unpaid and accumulated dividends on the series A convertible preferred stock which, as of May 1, 2018, was in the amount of $33.69 per share, or a total of $14.99 million.

Series A Convertible Preferred Stock

The holders of shares of series A convertible preferred stock:

- have the number of votes per share equal to the number of shares of common stock into which each such share is convertible (*i.e.*, each share of series A convertible preferred stock equals 0.1988 of a vote);
- are entitled to vote on all matters submitted to the vote of the shareholders of the Company, including the election of directors; and
- are entitled to an annual cumulative cash dividend of $1.50 per annum, payable when, as and if declared by the Board of Directors.

The record dates for payment of dividends on the series A convertible preferred stock are February 1 ($0.75) and August 1 ($0.75) of each year. Any and all accumulated and unpaid cash dividends on the series A convertible preferred stock must be declared and paid prior to the declaration and payment of any dividends on the common stock. Any unpaid and accumulated dividends will not bear interest. As of May 1, 2018, such accumulated unpaid dividends amounted to $14.99 million.

Each share of series A convertible preferred stock is convertible at any time into 0.1988 of a share of fully issued and non-assessable common stock. Accrued and unpaid dividends earned on shares of series A convertible preferred stock being converted into common stock are also convertible into common stock at the rate $1,000 per share of common stock at the time of conversion, and whether or not such dividends have then been declared by the Company. Upon any liquidation, dissolution, or winding-up of the Company, or upon certain changes of control involving the Company as more fully described in our Articles of Incorporation, the holders of series A convertible preferred stock are entitled to receive a distribution in preference to the common stock in the amount of $10 per share plus any accumulated and unpaid dividends. We have the right, at any time, to redeem all or any part of the issued and outstanding series A convertible preferred stock for the sum of $11 per share plus any and all unpaid and accumulated dividends thereon. Upon notice by the Company of such call, the holders of the series A convertible preferred stock so called will have the opportunity to convert their shares and any unpaid and accumulated dividends thereon into shares of common stock.

Listing

Our common stock is listed on The Nasdaq Global Market under the symbol “USAT.”

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer and Trust Company, LLC. The transfer agent’s address is 6201 15th Avenue, 3rd Floor, Brooklyn, New York 11219.

UNDERWRITING

William Blair & Company, L.L.C. is acting as representative of each of the underwriters named below and as book-running manager for this offering. Subject to the terms and conditions set forth in the underwriting agreement among us, the selling shareholders and the underwriters, we and the selling shareholders have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us and the selling shareholders the number of shares of common stock set forth opposite its name below.

Underwriter	Number of Shares
William Blair & Company, L.L.C.	
Craig-Hallum Capital Group LLC	
Northland Securities, Inc.	
Barrington Research Associates, Inc.	
Total	

Subject to the terms and conditions set forth in the underwriting agreement, each of the underwriters has agreed, severally and not jointly, to purchase all of the shares sold under the underwriting agreement if any of the shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

We and the selling shareholders have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the “Securities Act”), or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officers’ certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representative has advised us that the underwriters propose initially to offer the shares to the public at the public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. After the initial offering of the shares, the public offering price, concession or any other term of the offering may be changed by the representative.

The following table shows the public offering price, underwriting discounts and commissions and proceeds before expenses to us and to the selling shareholders. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional shares of our common stock.

		Total	
	Per Share	Without Option	With Option
Public offering price	$	$	$
Underwriting discounts and commissions paid by us	$	$	$
Underwriting discounts and commissions paid by the selling shareholders	$	$	$
Proceeds, before expenses, to us	$	$	$
Proceeds, before expenses, to the selling shareholders	$	$	$

We estimate expenses payable by us in connection with this offering, other than the underwriting discounts and commissions referred to above, will be approximately $. We also have agreed to reimburse the underwriters for $60,000 for their counsel fees. In accordance with FINRA Rule 5110, this reimbursed fee is deemed underwriting compensation for this offering.

Pursuant to a financial advisory services agreement, we have retained Lake Street Capital Markets, LLC (“Lakehouse”), a FINRA member, to act as our financial advisor in connection with this offering. We have agreed to pay Lakehouse, upon the completion of this offering, a fee of $100,000. The services provided by Lakehouse include customary business and financial analysis. Lakehouse is not acting as an underwriter and will not sell or offer to sell any shares of our common stock and will not identify, solicit or engage directly with any public or institutional investors. In addition, Lakehouse will not underwrite or purchase any of our shares of common stock in this offering or otherwise participate in any such undertaking.

Option to Purchase Additional Shares

We have granted an option to the underwriters, exercisable for 30 days after the date of this prospectus, to purchase up to 700,463 additional shares at the public offering price, assuming a public offering price of $11.75, the last reported sale price of our common stock on The NASDAQ Global Market on May 15, 2018, with an aggregate market value of approximately $8,230,435, less the underwriting discounts and commissions. If the underwriters exercise this option, each underwriter will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares proportionate to that underwriter’s initial amount reflected in the above table.

No Sales of Similar Securities

We, our executive officers and directors, and the selling shareholders have agreed not to sell or transfer any shares of common stock or securities convertible into or exchangeable or exercisable for shares of common stock, for 90 days after the date of this prospectus without first obtaining the written consent of William Blair & Company, L.L.C., on behalf of the underwriters. Specifically, we and these other persons have agreed, with certain exceptions, not to directly or indirectly:

- offer, pledge, sell or contract to sell any shares of common stock;
- sell any option or contract to purchase any shares of common stock;
- purchase any option or contract to sell any shares of common stock;
- otherwise dispose of or transfer any shares of common stock;
- request or demand that we file a registration statement related to the shares of common stock;
- enter into any swap or other agreement or any transaction that transfers, in whole or in part, the economic consequence of ownership of any shares of common stock, whether any such swap, agreement or transaction is to be settled by delivery of shares or other securities, in cash or otherwise; or
- publicly announce any of the foregoing.

This lock-up provision applies to shares of common stock and to securities convertible into or exchangeable or exercisable for shares of common stock.

Nasdaq Global Market Listing

Our common stock is listed on The Nasdaq Global Market under the symbol “USAT.”

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of the shares is completed, SEC rules may limit the underwriters and selling group members from bidding for and purchasing our common stock. However, the underwriters may engage in transactions that stabilize the price of our common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with this offering, the underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than it is required to purchase in the offering. “Covered” short sales are sales made in an amount not greater than the underwriters’ option described above. The underwriters may close out any covered short position by either exercising its option or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which it may purchase shares through the option granted to it. “Naked” short sales are sales in excess of such option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the closing of the offering.

Similar to other purchase transactions, the underwriters’ purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on The Nasdaq Global Market, in the over-the-counter market or otherwise.

Neither we, the selling shareholders nor the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor the underwriters make any representation that the underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

The underwriters may also engage in passive market making transactions in our common stock on The Nasdaq Global Market in accordance with Rule 103 of Regulation M during a period before the commencement of offers or sales of shares of our common stock in this offering and extending through the completion of distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker’s bid, that bid must then be lowered when specified purchase limits are exceeded.

Electronic Distribution

In connection with this offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail.

Other Relationships

The underwriters and certain of its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. One of our directors, Robert L. Metzger, has been employed as a Senior Director at William Blair & Company, L.L.C. since January 2016. Some of the underwriters and certain of their affiliates may in the future engage in investment banking and other commercial dealings in the ordinary course of business with us and our affiliates, for which they may in the future receive customary fees, commissions and expenses.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates are currently providing investment banking advice to us and may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Additional Information

Northland Capital Markets is the trade name for certain capital markets and investment banking services of Northland Securities, Inc., member of FINRA/SIPC.

Selling Restrictions

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area (each, a "Relevant Member State"), no offer of shares may be made to the public in that Relevant Member State other than:

A. to any legal entity which is a qualified investor as defined in the Prospectus Directive;

B. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representative; or

C. in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares shall require the Company or the representative to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive. In the case of any shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Relevant Member State to qualified investors, as so defined or in circumstances in which the prior consent of the underwriters has been obtained to each such proposed offer or resale.

We, the representative and each of our affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This prospectus has been prepared on the basis that any offer of shares in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly, any person making or intending to make an offer in that Relevant Member State of shares which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for the Company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the underwriters has authorized, nor does it authorize, the making of any offer of shares in circumstances in which an obligation arises for the Company or the underwriters to publish a prospectus for such offer.

For the purpose of the above provisions, the expression “an offer to the public” in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State, and the expression “Prospectus Directive” means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

LEGAL MATTERS

The validity of the common stock offered hereby will be passed upon for us by Lurio & Associates, P.C., Philadelphia, Pennsylvania. Douglas M. Lurio, a principal of that law firm, is the beneficial owner of 189,070 shares of common stock. Certain other legal matters in connection with this offering will be passed upon for us by Ballard Spahr LLP, Philadelphia, Pennsylvania. Certain legal matters in connection with this offering will be passed upon for the underwriters by Goodwin Procter LLP, New York, New York.

EXPERTS

The Company’s consolidated financial statements of appearing in its Annual Report on Form 10-K for the years ended June 30, 2016 and June 30, 2017, and the effectiveness of the Company’s internal control over financial reporting as of each of June 30, 2016 and June 30, 2017 have been audited by RSM US LLP, independent registered public accounting firm, as stated in their reports thereon, and incorporated herein by reference.

The financial statements of Cantaloupe Systems, Inc. as of and for the years ended December 31, 2016 and 2015, included in USA Technologies, Inc.’s Current Report on Form 8-K/A filed on January 25, 2018, have been audited by Moss Adams LLP, independent auditors, as stated in their report, which is incorporated herein by reference. Such financial statements have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form S-1 under the Securities Act, relating to the shares of common stock being offered by this prospectus, and reference is made to such registration statement. This prospectus constitutes the prospectus of USA Technologies, Inc. filed as part of the registration statement, and it does not contain all information in the registration statement, as certain portions have been omitted in accordance with the rules and regulations of the SEC**.**

We are subject to the informational requirements of the Exchange Act, which requires us to file reports, proxy statements and other information with the SEC. Such reports, proxy statements and other information may be inspected at public reference facilities of the SEC at 100 F Street, N.E., Washington D.C. 20549 on official business days during the hours of 10:00 am to 3:00 pm. The public may obtain information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330. Copies of such material can be obtained from the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549 at prescribed rates. Because we file documents electronically with the SEC, you may also obtain this information by visiting the SEC’s Internet website at http://www.sec.gov.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to “incorporate by reference” the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information we incorporate by reference is an important part of this prospectus. This filing incorporates by reference the following documents, which we have previously filed with the SEC:

- our Annual Report on Form 10-K for the fiscal year ended June 30, 2017, filed on August 23, 2017;
- our Quarterly Reports on Form 10-Q for the quarters ended September 30, 2017, December 31, 2017 and March 31, 2018, filed on November 9, 2017, February 9, 2018 and May 10, 2018, respectively;
- our Current Reports on Form 8-K filed on August 21, 2017, November 6, 2017, November 7, 2017, November 15, 2017 (as amended by Amendment No. 1 filed on January 25, 2018), January 30, 2018, April 19, 2018, and May 2, 2018, to the extent the information in such reports is filed and not furnished;
- our Definitive Proxy Statement on Schedule 14A, filed on April 2, 2018; and
- the description of our Common Stock contained in our Registration Statement on Form 8-A (No. 001-33365), filed on March 15, 2007 pursuant to Section 12(b) of the Exchange Act.

Any statement contained in a document that is incorporated by reference in this prospectus will be modified or superseded for all purposes to the extent that a statement contained in this prospectus modifies or is contrary to that previous statement. Any statement so modified or superseded will not be deemed a part of this prospectus except as so modified or superseded.

We will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, upon written or oral request, a copy of any or all of the foregoing documents incorporated herein by reference (other than exhibits unless such exhibits are specifically incorporated by reference in such documents). Requests for such documents should be made to us at the following address or telephone number:

USA Technologies, Inc.
100 Deerfield Lane, Suite 300
Malvern, PA 19355
(610) 989-0340
Attention: Priyanka Singh, Chief Financial Officer
psingh@usatech.com

You may also access these documents through our website at www.usatech.com. The information and other content contained on, or linked from, our website are not and should not be considered a part of this prospectus.

USA TECHNOLOGIES, INC.

4,669,750 Shares
Common Stock

PROSPECTUS

Sole Book-Running Manager

William Blair

Craig-Hallum Capital Group

Northland Capital Markets

Barrington Research

, 2018

Through and including , 2018 (25 days after the commencement of this offering), all dealers that buy, sell or trade shares of our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the fees and expenses, other than underwriting discounts and commissions, payable in connection with the registration of the common stock hereunder. All amounts are estimates except the SEC registration fee and FINRA filing fee.

SEC Registration Fee	$	7,856
FINRA Filing fee	$	9,965
Printing and Mailing Expenses	$	15,000
Accounting Fees and Expenses	$	50,000
Legal Fees and Expenses	$	325,000
Other	$	42,179
Total	$	450,000

ITEM 14. INDEMNIFICATION OF OFFICERS AND DIRECTORS.

Section 1746 of the Pennsylvania Business Corporation Law of 1988, as amended ("BCL"), authorizes a Pennsylvania corporation to indemnify its officers, directors, employees and agents under certain circumstances against expenses and liabilities incurred in legal proceedings involving such persons because of their holding or having held such positions with the corporation and to purchase and maintain insurance of such indemnification. Our By-laws substantively provide that we will indemnify our officers, directors, employees and agents to the fullest extent provided by Section 1746 of the BCL.

Section 1713 of the BCL permits a Pennsylvania corporation, by so providing in its By-laws, to eliminate the personal liability of a director for monetary damages for any action taken unless the director has breached or failed to perform the duties of his office and the breach or failure constitutes self-dealing, willful misconduct or recklessness. In addition, no such limitation of liability is available with respect to the responsibility or liability of a director pursuant to any criminal statute or for the payment of taxes pursuant to Federal, state or local law. Our By-laws eliminate the personal liability of the directors to the fullest extent permitted by Section 1713 of the BCL.

As permitted by the BCL, our By-laws provide that directors will not be personally liable, as such, for monetary damages for any action taken unless the director has breached or failed to perform the duties of a director under the BCL and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. This limitation of personal liability does not apply to any responsibility or liability pursuant to any criminal statute, or any liability for the payment of taxes pursuant to Federal, state or local law. The By-laws also include provisions for indemnification of our directors and officers to the fullest extent permitted by the BCL. In addition, the Company has entered into separate indemnification agreements with its directors and officers which require the Company to indemnify each of such officers and directors to the fullest extent permitted by the law of the Commonwealth of Pennsylvania against certain liabilities which may arise by reason of their status as directors and officers. The indemnification agreements also provide that the Company must advance all expenses incurred by the indemnified person in connection with any proceeding, provided the indemnified person undertakes to repay the advanced amounts if it is determined ultimately that the indemnified person is not entitled to be indemnified. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

During the three years immediately preceding the date of the filing of this registration statement, the following securities were issued by the Company without registration under the Securities Act:

On March 29, 2016, the Company entered into a Loan and Security Agreement and other ancillary documents (the "Heritage Loan Documents") with Heritage Bank of Commerce ("Heritage Bank"), providing for a secured asset-based revolving line of credit in an amount of up to $12.0 million (the "Heritage Line of Credit"). In connection with the Heritage Loan Documents, the Company issued to Heritage Bank warrants to purchase up to 23,978 shares of common stock of the Company at an exercise price of $5.00 per share. The warrants are exercisable at any time through March 29, 2021 subject to earlier termination in the event of a business combination (as defined in the warrants). The warrants were issued by the Company pursuant to the exemption from registration set forth in Section 4(a)(2) of the Securities Act.

On November 9, 2017, pursuant to the Agreement and Plan of Merger dated November 6, 2017 (the "Merger Agreement") by and among the Company, USAT, Inc., a Delaware corporation and wholly owned subsidiary of the Company ("Merger Sub"), Cantaloupe Systems, Inc. ("Cantaloupe"), and Shareholder Representative Services LLC, as Stockholders' Representative ("Stockholders' Representative"), the Company acquired Cantaloupe, and Merger Sub merged with and into Cantaloupe, with Cantaloupe remaining as the surviving entity and a wholly-owned subsidiary of the Company (the "Merger"). In connection with the Merger, the Company issued 3,423,367 shares of the Company's common stock (the "USAT Shares") to each former stockholder and warrantholder of Cantaloupe (a "Cantaloupe Equityholder"). The offer and sale of the USAT Shares to the Cantaloupe Equityholders was exempt from registration under the Securities Act, pursuant to Section 4(a)(2) of the Securities Act and Rule 506 promulgated thereunder. The issuance and sale qualified for the exemption because (i) the Company reasonably believed that there were no more than 35 Cantaloupe Equityholders who were not "accredited investors" as that term is defined in Rule 501 promulgated under the Securities Act, (ii) the Company reasonably believed that each Cantaloupe Equityholder who was not an accredited investor, either alone or with such Cantaloupe Equityholder's purchaser representative, had such knowledge and experience in financial and business matters that such Cantaloupe Equityholder was capable of evaluating the merits and risks of an investment in the USAT Shares; and (iii) neither the Company nor any person acting on its behalf engaged in any general solicitation or advertising in connection with the offer or sale of the USAT Shares.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

The following exhibits are included herein or incorporated herein by reference:

Exhibit Number	Description
1.1*	Form of Underwriting Agreement by and between the Company, the Selling Shareholders and William Blair & Company, L.L.C.
2.1	Agreement and Plan of Merger, dated November 6, 2017, by and among USA Technologies, Inc., USAT, Inc., Cantaloupe Systems, Inc., and Shareholder Representative Services LLC, as Stockholders' Representative (Incorporated by reference to Exhibit 2.1 to Form 8-K filed on November 7, 2017).
3.1	Amended and Restated Articles of Incorporation of the Company filed January 26, 2004 (Incorporated by reference to Exhibit 3.1.20 to Form 10-QSB filed on February 12, 2004).
3.1.1	First Amendment to Amended and Restated Articles of Incorporation of the Company filed on March 17, 2005 (Incorporated by reference to Exhibit 3.1.1 to Form S-1 Registration Statement No. 333-124078).
3.1.2	Second Amendment to Amended and Restated Articles of Incorporation of the Company filed on December 13, 2005 (Incorporated by reference to Exhibit 3.1.2 to Form S-1 Registration Statement No. 333-130992).
3.1.3	Third Amendment to Amended and Restated Articles of Incorporation of the Company filed on February 7, 2006 (Incorporated by reference to Exhibit 3.1.3 to Form 10-K filed on September 30, 2013).
3.1.4	Fourth Amendment to Amended and Restated Articles of Incorporation of the Company filed on July 25, 2007. (Incorporated by reference to Exhibit 3.1.3 to Form 10-K filed September 23, 2008).

3.1.5	Fifth Amendment to Amended and Restated Articles of Incorporation of the Company filed on March 6, 2008. (Incorporated by reference to Exhibit 3.1.4 to Form 10-K filed September 23, 2008).
3.2	Amended and Restated By-Laws of the Company dated as of April 24, 2014 (Incorporated by reference to Exhibit 3(i) to Form 8-K filed on April 30, 2014).
4.1	Warrant dated March 29, 2016 in favor of Heritage Bank of Commerce (Incorporated by reference to Exhibit 4.2 to Form 10-K filed on September 13, 2016).
5.1*	Opinion of Lurio & Associates, P.C.
10.1	Form of Indemnification Agreement between the Company and each of its officers and directors (Incorporated by reference to Exhibit 10.1 to Form 10-Q filed May 14, 2007).
10.2	USA Technologies, Inc. 2013 Stock Incentive Plan (Incorporated by reference to Exhibit 10.6 to Form 10-K filed on September 30, 2013).
10.3	USA Technologies, Inc. 2014 Stock Option Incentive Plan (Incorporated by reference to Appendix A to the Company's Definitive Proxy Statement on form DEF 14A filed on May 15, 2014).
10.4	USA Technologies, Inc. 2015 Equity Incentive Plan (Incorporated by reference to Appendix A to the Company's Definitive Proxy Statement filed on May 15, 2015).
10.5	Amended and Restated Employment and Non-Competition Agreement between the Company and Stephen P. Herbert dated November 30, 2011. (Incorporated by reference to Exhibit 10.1 to Form 8-K filed December 5, 2011).
10.6	Employment and Non-Competition Agreement dated June 7, 2010 between the Company and Michael Lawlor (Incorporated by reference to Exhibit 10.22 to Form 10-K filed on September 30, 2013).
10.7	First Amendment to Employment and Non-Competition Agreement dated April 27, 2012 between the Company and Michael Lawlor (Incorporated by reference to Exhibit 10.23 to Form 10-K filed on September 30, 2013).
10.8	Second Amendment Employment and Non-Competition Agreement dated as of April 29, 2016 by and between the Company and Michael K. Lawlor (Incorporated by reference to Exhibit 10.19 to Form 10-K filed on September 13, 2016).
10.9	Employment Offer Letter dated as of March 10, 2017, by and between the Company and Priyanka Singh (Incorporated by reference to Exhibit 10.1 to Form 8-K filed March 28, 2017).
10.10	Small Ticket and Deployment Support Incentive Agreement between the Company and Visa U.S.A. Inc., dated as of October 31, 2017 (Portions of this exhibit were redacted pursuant to a confidential treatment request) (Incorporated by reference to Exhibit 10.1 to Form 10-Q filed February 9, 2018).
10.11	Mastercard Acceptance Agreement by and between the Company and Mastercard International Incorporated (Incorporated by reference to Exhibit 10.2 to Form 10-Q filed May 15, 2015) (Portions of this exhibit were redacted pursuant to a confidential treatment request).
10.12	First Amendment to Mastercard Acceptance Agreement by and between the Company and Mastercard International Incorporated dated April 27, 2015 (Incorporated by reference to Exhibit 10.45 to Form 10-K filed September 30, 2015) (Portions of this exhibit were redacted pursuant to a confidential treatment request).

10.13	Third Party Payment Processor Agreement dated April 24, 2015 by and among the Company, JPMorgan Chase Bank, N.A. and Paymentech, LLC (Incorporated by reference to Exhibit 10.46 to Form 10-K filed September 30, 2015) (Portions of this exhibit were redacted pursuant to a confidential treatment request).
10.14	Credit Agreement by and among the Company, its subsidiaries, and JPMorgan Chase Bank, N.A., dated November 9, 2017 (Portions of this exhibit were redacted pursuant to a confidential treatment request) (Incorporated by reference to Exhibit 10.2 to Form 10 Q filed February 9, 2018).
10.15	Employment, Non-Interference, Non-Solicitation, Non-Competition and Invention Assignment Agreement by and between the Company and Mandeep Arora dated November 9, 2017 (Incorporated by reference to Exhibit 10.3 to Form 10 Q filed February 9, 2018).
10.16	Separation Agreement and Release by and between the Company and Mandeep Arora dated April 14, 2018 (Incorporated by reference to Exhibit 10.1 to Form 8-K filed April 19, 2018).
21**	List of significant subsidiaries of the Company.
23.1*	Consent of RSM US LLP, Independent Registered Public Accounting Firm.
23.2*	Consent of Moss Adams LLP, Independent Auditors.
23.3*	Consent of Lurio & Associates, P.C. (included in Exhibit 5.1).
23.4**	Consent of Ballard Spahr LLP
24**	Power of Attorney (included on signature page hereof).

* Filed herewith.
** Previously filed.

ITEM 17. UNDERTAKINGS

The undersigned registrant hereby undertakes:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Amendment No.1 to Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in Malvern, Pennsylvania, on May 21, 2018.

USA TECHNOLOGIES, INC.

By: /s/ Stephen P. Herbert
Stephen P. Herbert, Chairman and Chief Executive Officer

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No.1 to Registration Statement on Form S-1 has been duly signed below by the following persons in the capacities and dates indicated.

SIGNATURES	TITLE	DATE
/s/ Stephen P. Herbert Stephen P. Herbert	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	May 21, 2018
* Priyanka Singh, CPA	Chief Financial Officer (Principal Financial and Accounting Officer)	May 21, 2018
* Steven D. Barnhart	Director	May 21, 2018
* Joel Brooks	Director	May 21, 2018
* Robert L. Metzger	Director	May 21, 2018
* Albin F. Moschner	Director	May 21, 2018
* William J. Reilly, Jr.	Director	May 21, 2018
* William J. Schoch	Director	May 21, 2018

* By: /s/ Stephen P. Herbert
Stephen P. Herbert
Attorney-in-Fact

Exhibit 1.1

[_____] Shares

USA TECHNOLOGIES, INC.

Common Stock, no par value per share

UNDERWRITING AGREEMENT

[_____], 2018

WILLIAM BLAIR & COMPANY, L.L.C.
As Representative of the several
Underwriters named in Schedule II hereto

c/o William Blair & Company, L.L.C.
222 West Adams Street, Suite 3300
Chicago, Illinois 60606

Ladies and Gentlemen:

USA Technologies, Inc., a Pennsylvania corporation (the ***"Company"***) and the selling shareholders named in Schedule I hereto (the ***"Selling Shareholders"***) propose to sell to the several Underwriters named in Schedule II hereto (the ***"Underwriters"***) an aggregate of [_____] shares (the ***"Firm Shares"***) of Common Stock, no par value per share (the ***"Common Stock"***), of the Company. The Company has also granted to the several Underwriters an option to purchase up to [_____] additional shares of Common Stock on the terms and for the purposes set forth in Section 4 hereof (collectively, the ***"Option Shares"***). The Firm Shares and any Option Shares purchased pursuant to this Underwriting Agreement are herein collectively called the ***"Securities."***

The Company and the Selling Shareholders hereby confirm their agreement with respect to the sale of the Securities to the several Underwriters, for whom William Blair & Company, L.L.C. is acting as representative (the ***"Representative"*** or ***"you"***).

1. Registration Statement and Prospectus. A registration statement on Form S-1 (File No. 333-224804) with respect to the Securities, including a preliminary form of prospectus, has been prepared by the Company in conformity with the requirements of the Securities Act of 1933, as amended (the ***"Act"***), and the rules and regulations (***"Rules and Regulations"***) of the Securities and Exchange Commission (the ***"Commission"***) thereunder and has been filed with the Commission. Such registration statement, including the amendments, exhibits and schedules thereto, as of the time it became effective, including the Rule 430A Information (as defined below), is referred to herein as the ***"Registration Statement."*** The Company will prepare and file a prospectus pursuant to Rule 424(b) of the Rules and Regulations that discloses the information previously omitted from the prospectus in the Registration Statement in reliance upon Rule 430A of the Rules and Regulations, which information will be deemed retroactively to be a part of the Registration Statement in accordance with Rule 430A of the Rules and Regulations (***"Rule 430A Information"***). If the Company has elected to rely upon Rule 462(b) of the Rules and Regulations to increase the size of the offering registered under the Act, the Company will prepare and file with the Commission a registration statement with respect to such increase pursuant to Rule 462(b) of the Rules and Regulations (such registration statement, including the contents of the Registration Statement incorporated by reference therein is the ***"Rule 462(b) Registration Statement"***). References herein to the ***"Registration Statement"*** will be deemed to include the Rule 462(b) Registration Statement at and after the time of filing of the Rule 462(b) Registration Statement. ***"Preliminary Prospectus"*** means any prospectus included in the Registration Statement prior to the effective time of the Registration Statement, any prospectus filed with the Commission pursuant to Rule 424(a) under the Rules and Regulations and each prospectus that omits Rule 430A Information used after the effective time of the Registration Statement. ***"Prospectus"*** means the prospectus that discloses the public offering price and other final terms of the Securities and the offering and otherwise satisfies Section 10(a) of the Act. All references in this Agreement to the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment or supplement to any of the foregoing, is deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval System or any successor system thereto (***"EDGAR"***).

All references herein to the Registration Statement, any Preliminary Prospectus or a Prospectus shall be deemed as of any time to include the documents and information incorporated therein by reference in accordance with the Rules and Regulations. Any reference to any amendment to the Registration Statement shall be deemed to include any document filed with the Commission pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), after the Effective Date and before the date of such amendment that is incorporated by reference in the Registration Statement.

2. Representations and Warranties of the Company. The Company represents and warrants to each Underwriter as of the date hereof, the First Closing Date (as defined below), and the Second Closing Date (as defined below) that:

(a) *Registration Statement and Prospectuses*. The Registration Statement and any post-effective amendment thereto has become effective under the Act. No stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto has been issued, and no proceeding for that purpose has been initiated or, to the Company's knowledge, threatened by the Commission. No order preventing or suspending the use of any Preliminary Prospectus or the Prospectus (or any supplement thereto) has been issued by the Commission and no proceeding for that purpose has been initiated or, to the Company's knowledge, threatened by the Commission. As of the time each part of the Registration Statement (or any post-effective amendment thereto) became or becomes effective, such part conformed or will conform in all material respects to the requirements of the Act and the Rules and Regulations. Upon the filing or first use within the meaning of the Rules and Regulations, each Preliminary Prospectus and the Prospectus (or any supplement to either) conformed or will conform in all material respects to the requirements of the Act and the Rules and Regulations. The documents incorporated by reference in any Preliminary Prospectus or the Prospectus conformed, and any further documents so incorporated will conform, when filed with the Commission, in all material respects to the requirements of the Exchange Act or the Act, as applicable, and the Rules and Regulations of the Commission thereunder. The Company meets the requirements under Form S-1 necessary for incorporation by reference of its Exchange Act reports.

(b) *Accurate Disclosure*. Each Preliminary Prospectus, at the time of filing thereof or the time of first use within the meaning of the Rules and Regulations, did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Neither the Registration Statement nor any amendment thereto, at the effective time of each part thereof, at the First Closing Date (as defined below) or at the Second Closing Date (as defined below) contained, contains or will contain an untrue statement of a material fact or omitted, omits or will omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. As of the Time of Sale (as defined below), neither (A) the Time of Sale Disclosure Package (as defined below) nor (B) any issuer free writing prospectus (as defined below), when considered together with the Time of Sale Disclosure Package, included an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Neither the Prospectus nor any supplement thereto, as of its issue date, at the time of any filing with the Commission pursuant to Rule 424(b) of the Rules and Regulations, at the First Closing Date or at the Second Closing Date, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The documents incorporated by reference in any Preliminary Prospectus or the Prospectus did not, and any further documents filed and incorporated by reference therein will not, when filed with the Commission, contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties in this Section 2(b) shall not apply to statements in or omissions from any Preliminary Prospectus, the Registration Statement (or any amendment thereto), the Time of Sale Disclosure Package or the Prospectus (or any supplement thereto) made in reliance upon, and in conformity with, written information furnished to the Company by you, or by any Underwriter through you, specifically for use in the preparation of such document, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 8(f).

Each reference to an ***"issuer free writing prospectus"*** herein means an issuer free writing prospectus as defined in Rule 433 of the Rules and Regulations.

"Time of Sale Disclosure Package" means the Preliminary Prospectus dated [_____], 2018, any free writing prospectus set forth on Schedule IV and the information on Schedule V, all considered together.

Each reference to a ***"free writing prospectus"*** herein means a free writing prospectus as defined in Rule 405 of the Rules and Regulations.

"Time of Sale" means [_____]:[_____] [a.m. / p.m.] (New York City time) on the date of this Agreement.

(c) *Issuer Free Writing Prospectuses*.

(i) Each issuer free writing prospectus, as of its issue date and at all subsequent times through the completion of the public offer and sale of the Securities or until any earlier date that the Company notified or notifies the Representative as described in Section 5(c)(ii), did not, does not and will not include any information that conflicted, conflicts or will conflict with the information contained in the Registration Statement, any Preliminary Prospectus or the Prospectus. The foregoing sentence does not apply to statements in or omissions from any issuer free writing prospectus based upon and in conformity with written information furnished to the Company by you or by any Underwriter through you specifically for use therein; it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 8(f).

(ii) At the time of filing the Registration Statement and any post-effective amendment thereto, and at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405 of the Rules and Regulations, without taking account of any determination by the Commission pursuant to Rule 405 of the Rules and Regulations that it is not necessary that the Company be considered an ineligible issuer.

(iii) Each issuer free writing prospectus satisfied, as of its issue date and at all subsequent times through the completion of the public offer and sale of the Securities, all other conditions to use thereof as set forth in Rules 164 and 433 under the Act.

(d) *No Other Offering Materials*. The Company has not distributed and will not distribute any prospectus or other offering material in connection with the offering and sale of the Securities other than any Preliminary Prospectus, the Time of Sale Disclosure Package or the Prospectus or other materials permitted by the Act to be distributed by the Company; *provided*, *however*, that, except as set forth on Schedule IV hereto and in accordance with the provisions of Section 5(o) of this Agreement, the Company has not made and will not make any offer relating to the Securities that would constitute a free writing prospectus. The Company has not made and will not make any communication relating to the Securities that would constitute a Testing-the-Waters Communication. ***"Testing-the-Waters Communication"*** means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Act.

(e) *Financial Statements*. The financial statements of the Company, together with the related notes, set forth in the Registration Statement, the Time of Sale Disclosure Package and Prospectus comply in all material respects with the requirements of the Act and the Rules and Regulations and fairly present the financial condition of the Company and its consolidated subsidiaries as of the dates indicated and the results of operations, cash flows and changes in stockholders' equity for the periods therein specified. The financial statements of the Company, together with the related notes, set forth in the Registration Statement, the Time of Sale Disclosure Package and Prospectus are in conformity with generally accepted accounting principles in the United States (***"GAAP"***) consistently applied throughout the periods involved. The supporting schedules of the Company included or incorporated by reference in the Registration Statement present fairly the information required to be stated therein. All non-GAAP financial information included in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus complies with the applicable requirements of Regulation G and Item 10 of Regulation S-K under the Act. There is no pro forma or as adjusted financial information which is required to be included in the Registration Statement, the Time of Sale Disclosure Package or and the Prospectus or a document incorporated by reference therein in accordance with Regulation S-X which has not been included or incorporated as so required. Except as disclosed in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, there are no material off-balance sheet arrangements (as defined in Regulation S-K under the Act, Item 303(a)(4)(ii)) or any other relationships with unconsolidated entities or other persons, that may have a material current or, to the Company's knowledge, material future effect on the Company's financial condition, results of operations, liquidity, capital expenditures, capital resources or significant components of revenue or expenses. No other financial statements or schedules are required to be included or incorporated by reference in the Registration Statement, the Time of Sale Disclosure Package or the Prospectus. RSM US LLP, which has expressed its opinion with respect to the financial statements of the Company and related schedules filed as a part of the Registration Statement and included or incorporated by reference in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, is (x) an independent public accounting firm within the meaning of the Act and the Rules and Regulations, (y) a registered public accounting firm (as defined in Section 2(a)(12) of the Sarbanes-Oxley Act of 2002 (the ***"Sarbanes-Oxley Act"***)) and (z) not in violation of the auditor independence requirements of the Sarbanes-Oxley Act.

(f) *Organization and Good Standing*. Each of the Company and its subsidiaries has been duly organized and is validly existing as an entity in good standing under the laws of its jurisdiction of organization and reorganization, as applicable. Each of the Company and its subsidiaries has full corporate power and authority to own its properties and conduct its business as currently being carried on and as described in the Registration Statement, the Time of Sale Disclosure Package and Prospectus, and is duly qualified to do business as a foreign entity in good standing in each jurisdiction in which it owns or leases real property or in which the conduct of its business makes such qualification necessary and in which the failure to so qualify would have a material adverse effect upon the business, prospects, management, properties, operations, condition (financial or otherwise) or results of operations of the Company and its subsidiaries, taken as a whole (***"Material Adverse Effect"***).

(g) *Absence of Certain Events*. Except as contemplated in the Registration Statement, the Time of Sale Disclosure Package and in the Prospectus, subsequent to the respective dates as of which information is given in the Time of Sale Disclosure Package, neither the Company nor any of its subsidiaries has incurred any material liabilities or obligations, direct or contingent, or entered into any material transactions, or declared or paid any dividends or made any distribution of any kind with respect to its capital stock; and there has not been any change in the capital stock (other than a change in the number of outstanding shares of Common Stock due to the issuance of shares upon the exercise of outstanding options or warrants or conversion of convertible securities, or due to the issuance of shares of Common Stock to the directors in satisfaction of their compensation for serving as a director), or any material change in the short-term or long-term debt (other than as a result of the conversion of convertible securities), or any issuance of options, warrants, convertible securities or other rights to purchase the capital stock, of the Company or any of its subsidiaries, or any material adverse change in the general affairs, condition (financial or otherwise), business, prospects, management, properties, operations or results of operations of the Company and its subsidiaries, taken as a whole (***"Material Adverse Change"***) or any development which could reasonably be expected to result in any Material Adverse Change.

(h) *Absence of Proceedings*. Except as set forth in the Time of Sale Disclosure Package and in the Prospectus, there is not pending or, to the knowledge of the Company, threatened or contemplated, any action, suit or proceeding (a) to which the Company or any of its subsidiaries is a party or (b) which has as the subject thereof any officer or director of the Company or any subsidiary, any employee benefit plan sponsored by the Company or any subsidiary or any property or assets owned or leased by the Company or any subsidiary before or by any court or Governmental Authority (as defined below), or any arbitrator, which, individually or in the aggregate, might result in any Material Adverse Change, or would materially and adversely affect the ability of the Company to perform its obligations under this Agreement. There are no current or, to the knowledge of the Company, pending, legal, governmental or regulatory actions, suits or proceedings (x) to which the Company or any of its subsidiaries is subject or (y) which has as the subject thereof any officer or director of the Company or any subsidiary, any employee plan sponsored by the Company or any subsidiary or any property or assets owned or leased by the Company or any subsidiary, that are required to be described in the Registration Statement, Time of Sale Disclosure Package and Prospectus by the Act or by the Rules and Regulations and that have not been so described.

(i) *Authorization; No Conflicts; Authority*. This Agreement has been duly authorized, executed and delivered by the Company. This Agreement constitutes a valid, legal and binding obligation of the Company, enforceable in accordance with its terms, except as rights to indemnity hereunder may be limited by federal or state securities laws and except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting the rights of creditors generally and subject to general principles of equity. The execution, delivery and performance of this Agreement and the consummation of the transactions herein contemplated will not (A) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, (B) result in any violation of the provisions of the Company's charter or by-laws or (C) result in the violation of any law or statute or any judgment, order, rule, regulation or decree of any court or arbitrator or federal, state, local or foreign governmental agency or regulatory authority having jurisdiction over the Company or any of its subsidiaries or any of their properties or assets (each, a ***"Governmental Authority"***), except in the case of clauses (A) and (C) as would not result in a Material Adverse Effect. No consent, approval, authorization or order of, or registration or filing with any Governmental Authority is required for the execution, delivery and performance of this Agreement or for the consummation of the transactions contemplated hereby, including the issuance or sale of the Securities by the Company, except such as may be required under the Act, the rules of the Financial Industry Regulatory Authority, Inc. (***"FINRA"***), The NASDAQ Stock Market Rules or state securities or blue sky laws; and the Company has full power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, including the authorization, issuance and sale of the Securities as contemplated by this Agreement.

(j) *Capitalization; the Securities; Registration Rights*. All of the issued and outstanding shares of capital stock of the Company, including the outstanding shares of Common Stock, are duly authorized and validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state and foreign securities laws, were not issued in violation of or subject to any preemptive rights or other rights to subscribe for or purchase securities that have not been waived in writing (a copy of which has been delivered to counsel to the Underwriters), and the holders thereof are not subject to personal liability by reason of being such holders; the Securities which may be sold hereunder have been duly authorized and, when issued, delivered and paid for in accordance with the terms of this Agreement, will have been validly issued and will be fully paid and nonassessable, and the holders thereof will not be subject to personal liability by reason of being such holders; and the capital stock of the Company, including the Common Stock, conforms to the description thereof in the Registration Statement, in the Time of Sale Disclosure Package and in the Prospectus. Except as otherwise stated in the Registration Statement, in the Time of Sale Disclosure Package and in the Prospectus, (A) there are no preemptive rights or other rights to subscribe for or to purchase, or any restriction upon the voting or transfer of, any shares of Common Stock pursuant to the Company's charter, bylaws or any agreement or other instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound, (B) none of the filing of the Registration Statement, the offering, or the sale of the Securities as contemplated by this Agreement give rise to any rights for or relating to the registration of any shares of Common Stock or other securities of the Company (collectively ***"Registration Rights"***) and (C) any person to whom the Company has granted Registration Rights has agreed not to exercise such rights until after expiration of the Lock-Up Period (as defined below). All of the issued and outstanding shares of capital stock of each of the Company's subsidiaries have been duly and validly authorized and issued and are fully paid and nonassessable, and, except as otherwise described in the Registration Statement, in the Time of Sale Disclosure Package and in the Prospectus, and subject to the pledge thereof to the bank lender pursuant to the terms and conditions of the loan agreement and pledge and security agreement between the Company and its bank lender, the Company owns of record and beneficially, free and clear of any security interests, claims, liens, proxies, equities or other encumbrances, all of the issued and outstanding shares of such stock. The Company has an authorized and outstanding capitalization as set forth in the Registration Statement, in the Time of Sale Disclosure Package and in the Prospectus under the caption "Description of Securities." The Common Stock (including the Securities) conforms in all material respects to the description thereof contained in the Time of Sale Disclosure Package and the Prospectus.

(k) *Stock Options*. Except as described in the Registration Statement, in the Time of Sale Disclosure Package and in the Prospectus, there are no options, warrants, agreements, contracts or other rights in existence to purchase or acquire from the Company or any subsidiary of the Company any shares of the capital stock of the Company or any subsidiary of the Company. The description of the Company's stock option, stock bonus and other stock plans or arrangements (the ***"Company Stock Plans"***), and the options (the ***"Options"***) or other rights granted thereunder, set forth in the Time of Sale Disclosure Package and the Prospectus accurately and fairly presents the information required to be shown with respect to such plans, arrangements, options and rights. Each grant of an Option (A) was duly authorized no later than the date on which the grant of such Option was by its terms to be effective by all necessary corporate action, including, as applicable, approval by the board of directors of the Company (or a duly constituted and authorized committee thereof) and any required stockholder approval by the necessary number of votes or written consents, and the award agreement governing such grant (if any) was duly executed and delivered by each party thereto and (B) was made in accordance with the terms of the applicable Company Stock Plan, and all applicable laws and regulatory rules or requirements, including all applicable federal securities laws.

(l) *Compliance with Laws*. The Company and each of its subsidiaries holds, and is operating in compliance in all material respects with, all franchises, grants, authorizations, licenses, permits, easements, consents, certificates and orders of any Governmental Authority or self-regulatory body required for the conduct of its business and all such franchises, grants, authorizations, licenses, permits, easements, consents, certifications and orders are valid and in full force and effect; and neither the Company nor any of its subsidiaries has received notice of any revocation or modification of any such franchise, grant, authorization, license, permit, easement, consent, certification or order or has reason to believe that any such franchise, grant, authorization, license, permit, easement, consent, certification or order will not be renewed in the ordinary course; and the Company and each of its subsidiaries is in compliance in all material respects with all applicable federal, state, local and foreign laws, regulations, orders and decrees.

(m) *Ownership of Assets*. The Company and its subsidiaries have good and marketable title to all property (whether real or personal) described in the Registration Statement, in the Time of Sale Disclosure Package and in the Prospectus as being owned by them, in each case free and clear of all liens, claims, security interests, other encumbrances or defects except such as are described in the Registration Statement, in the Time of Sale Disclosure Package and in the Prospectus. The property held under lease by the Company and its subsidiaries is held by them under valid, subsisting and enforceable leases with only such exceptions with respect to any particular lease as do not interfere in any material respect with the conduct of the business of the Company or its subsidiaries.

(n) *Intellectual Property*. The Company and each of its subsidiaries owns, possesses, or, to the knowledge of the Company, can acquire on reasonable terms, all material Intellectual Property necessary for the conduct of the Company's and it subsidiaries' business as now conducted or as described in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus to be conducted. Furthermore, (A) to the knowledge of the Company, and except as described in the Registration Statement, in the Time of Sale Disclosure Package and in the Prospectus, there is no infringement, misappropriation or violation by third parties of any such Intellectual Property; (B) there is no pending or, to the knowledge of the Company, threatened, action, suit, proceeding or claim by others challenging the Company's or any of its subsidiaries' rights in or to any such Intellectual Property, and the Company is unaware of any facts which would form a reasonable basis for any such claim; (C) the Intellectual Property owned by the Company and its subsidiaries, and to the knowledge of the Company, the Intellectual Property licensed to the Company and its subsidiaries, has not been adjudged invalid or unenforceable, in whole or in part, and there is no pending or, to the knowledge of the Company, threatened action, suit, proceeding or claim by others challenging the validity or scope of any such Intellectual Property, and the Company is unaware of any facts which would form a reasonable basis for any such claim; (D) there is no pending or, to the knowledge of the Company, threatened action, suit, proceeding or claim by others that the Company or any of its subsidiaries infringes, misappropriates or otherwise violates any Intellectual Property or other proprietary rights of others, neither the Company or any of its subsidiaries has received any written notice of such claim and the Company is unaware of any other fact which would form a reasonable basis for any such claim; and (E) to the Company's knowledge, no employee of the Company or any of its subsidiaries is in or has ever been in violation of any term of any employment contract, patent disclosure agreement, invention assignment agreement, non-competition agreement, non-solicitation agreement, nondisclosure agreement or any restrictive covenant to or with a former employer where the basis of such violation relates to such employee's employment with the Company or any of its subsidiaries or actions undertaken by the employee while employed with the Company or any of its subsidiaries, except as such violation would not result in a Material Adverse Effect. ***"Intellectual Property"*** shall mean all patents, patent applications, trade and service marks, trade and service mark registrations, trade names, copyrights, licenses, inventions, trade secrets, domain names, technology, know-how and other intellectual property.

(o) *No Violations or Defaults*. Neither the Company nor any of its subsidiaries is in violation of its respective charter, bylaws or other organizational documents, or in breach of or otherwise in default, and no event has occurred which, with notice or lapse of time or both, would constitute such a default in the performance of any material obligation, agreement or condition contained in any bond, debenture, note, indenture, loan agreement or any other material contract, lease or other instrument to which it is subject or by which any of them may be bound, or to which any of the material property or assets of the Company or any of its subsidiaries is subject.

(p) *Taxes*. The Company and its subsidiaries have timely filed all federal, state, local and foreign income and franchise tax returns required to be filed (except in any case in which the failure to so file is not material) and are not in default in the payment of any taxes which were payable pursuant to said returns or any assessments with respect thereto, other than any which the Company or any of its subsidiaries is contesting in good faith, or to the extent such default is not material. There is no pending dispute with any taxing authority relating to any of such returns, and the Company has no knowledge of any proposed liability for any tax to be imposed upon the properties or assets of the Company or any of its subsidiaries for which there is not an adequate reserve reflected in the Company's financial statements included in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus.

(q) *Exchange Listing and Exchange Act Registration*. The Common Stock is registered pursuant to Section 12(b) of the Exchange Act, and is included or approved for listing on The NASDAQ Global Market and the Company has taken no action designed to, or likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act or delisting the Common Stock from The NASDAQ Global Market nor has the Company received any notification that the Commission or The NASDAQ Global Market is contemplating terminating such registration or listing. Except as previously disclosed to counsel for the Underwriters or as set forth in the Time of Sale Disclosure Package and the Prospectus, there are no affiliations with members of FINRA among the Company's officers or directors or, to the knowledge of the Company, any five percent or greater holders of capital stock of the Company or any beneficial owner of the Company's unregistered equity securities that were acquired during the 180-day period immediately preceding the initial filing date of the Registration Statement. The Company is currently in compliance in all material respects with the applicable requirements of The NASDAQ Global Market for maintenance of inclusion of the Common Stock thereon.

(r) *Ownership of Other Entities*. Other than the subsidiaries of the Company listed in Exhibit 21.1 to the Registration Statement or as otherwise disclosed in the Registration Statement, Time of Sale Disclosure Package and Prospectus, the Company, directly or indirectly, owns no capital stock or other equity or ownership or proprietary interest in any corporation, partnership, association, trust or other entity.

(s) *Internal Controls*. The Company and its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as disclosed in the Registration Statement, in the Time of Sale Disclosure Package and in the Prospectus, the Company's internal control over financial reporting is effective and none of the Company, its board of directors and audit committee is aware of any "material weaknesses" (each as defined by the Public Company Accounting Oversight Board) in its internal control over financial reporting, or any fraud, whether or not material, that involves management or other employees of the Company or its subsidiaries who have a significant role in the Company's internal control; and since the end of the latest audited fiscal year, there has been no change in the Company's internal control over financial reporting (whether or not remediated) that has materially adversely affected, or is reasonably likely to materially adversely affect, the Company's internal control over financial reporting. The Company's board of directors has, subject to the exceptions, cure periods and the phase-in periods specified in the applicable stock exchange rules (***"Exchange Rules"***), validly appointed an audit committee to oversee internal accounting controls whose composition satisfies the applicable requirements of the Exchange Rules and the Company's board of directors and/or the audit committee has adopted a charter that satisfies the requirements of the Exchange Rules.

(t) *No Brokers or Finders*. Other than as contemplated by this Agreement, the Company has not incurred and will not incur any liability for any finder's or broker's fee or agent's commission in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

(u) *Insurance*. The Company and each of its subsidiaries carries, or is covered by, insurance from reputable insurers in such amounts and covering such risks as is customary and prudent for the businesses in which they are engaged; all policies of insurance and any fidelity or surety bonds insuring the Company or any of its subsidiaries or its business, assets, employees, officers and directors are in full force and effect; the Company and its subsidiaries are in compliance with the terms of such policies and instruments in all material respects; there are no claims by the Company or any of its subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; neither the Company nor any of its subsidiaries has been refused any insurance coverage sought or applied for; and neither the Company nor any of its subsidiaries has reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.

(v) *Investment Company Act*. The Company is not and, after giving effect to the offering and sale of the Securities, will not be an "investment company," as such term is defined in the Investment Company Act of 1940, as amended.

(w) *Sarbanes-Oxley Act*. The Company is in compliance with all applicable provisions of the Sarbanes-Oxley Act and the rules and regulations of the Commission thereunder.

(x) *Disclosure Controls*. The Company has established and maintains disclosure controls and procedures (as defined in Rules 13a-15 and 15d-15 under the Exchange Act) and, except as disclosed in the Registration Statement, in the Time of Sale Disclosure Package and in the Prospectus, such controls and procedures are effective in ensuring that material information relating to the Company, including its subsidiaries, is made known to the principal executive officer and the principal financial officer. The Company has utilized such controls and procedures in preparing and evaluating the disclosures in the Company's Exchange Act filings and other public disclosure documents.

(y) *Anti-Bribery and Anti-Money Laundering Laws*. Each of the Company, its subsidiaries, or to the Company's knowledge its affiliates and any of their respective officers, directors, supervisors, managers, agents, or employees, has not violated, its participation in the offering will not violate, and the Company and each of its subsidiaries has instituted and maintains policies and procedures designed to ensure continued compliance with, each of the following laws: (A) anti-bribery laws, including but not limited to, any applicable law, rule, or regulation of any locality, including but not limited to any law, rule, or regulation promulgated to implement the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed December 17, 1997, including the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.K. Bribery Act 2010, or any other law, rule or regulation of similar purposes and scope or (B) anti-money laundering laws, including but not limited to, applicable federal, state, international, foreign or other laws, regulations or government guidance regarding anti-money laundering, including, without limitation, Title 18 US. Code section 1956 and 1957, the Patriot Act, the Bank Secrecy Act, and international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur, all as amended, and any executive order, directive, or regulation pursuant to the authority of any of the foregoing, or any orders or licenses issued thereunder.

(z) *OFAC*.

(i) Neither the Company nor any of its subsidiaries, nor any of their directors, officers or employees, nor, to the Company's knowledge, any agent, affiliate or representative of the Company or its subsidiaries, is an individual or entity that is, or is owned or controlled by an individual or entity that is:

(A) the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control, the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority (collectively, ***"Sanctions"***), nor

(B) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Burma/Myanmar, Cuba, Iran, Libya, North Korea, Sudan and Syria).

(ii) Neither the Company nor any of its subsidiaries will, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other individual or entity:

(A) to fund or facilitate any activities or business of or with any individual or entity or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or

(B) in any other manner that will result in a violation of Sanctions by any individual or entity (including any individual or entity participating in the offering, whether as underwriter, advisor, investor or otherwise).

(iii) For the past five years, neither the Company nor any of its subsidiaries has knowingly engaged in, and is not now knowingly engaged in, any dealings or transactions with any individual or entity, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions.

(aa) *Compliance with Environmental Laws*. Except as disclosed in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, neither the Company nor any of its subsidiaries is in violation of any statute, any rule, regulation, decision or order of any Governmental Authority or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, ***"Environmental Laws"***), owns or operates any real property contaminated with any substance that is subject to any Environmental Laws, is liable for any off-site disposal or contamination pursuant to any Environmental Laws, or is subject to any claim relating to any Environmental Laws, which violation, contamination, liability or claim would individually or in the aggregate, have a Material Adverse Effect; and the Company is not aware of any pending investigation which might lead to such a claim. Neither the Company nor any of its subsidiaries anticipates incurring any material capital expenditures relating to compliance with Environmental Laws.

(bb) *Compliance with Occupational Laws*. The Company and each of its subsidiaries (A) is in compliance, in all material respects, with any and all applicable foreign, federal, state and local laws, rules, regulations, treaties, statutes and codes promulgated by any and all Governmental Authorities (including pursuant to the Occupational Health and Safety Act) relating to the protection of human health and safety in the workplace (***"Occupational Laws"***); (B) has received all material permits, licenses or other approvals required of it under applicable Occupational Laws to conduct its business as currently conducted; and (C) is in compliance, in all material respects, with all terms and conditions of such permit, license or approval. No action, proceeding, revocation proceeding, writ, injunction or claim is pending or, to the Company's knowledge, threatened against the Company or any of its subsidiaries relating to Occupational Laws, and the Company does not have knowledge of any facts, circumstances or developments relating to its operations that could reasonably be expected to form the basis for or give rise to such actions, suits, investigations or proceedings.

(cc) *ERISA and Employee Benefits Matters*. (A) To the knowledge of the Company, no "prohibited transaction" as defined under Section 406 of ERISA or Section 4975 of the Code and not exempt under ERISA Section 408 and the regulations and published interpretations thereunder has occurred with respect to any Employee Benefit Plan. At no time has the Company or any ERISA Affiliate maintained, sponsored, participated in, contributed to or has or had any liability or obligation in respect of any Employee Benefit Plan subject to Part 3 of Subtitle B of Title I of ERISA, Title IV of ERISA, or Section 412 of the Code or any "multiemployer plan" as defined in Section 3(37) of ERISA or any multiple employer plan for which the Company or any ERISA Affiliate has incurred or could incur liability under Section 4063 or 4064 of ERISA. No Employee Benefit Plan provides or promises, or at any time provided or promised, retiree health, life insurance, or other retiree welfare benefits except as may be required by the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, or similar state law. Each Employee Benefit Plan is and has been operated in material compliance with its terms and all applicable laws, including but not limited to ERISA and the Code and, to the knowledge of the Company, no event has occurred (including a "reportable event" as such term is defined in Section 4043 of ERISA) and no condition exists that would subject the Company or any ERISA Affiliate to any material tax, fine, lien, penalty or liability imposed by ERISA, the Code or other applicable law. Each Employee Benefit Plan intended to be qualified under Code Section 401(a) is so qualified and has a favorable determination or opinion letter from the IRS upon which it can rely, and any such determination or opinion letter remains in effect and has not been revoked; to the knowledge of the Company, nothing has occurred since the date of any such determination or opinion letter that is reasonably likely to adversely affect such qualification; (B) with respect to each Foreign Benefit Plan, such Foreign Benefit Plan (1) if intended to qualify for special tax treatment, meets, in all material respects, the requirements for such treatment, and (2) if required to be funded, is funded to the extent required by applicable law, and with respect to all other Foreign Benefit Plans, adequate reserves therefor have been established on the accounting statements of the applicable Company or subsidiary; (C) the Company does not have any obligations under any collective bargaining agreement with any union and no organization efforts are underway with respect to Company employees. As used in this Agreement, ***"Code"*** means the Internal Revenue Code of 1986, as amended; ***"Employee Benefit Plan"*** means any "employee benefit plan" within the meaning of Section 3(3) of ERISA, including, without limitation, all stock purchase, stock option, stock-based severance, employment, change-in-control, medical, disability, fringe benefit, bonus, incentive, deferred compensation, employee loan and all other employee benefit plans, agreements, programs, policies or other arrangements, whether or not subject to ERISA, under which (x) any current or former employee, director or independent contractor of the Company or its subsidiaries has any present or future right to benefits and which are contributed to, sponsored by or maintained by the Company or any of its respective subsidiaries or (y) the Company or any of its subsidiaries has had or has any present or future obligation or liability; ***"ERISA"*** means the Employee Retirement Income Security Act of 1974, as amended; ***"ERISA Affiliate"*** means any member of the company's controlled group as defined in Code Section 414(b), (c), (m) or (o); and ***"Foreign Benefit Plan"*** means any Employee Benefit Plan established, maintained or contributed to outside of the United States of America or which covers any employee working or residing outside of the United States.

(dd) *Business Arrangements*. Except as disclosed in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, neither the Company nor any of its subsidiaries has granted any material rights to develop, manufacture, produce, assemble, distribute, license, market or sell its products to any other person and is not bound by any material agreement that affects the exclusive right of the Company or such subsidiary to develop, manufacture, produce, assemble, distribute, license, market or sell its products.

(ee) *Labor Matters*. No labor problem or dispute with the employees of the Company or any of its subsidiaries exists or is threatened or imminent, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its or its subsidiaries' principal suppliers, contractors or customers, that could have a Material Adverse Effect.

(ff) *Restrictions on Subsidiary Payments to the Company*. No subsidiary of the Company is currently prohibited, directly or indirectly, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's property or assets to the Company or any other subsidiary of the Company, except as described in or contemplated by the Registration Statement, the Time of Sale Disclosure Package and the Prospectus and subject to the terms and conditions of the loan agreement between the Company and its bank lender.

(gg) *Disclosure of Legal Matters*. The statements in Preliminary Prospectus, the Time of Sale Disclosure Package, and the Prospectus under the heading "Description of Securities," and under the heading "Business" in the Company's annual report on Form 10-K for the fiscal year ended June 30, 2017, insofar as such statements purport to summarize such legal matters, agreements, documents, or proceedings discussed therein, are accurate in all material respects and fair summaries of such legal matters, agreements, documents, or proceedings, and present, in all material respects, the information required to be shown.

(hh) *Statistical Information*. Any third-party statistical and market-related data included in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus are based on or derived from sources that the Company reasonably believes to be reliable and accurate in all material respects.

(ii) *Forward-looking Statements*. No forward-looking statement (within the meaning of Section 27A of the Act and Section 21E of the Exchange Act) contained in the Registration Statement, the Time of Sale Disclosure Package or the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(jj) *Exports and Imports*. Except as disclosed in the Time of Sale Disclosure Package and the Prospectus, neither the Company nor, to the knowledge of the Company, any officer, director, affiliate, agent, distributor, or representative of the Company has any reason to believe that the Company or any of the foregoing persons or entities have taken or omitted to take any action in violation of, or which may cause the Company to be in violation of, any applicable U.S. law governing imports into or exports from the United States, reexports from one foreign country to another, disclosures of technology, or other cross-border transactions, including without limitation: the Arms Export Control Act (22 U.S.C.A. § 2278), the Export Administration Act (50 U.S.C. App. §§ 2401-2420), the International Traffic in Arms Regulations (22 C.F.R. §§ 120-130), the Export Administration Regulations (15 C.F.R. 730 et seq.), the Customs Laws of the United States (19 U.S.C. § 1 et seq.), the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706), the Trading With the Enemy Act (50 U.S.C. App. §§ 5, 16), the Foreign Assets Control Regulations administered by the Office of Foreign Assets Control, any executive orders or regulations issued pursuant to the foregoing or by the agencies listed in Part 730 of the Export Administration Regulations, and any applicable non-U.S. laws of a similar nature. Except as disclosed in the Time of Sale Disclosure Package and the Prospectus, to the Company's knowledge, there has never been a claim or charge made in writing, investigation undertaken, violation found, or settlement of any enforcement action under any of the laws referred to herein by any governmental entity with respect to matters arising under such laws against the Company, or against its agents, distributors or representatives in connection with their relationship with the Company.

(kk) *Related Party Transactions*. To the Company's knowledge, no transaction has occurred between or among the Company, on the one hand, and any of the Company's officers, directors or five percent or greater stockholders or any affiliate or affiliates of any such officer, director or five percent or greater stockholders that is required to be described that is not so described in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus. The Company has not, directly or indirectly, extended or maintained credit, or arranged for the extension of credit, or renewed an extension of credit, in the form of a personal loan to or for any of its directors or executive officers in violation of applicable laws, including Section 402 of the Sarbanes-Oxley Act.

(ll) *Effect of Certificates*. Any certificate signed by any officer of the Company and delivered to the Representative or to counsel for the Underwriters shall be deemed a representation and warranty by the Company to each Underwriter as to the matters covered thereby.

3. Representations and Warranties of the Selling Shareholders. Each Selling Shareholder, severally and not jointly, represents and warrants to each Underwriter as of the date hereof, and the First Closing Date (as defined below) that:

(a) *Valid Title*. Such Selling Shareholder has, and immediately prior to the First Closing Date such Selling Shareholder will have, good and valid title to, or a valid "security entitlement" within the meaning of Section 8-501 of the New York Uniform Commercial Code (the ***"UCC"***) in respect of, the Securities to be sold by such Selling Shareholder hereunder on such date, free and clear of all liens, security interests, encumbrances, equities or claims of any kind, other than pursuant to this Agreement; upon payment for the Securities to be sold by such Selling Shareholder pursuant to this Agreement, delivery of such Securities, as directed by the Underwriters, to Cede & Co. (***"Cede"***) or such other nominee as may be designated by the Depository Trust Company (***"DTC"***), registration of such Securities in the name of Cede or such other nominee, and the crediting of such Securities on the books of DTC to securities accounts of the Underwriters (assuming that neither DTC nor any such Underwriter has notice of any "adverse claim," within the meaning of Section 8-105 of the UCC to such Securities), (A) DTC shall be a "protected purchaser" of such Securities within the meaning of Section 8-303 of the UCC and will acquire its interest in the Securities (including without limitation, all rights that such Selling Shareholder had or has the power to transfer in such Securities) free and clear of any "adverse claim" within in the meaning of Section 8-102 of the UCC, (B) under Section 8-501 of the UCC, the Underwriters will acquire a valid security entitlement in respect of such Securities and (C) no action based on any "adverse claim" within the meaning of Section 8-102 of the UCC to such Securities may be asserted against the Underwriters with respect to such security entitlement; for purposes of this representation, such Selling Shareholder may assume that when such payment, delivery (if necessary) and crediting occur, (x) such Securities will have been registered in the name of Cede or another nominee designated by DTC, in each case on the Company's share registry in accordance with the Company's charter, bylaws and applicable law, (y) DTC will be registered as a "clearing corporation" within the meaning of Section 8-102 of the UCC and (z) appropriate entries to the accounts of the several Underwriters on the records of DTC will have been made pursuant to the UCC.

(b) *Underwriting Agreement*. This Agreement has been duly authorized, executed and delivered by or on behalf of such Selling Shareholder.

(c) *Power of Attorney*. Such Selling Shareholder has the full right, power and authority to enter into an irrevocable power of attorney (a ***"Power of Attorney"***) authorizing and directing [_____], as attorney-in-fact (the ***"Attorney-in-Fact"***), to effect the sale and delivery of the Securities being sold by such Selling Shareholder, to enter into this Agreement and to take all such other action as may be necessary hereunder.

(d) *Stock Custody Agreement*. Such Selling Shareholder has full right, power and authority to enter into a Stock Custody Agreement (***"Custody Agreement"***), with [_____], as Custodian (the ***"Custodian"***); pursuant to the Custody Agreement such Selling Shareholder has placed in custody with the Custodian, for delivery under this Agreement, book-entry securities credits representing the Securities to be sold by such Selling Shareholder.

(e) *Payment of Expenses*. Such Selling Shareholder will pay all taxes, if any, on the transfer and sale, respectively, of the Securities being sold by such Selling Shareholder and the fees of such Selling Shareholder's counsel, accountant or other adviser.

(f) *Due Authorization; No Conflict; No Consent*. Such Selling Shareholder has full right, power and authority to enter into this Agreement; the execution, delivery and performance of this Agreement, the consummation by such Selling Shareholder of the transactions contemplated hereby and the compliance by such Selling Shareholder with its obligations hereunder have been duly authorized and do not and will not (with or without notice or lapse of time or both) conflict with or result in a breach or violation of any of the terms or provisions of, constitute a default under, or give rise to the creation or imposition of any lien, encumbrance, security interest, claim or charge upon the Securities to be sold by such Selling Shareholder hereunder or any other property or assets of such Selling Shareholder pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which such Selling Shareholder is a party or by which such Selling Shareholder is bound or to which any of the property or assets of such Selling Shareholder is subject, nor will such actions result in any violation of any law, statute, rule, regulation, judgment, order or decree of any court or governmental agency or body, domestic or foreign, having jurisdiction over such Selling Shareholder or any property or assets of such Selling Shareholder; and, except for the registration of the Securities under the Act and such consents, approvals, authorizations, registrations or qualifications as may be required under applicable state securities or blue sky laws in connection with the purchase and distribution of the Securities by the Underwriters, no consent, approval, authorization or order of, or filing or registration with, any such court or governmental or non-governmental agency or body is required for the execution, delivery and performance of this Agreement by such Selling Shareholder, and the consummation by such Selling Shareholder of the transactions contemplated hereby.

(g) *No Material Misstatements*. At the respective times the Registration Statement and any amendments thereto became or become effective, at the date of this Agreement and at the First Closing Date, the Registration Statement and any amendments thereto did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; and the Time of Sale Disclosure Package, the Prospectus and any amendments or supplements thereto, at time the Prospectus or any amendment or supplement thereto was issued and at the First Closing Date (as defined below), did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided*, *however*, that the foregoing representations and warranties in this paragraph (g) apply only to the extent that any information contained in or omitted from the Registration Statement or Prospectus was made in reliance upon and in conformity with written information furnished to the Company by such Selling Shareholder it being understood and agreed that the only such information furnished by or on behalf of such Selling Shareholder specifically for inclusion in the Registration Statement, any Preliminary Prospectus, the Time of Sale Disclosure Package, the Prospectus or any issuer free writing prospectus consists of the name and address of such Selling Shareholder and the number of Shares held by such Selling Shareholder before and after the offering under the caption "Selling Shareholders" in the Preliminary Prospectus, Time of Sale Disclosure Package and Prospectus, as well as all of the information set forth in the footnote to the table therein (the "***Selling Shareholder Information***").

(h) *No Other Offering Materials*. Such Selling Shareholder has not distributed and will not distribute any prospectus or other offering material in connection with the offering and sale of the Securities other than any Preliminary Prospectus, the Time of Sale Disclosure Package or the Prospectus or other materials permitted by the Act to be distributed by such Selling Shareholder; *provided*, *however*, that such Shareholder has not made nor will it make any offer relating to the Securities that would constitute a free writing prospectus.

(i) *No Material, Non-Public Information*. Such Selling Shareholder is not prompted to sell its Securities pursuant to this Agreement by any material information concerning the Company or its Subsidiaries that has not been disclosed in the Time of Sale Disclosure Package.

(j) *No Stabilization*. Such Selling Shareholder has not taken, directly or indirectly, any action designed or intended to stabilize or manipulate the price of any security of the Company, or which caused or resulted in, or which might reasonably be expected to cause or result in, the stabilization or manipulation of the price of any security of the Company.

(k) *Associated Persons*. Neither such Selling Shareholder nor any of its affiliates (within the meaning of FINRA Rule 5121(f)(1)) directly or indirectly controls, is controlled by, or is under common control with, or is an associated person (within the meaning of Article I, Section 1(ee) of the By-laws of FINRA) of, any member firm of FINRA.

Any certificate signed by or on behalf of a Selling Shareholder and delivered to the Representative or to counsel for the Underwriters shall be deemed to be a representation and warranty by such Selling Shareholder to each Underwriter as to the matters covered thereby.

4. Purchase, Sale and Delivery of Securities.

(a) *Firm Shares*. On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to issue and sell [_____] Firm Shares to the several Underwriters and each Selling Shareholder agrees, severally and not jointly, to sell to the several Underwriters the number of shares of Firm Shares set forth opposite the name of each Selling Shareholder in Schedule I hereto, and each Underwriter agrees, severally and not jointly, to purchase from the Company and each Selling Shareholder the number of Firm Shares set forth opposite the name of such Underwriter in Schedule II hereto. The purchase price for each Firm Share shall be $[_____] per share. In making this Agreement, each Underwriter is contracting severally and not jointly; except as provided in paragraph (d) of this Section 4, the agreement of each Underwriter is to purchase only the respective number of Firm Shares specified in Schedule II.

(b) *Option Shares*. On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company hereby grants to the several Underwriters an option to purchase all or any portion of the Option Shares at the same purchase price as the Firm Shares, for use solely in covering any overallotments made by the Underwriters in the sale and distribution of the Firm Shares. The option granted hereunder may be exercised in whole or in part at any time (but only one time) within 30 days after the effective date of this Agreement upon notice (confirmed in writing) by the Representative to the Company setting forth the aggregate number of Option Shares as to which the several Underwriters are exercising the option and the date and time, as determined by you, when the Option Shares are to be delivered, but in no event earlier than the First Closing Date (as defined below) nor earlier than the second business day or later than the fifth business day after the date on which the option shall have been exercised. If the option is exercised, the number of Option Shares to be purchased by each Underwriter shall be the same percentage of the total number of Option Shares to be purchased by the several Underwriters as the number of Firm Shares to be purchased by such Underwriter is of the total number of Firm Shares to be purchased by the several Underwriters, as adjusted by the Representative in such manner as the Representative deems advisable to avoid fractional shares. No Option Shares shall be sold and delivered unless the Firm Shares previously have been, or simultaneously are, sold and delivered.

(c) *Payment and Delivery*.

(i) The Securities to be purchased by each Underwriter hereunder, in book-entry form in such authorized denominations and registered in such names as the Representative may request upon at least forty-eight hours' prior notice to the Company and the Selling Shareholders, shall be delivered by or on behalf of the Company and the Selling Shareholders to the Representative, through the facilities of DTC, for the account of such Underwriter, with any transfer taxes payable in connection with the transfer of the Securities to the Underwriters duly paid, against payment by or on behalf of such Underwriter of the purchase price therefor by wire transfer of Federal (same-day) funds to the accounts specified by the Company and the Attorney-in-Fact to the Representative at least forty-eight hours in advance. The time and date of such delivery and payment shall be, with respect to the Firm Shares, [_____]:[_____] [a.m. / p.m.], New York City time, on [_____], 2018, or such other time and date as the Representative, the Company and the Attorney-in-Fact may agree upon in writing, and, with respect to the Option Shares, [_____]: [_____] [a.m. / p.m.], New York City time, on the date specified by the Representative in the written notice given by you of the election to purchase such Option Shares, or such other time and date as the Representative, the Company and the Attorney-in-Fact may agree upon in writing. Such time and date for delivery of the Firm Shares is herein called the ***"First Closing Date,"*** such time and date for delivery of the Option Shares, if not the First Closing Date, is herein called a ***"Second Closing Date,"*** and each such time and date for delivery is herein called a ***"Closing"*** or ***"Closing Date."***

(ii) The documents to be delivered at each Closing by or on behalf of the parties hereto pursuant to Section 7 hereof, including the cross receipt for the Securities and any additional documents requested by the Underwriters pursuant to Section 7(k) hereof, will be delivered at the offices of the Company, and the Securities will be delivered to the Representative, through the facilities of the DTC, for the account of such Underwriter, all at such Closing.

(d) *Purchase by Representative on Behalf of Underwriters*. It is understood that the Representative, individually and not as Representative of the several Underwriters, may (but shall not be obligated to) make payment to the Company and the Selling Shareholders, on behalf of any Underwriter for the Securities to be purchased by such Underwriter. Any such payment by you shall not relieve any such Underwriter of any of its obligations hereunder. Nothing herein contained shall constitute any of the Underwriters an unincorporated association or partner with the Company.

5. Covenants of the Company. The Company covenants and agrees with the several Underwriters as follows:

(a) *Required Filings*. The Company will prepare and file a Prospectus with the Commission containing the Rule 430A Information omitted from the Preliminary Prospectus within the time period required by, and otherwise in accordance with the provisions of, Rules 424(b) and 430A of the Rules and Regulations. If the Company has elected to rely upon Rule 462(b) of the Rules and Regulations to increase the size of the offering registered under the Act and the Rule 462(b) Registration Statement has not yet been filed and become effective, the Company will prepare and file the Rule 462(b) Registration Statement with the Commission within the time period required by, and otherwise in accordance with the provisions of, Rule 462(b) of the Rules and Regulations and the Act. The Company will prepare and file with the Commission, promptly upon the request of the Representative, any amendments or supplements to the Registration Statement or Prospectus that, in the opinion of the Representative, may be necessary or advisable in connection with the distribution of the Securities by the Underwriters; and the Company will furnish the Representative and counsel for the Underwriters a copy of any proposed amendment or supplement to the Registration Statement or Prospectus and will not file any amendment or supplement to the Registration Statement or Prospectus to which the Representative shall reasonably object by notice to the Company after having been furnished a copy a reasonable time prior to the filing.

(b) *Notification of Certain Commission Actions*. The Company will advise the Representative, promptly after it shall receive notice or obtain knowledge thereof, of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement, or any post-effective amendment thereto or preventing or suspending the use of any Preliminary Prospectus, the Time of Sale Disclosure Package, the Prospectus or any issuer free writing prospectus, of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, or of the initiation or threatening of any proceeding for any such purpose; and the Company will promptly use its best efforts to prevent the issuance of any stop order or to obtain its withdrawal if such a stop order should be issued.

(c) *Continued Compliance with Securities Laws*.

(i) Within the time during which a prospectus (assuming the absence of Rule 172) relating to the Securities is required to be delivered under the Act by any Underwriter or any dealer, the Company will comply with all requirements imposed upon it by the Act, as now and hereafter amended, and by the Rules and Regulations, as from time to time in force, so far as necessary to permit the continuance of sales of or dealings in the Securities as contemplated by the provisions hereof, the Time of Sale Disclosure Package and the Prospectus. If during such period any event occurs as a result of which the Prospectus (or if the Prospectus is not yet available to prospective purchasers, the Time of Sale Disclosure Package) would include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances then existing, not misleading, or if during such period it is necessary to amend the Registration Statement or supplement the Prospectus (or if the Prospectus is not yet available to prospective investors, the Time of Sale Disclosure Package) to comply with the Act, the Company promptly will (x) notify you of such untrue statement or omission, (y) amend the Registration Statement or supplement the Prospectus (or, if the Prospectus is not yet available to prospective purchasers, the Time of Sale Disclosure Package) (at the expense of the Company) so as to correct such statement or omission or effect such compliance and (z) notify you when any amendment to the Registration Statement is filed or becomes effective or when any supplement to the Prospectus (or, if the Prospectus is not yet available to prospective purchasers, the Time of Sale Disclosure Package) is filed.

(ii) If at any time following issuance of an issuer free writing prospectus there occurred or occurs an event or development as a result of which such issuer free writing prospectus conflicted or would conflict with the information contained in the Registration Statement, any Preliminary Prospectus or the Prospectus relating to the Securities or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances prevailing at that subsequent time, not misleading, the Company (x) has promptly notified or promptly will notify the Representative of such conflict, untrue statement or omission, (y) has promptly amended or will promptly amend or supplement, at its own expense, such issuer free writing prospectus to eliminate or correct such conflict, untrue statement or omission and (z) has notified or promptly will notify you when such amendment or supplement was or is filed with the Commission to the extent required to be filed by the Rules and Regulations.

(d) *Blue Sky Qualifications*. The Company shall take or cause to be taken all necessary action to qualify the Securities for sale under the securities laws of such domestic United States or foreign jurisdictions as you reasonably designate and to continue such qualifications in effect so long as required for the distribution of the Securities, except that the Company shall not be required in connection therewith to qualify as a foreign corporation or to execute a general consent to service of process in any state.

(e) *Provision of Documents*. The Company will furnish, at its own expense, to the Underwriters and counsel for the Underwriters copies of the Registration Statement (one of which will be signed and will include all consents and exhibits filed therewith), and to the Underwriters and any dealer each Preliminary Prospectus, the Time of Sale Disclosure Package, the Prospectus, any issuer free writing prospectus and all amendments and supplements to such documents, in each case as soon as available and in such quantities as you may from time to time reasonably request.

(f) *Rule 158*. The Company will make generally available to its security holders as soon as practicable, but in no event later than 15 months after the end of the Company's current fiscal quarter, an earnings statement (which need not be audited) covering a 12 month period beginning after the effective date of the Registration Statement (which, for purposes of this paragraph, will be deemed to be the effective date of the Rule 462(b) Registration Statement, if applicable) that shall satisfy the provisions of Section 11(a) of the Act and Rule 158 of the Rules and Regulations.

(g) *Payment and Reimbursement of Expenses*. The Company, whether or not the transactions contemplated hereunder are consummated or this Agreement is terminated, will pay or cause to be paid (A) all expenses (including transfer taxes allocated to the respective transferees) incurred in connection with the delivery to the Underwriters of the Securities, (B) all expenses and fees (including, without limitation, fees and expenses of the Company's accountants and counsel in connection with the preparation, printing, filing, delivery, and shipping of the Registration Statement (including the financial statements therein and all amendments, schedules, and exhibits thereto), the Securities, each Preliminary Prospectus, the Time of Sale Disclosure Package, the Prospectus, any issuer free writing prospectus and any amendment thereof or supplement thereto, and the printing, delivery, and shipping of this Agreement and other underwriting documents, including Blue Sky Memoranda (covering the states and other applicable jurisdictions), (C) all filing fees and fees incurred in connection with the qualification of the Securities for offering and sale by the Underwriters or by dealers under the securities or blue sky laws of the states and other jurisdictions which you shall designate, (D) the fees and expenses of any transfer agent or registrar, (E) the filing fees incident to, and the reasonable fees and disbursements of counsel (not to exceed $30,000) for the Underwriters in connection with, securing any required review by FINRA of the terms of the sale of the Securities, (F) listing fees, if any, (G) the cost and expenses of the Company relating to investor presentations or any road show as defined in Rule 433(h) under the Act (a ***"road show"***) undertaken in connection with marketing of the Securities, including, without limitation, expenses associated with the preparation or dissemination of any electronic road show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives and officers of the Company and any such consultants, and 50% of the cost of any aircraft and other transportation chartered in connection with the road show; and (H) the reasonable fees and disbursements of counsel to the Underwriters in an amount not to exceed $60,000; and (I) all other costs and expenses of the Company and the Selling Shareholders incident to the performance of its obligations hereunder that are not otherwise specifically provided for herein. Except as provided for in this Agreement, the Underwriters shall bear the costs and expenses incurred by them in connection with the sale of the Securities and the transactions contemplated hereby. If this Agreement is terminated by the Representative pursuant to Section 10 hereof or if the sale of the Securities provided for herein is not consummated by reason of any failure, refusal or inability on the part of the Company to perform any agreement on its part to be performed, or because any other condition of the Underwriters' obligations hereunder required to be fulfilled by the Company is not fulfilled, the Company will reimburse the several Underwriters for all reasonable out-of-pocket accountable disbursements (including but not limited to fees and disbursements of counsel, printing expenses, travel expenses, postage, facsimile and telephone charges) incurred by the Underwriters in connection with their investigation, preparing to market and marketing the Securities or in contemplation of performing their obligations hereunder. Each of the Selling Shareholders will be solely responsible for the fees and expenses of its counsel and other advisors.

(h) *Use of Proceeds*. The Company will apply the net proceeds from the sale of the Securities to be sold by it hereunder for the purposes set forth in the Time of Sale Disclosure Package and in the Prospectus and will file such reports with the Commission with respect to the sale of the Securities and the application of the proceeds therefrom as may be required in accordance with Rule 463 of the Rules and Regulations.

(i) *Company Lock Up*. The Company will not, without the prior written consent of the Representative, from the date of execution of this Agreement and continuing to and including the date 90 days after the date of the Prospectus (the ***"Lock-Up Period"***), (A) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or (B) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (A) or (B) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise, except to the Underwriters pursuant to this Agreement and (i) grants of options, shares of Common Stock and other awards to purchase or receive shares of Common Stock under the Company Stock Plans that are in effect as of or prior to the date hereof. or in connection with the long-term incentive stock plan for executive officers for the 2019 fiscal year to be approved by the Board of Directors, (ii) issuances of shares of Common Stock upon the exercise of options, warrants, or other awards outstanding as of the date hereof, or (iii) issuances of any shares of Common Stock (including upon exercise of options) related to the filing by the Company of any registration statement on Form S-8 or a successor form thereto relating to shares of Common Stock granted under any equity compensation plan or employee stock purchase plan, including relating to issuances or awards to officers or directors for compensatory purposes (including options) or to the directors in satisfaction of the compensation earned by the directors.

(j) *Stockholder Lock-Ups*. The Company has caused to be delivered to you prior to the date of this Agreement a letter, in the form of Exhibit A hereto (the ***"Lock-Up Agreement"***), from each individual or entity listed on Schedule III. The Company will enforce the terms of each Lock-Up Agreement and issue stop-transfer instructions to its transfer agent and registrar for the Common Stock with respect to any transaction or contemplated transaction that would constitute a breach of or default under the applicable Lock-Up Agreement.

(k) *No Market Stabilization or Manipulation*. The Company has not taken and will not take, directly or indirectly, any action designed to or which might reasonably be expected to cause or result in, or which has constituted, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities, and has not effected any sales of Common Stock which are required to be disclosed in response to Item 701 of Regulation S-K under the Act which have not been so disclosed in the Registration Statement.

(l) [intentionally omitted]

(m) [intentionally omitted]

(n) [intentionally omitted]

(o) *Free Writing Prospectuses*. The Company represents and agrees that, unless it obtains the prior written consent of the Representative, and each Underwriter severally represents and agrees that, unless it obtains the prior written consent of the Company and the Representative, it has not made and will not make any offer relating to the Securities that would constitute an issuer free writing prospectus or that would otherwise constitute a free writing prospectus required to be filed with the Commission; provided that the prior written consent of the parties hereto shall be deemed to have been given in respect of the free writing prospectuses included in Schedule IV. Any such free writing prospectus consented to by the Company and the Representative is hereinafter referred to as a ***"Permitted Free Writing Prospectus."*** The Company represents that it has treated or agrees that it will treat each Permitted Free Writing Prospectus as an issuer free writing prospectus, and has complied and will comply with the requirements of Rules 164 and 433 of the Rules and Regulations applicable to any Permitted Free Writing Prospectus. The Company represents that it has satisfied and agrees that it will satisfy the conditions in Rule 433 to avoid a requirement to file with the Commission any electronic road show.

6. Covenants of the Selling Shareholders. The Selling Shareholders, severally and not jointly, covenant and agree with the several Underwriters as follows:

(a) *No Stabilization*. Such Selling Shareholder will not take, directly or indirectly, any action designed to or that would reasonably be expected to cause or result in any stabilization or manipulation of the price of the Company's securities.

(b) *Forms W-8 and W-9*. Such Selling Shareholder will deliver to the Representative on or prior to the First Closing Date a properly completed and executed United States Treasury Department Form W-8 (if the Selling Shareholder is a non-United States person) or Form W-9 (if the Selling Shareholder is a United States person) or such other applicable form or statement specified by Treasury Department regulations in lieu thereof.

(c) *Free Writing Prospectuses*. Such Selling Shareholder agrees that it will not, in such capacity, prepare or have prepared on its behalf or use or refer to any "free writing prospectus" (as defined in Rule 405 of the Exchange Act) and agrees that it will not, in such capacity, distribute any written materials in connection with the offer or sale of the Securities.

(d) *Selling Shareholder Information*. During the period when delivery of a prospectus (or, in lieu thereof, the notice referred to under Rule 173(a) of the Act) is required under the Act, such Selling Shareholder will advise the Representative promptly, and will confirm such advice in writing to the Representative, of any change in such Selling Shareholder's Selling Shareholder Information.

(e) *Performance of Covenants and Satisfaction of Conditions*. Such Selling Shareholder will use its best efforts to do and perform all things required to be done or performed under this Agreement by such Selling Shareholder prior to the First Closing Date and to satisfy all conditions precedent to the delivery of the Firm Shares.

7. Conditions of Underwriters' Obligations. The obligations of the several Underwriters hereunder are subject to the accuracy, as of the date hereof and at each of the First Closing Date and the Second Closing Date (as if made at such Closing Date), of and compliance with all representations, warranties and agreements of the Company and the Selling Shareholders contained herein, to the performance by the Company and the Selling Shareholders of their respective obligations hereunder and to the following additional conditions:

(a) *Required Filings; Absence of Certain Commission Actions*. The Registration Statement shall have become effective not later than 5:30 p.m., New York City time, on the date of this Agreement, or such later time and date as you, as Representative of the several Underwriters, shall approve and all filings required by Rules 424, 430A and 433 of the Rules and Regulations shall have been timely made (without reliance on Rule 424(b)(8) or Rule 164(b)); no stop order suspending the effectiveness of the Registration Statement or any part thereof or any amendment thereof, nor suspending or preventing the use of the Time of Sale Disclosure Package, the Prospectus or any issuer free writing prospectus shall have been issued; no proceedings for the issuance of such an order shall have been initiated or threatened; and any request of the Commission for additional information (to be included in the Registration Statement, the Time of Sale Disclosure Package, the Prospectus, any issuer free writing prospectus or otherwise) shall have been complied with to your satisfaction.

(b) *Continued Compliance with Securities Laws*. No Underwriter shall have advised the Company that (i) the Registration Statement or any amendment thereof or supplement thereto contains an untrue statement of a material fact which, in your opinion, is material or omits to state a material fact which, in your opinion, is required to be stated therein or necessary to make the statements therein not misleading, or (ii) the Time of Sale Disclosure Package, the Prospectus or any issuer free writing prospectus, or any amendment thereof or supplement thereto, contains an untrue statement of fact which, in your opinion, is material, or omits to state a fact which, in your opinion, is material and is required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

(c) *Absence of Certain Events*. Except as contemplated in the Time of Sale Disclosure Package and in the Prospectus, subsequent to the respective dates as of which information is given in the Time of Sale Disclosure Package and the Prospectus, neither the Company nor any of its subsidiaries shall have incurred any material liabilities or obligations, direct or contingent, or entered into any material transactions, or declared or paid any dividends or made any distribution of any kind with respect to its capital stock; and there shall not have been any change in the capital stock (other than a change in the number of outstanding shares of Common Stock due to the issuance of shares upon the exercise of outstanding options or warrants or conversion of convertible securities or from the issuance of shares of Common Stock under compensatory plans for the officers or issued to the directors in satisfaction of the compensation earned by the directors), or any material change in the short-term or long-term debt of the Company (other than as a result of the conversion of convertible securities), or any issuance of options, warrants, convertible securities or other rights to purchase the capital stock of the Company or any of its subsidiaries (other than in connection with the long-term stock incentive plan for the executive officers for the 2018 fiscal year to be adopted by the Board of Directors), or any Material Adverse Change or any development involving a prospective Material Adverse Change (whether or not arising in the ordinary course of business), that, in your judgment, makes it impractical or inadvisable to offer or deliver the Securities on the terms and in the manner contemplated in the Time of Sale Disclosure Package and in the Prospectus.

(d) *Opinion of Company Counsel*. On each Closing Date, there shall have been furnished to you, as Representative of the several Underwriters, the opinions of (i) Ballard Spahr LLP and Lurio & Associates, P.C., counsel for the Company, and (ii) RatnerPrestia, intellectual property counsel for the Company, dated such Closing Date and addressed to you, in form and substance satisfactory to you.

(e) *Opinion of Selling Shareholders' Counsel*. On the First Closing Date, there shall have been furnished to you, as Representative of the several Underwriters, the opinion of Cooley LLP, counsel for the Selling Shareholders, dated as of such Closing and addressed to you, in form and substance satisfactory to you.

(f) *Opinion of Underwriters' Counsel*. On each Closing Date, there shall have been furnished to you, as Representative of the several Underwriters, such opinion or opinions from Goodwin Procter LLP, counsel for the Underwriters, dated such Closing Date and addressed to you, with respect to such matters as you reasonably may request, and such counsel shall have received such papers and information as they request to enable them to pass upon such matters.

(g) *Comfort Letters*. On the date hereof, on the effective date of any post-effective amendment to the Registration Statement filed after the date hereof and on each Closing Date, you, as Representative of the several Underwriters, shall have received a letter from each of RSM US LLP and Moss Adams LLP, each dated such date and addressed to you, in form and substance satisfactory to you.

(h) *Officers' Certificate*. On each Closing Date, there shall have been furnished to you, as Representative of the several Underwriters, a certificate, dated such Closing Date and addressed to you, signed by the chief executive officer and by the chief financial officer of the Company, to the effect that:

(i) The representations and warranties of the Company in this Agreement are true and correct as if made at and as of such Closing Date, and the Company has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to such Closing Date; and

(ii) No stop order or other order suspending the effectiveness of the Registration Statement or any part thereof or any amendment thereof or the qualification of the Securities for offering or sale, nor suspending or preventing the use of the Time of Sale Disclosure Package, the Prospectus or any issuer free writing prospectus, has been issued, and no proceeding for that purpose has been instituted or, to the best of their knowledge, is contemplated by the Commission or any state or regulatory body.

(i) *Selling Shareholders' Certificates*. On the First Closing Date, there shall have been furnished to you, as Representative of the several Underwriters, a certificate, dated such Closing Date and addressed to you, signed by, or on behalf of, the Selling Shareholders stating that the representations, warranties and agreements of the Selling Shareholders contained herein are true and correct as of the Closing and that the Selling Shareholders have complied with all agreements contained herein to be performed by the Selling Shareholders.

(j) *Lock-Up Agreement*. The Representative shall have received all of the Lock-Up Agreements referenced in Section 5 and the Lock-Up Agreements shall remain in full force and effect.

(k) *Other Documents*. The Company shall have furnished to you, as Representative of the several Underwriters, and counsel for the Underwriters such additional documents, certificates and evidence as you or they may have reasonably requested.

(l) *FINRA No Objections*. FINRA shall have raised no objection to the fairness and reasonableness of the underwriting terms and arrangements.

(m) *Chief Financial Officer's Certificate*. On the date of this Agreement and on each Closing Date, the Chief Financial Officer of the Company shall have furnished to you, as Representative of the several Underwriters, a certificate, dated the respective dates of delivery thereof and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representative, with respect to the financial statements and certain financial information contained in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus.

All such opinions, certificates, letters and other documents will be in compliance with the provisions hereof only if they are satisfactory in form and substance to you, as Representative of the several Underwriters, and counsel for the Underwriters. The Company will furnish you with such conformed copies of such opinions, certificates, letters and other documents as you shall reasonably request.

8. Indemnification and Contribution.

(a) *Indemnification by the Company*. The Company agrees to indemnify and hold harmless each Underwriter, its affiliates, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, from and against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise (including in settlement of any litigation if such settlement is effected with the written consent of the Company), insofar as such losses, claims, damages or liabilities (or actions in respect thereof) (i) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, including the 430A Information and any other information deemed to be a part of the Registration Statement at the time of effectiveness and at any subsequent time pursuant to the Rules and Regulations, if applicable, any Preliminary Prospectus, the Time of Sale Disclosure Package, the Prospectus, or any amendment or supplement thereto or document incorporated by reference therein, any issuer free writing prospectus, any issuer information that the Company has filed or is required to file pursuant to Rule 433(d) of the Rules and Regulations, or any road show, or (ii) arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by it in connection with investigating or defending against such loss, claim, damage, liability or action as such expenses are incurred; *provided*, *however,* that the Company will not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished to the Company by you, or by any Underwriter through you, specifically for use in the preparation thereof; it being understood and agreed that the only information furnished by an Underwriter consists of the information described as such in Section 8(f).

(b) *Indemnification by the Selling Shareholders*. The Selling Shareholders agree, severally and not jointly, to indemnify and hold harmless each Underwriter, its affiliates, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, from and against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise (including in settlement of any litigation if such settlement is effected with the written consent of such Selling Shareholder), insofar as such losses, claims, damages or liabilities (or actions in respect thereof) (i) arising out of or based on any untrue statement or alleged untrue statement of a material fact contained in or incorporated by reference in the Registration Statement (or any amendment thereto), including any information deemed to be a part thereof pursuant to Rule 430A, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of or based on any untrue statement or alleged untrue statement of a material fact included in or incorporated by reference in any Preliminary Prospectus, any Issuer Free Writing Prospectus, the Time of Sale Disclosure Package or the Prospectus (or any amendment or supplement thereto) or any materials or information provided to investors by, or with the approval of, such Selling Shareholder in connection with the marketing of the offering of the Securities, or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; (ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 8(e) below) any such settlement is effected with the written consent of the Selling Shareholders; against any and all expense whatsoever, as incurred (including the reasonable fees and disbursements of counsel chosen by the Representative), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) though (ii) above; *provided*, *however*, that each Selling Shareholder shall be subject to such liability only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with the Selling Shareholder Information; further provided, however, that the liability of any Selling Shareholder pursuant to this Section 8(b) shall not exceed the gross proceeds (net of any underwriting discounts and commissions but before deducting other expenses) from the sale of the Securities sold by such Selling Shareholder hereunder.

(c) *Indemnification by the Underwriters*. Each Underwriter will, severally and not jointly, indemnify and hold harmless the Company, its affiliates, directors and officers and each person, if any, who controls the Company within the meaning of Section 15 of the Act and Section 20 of the Exchange Act, and each Selling Shareholder from and against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of such Underwriter), insofar as such losses, claims, damages or liabilities (or actions in respect thereof) (i) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Time of Sale Disclosure Package, the Prospectus, or any amendment or supplement thereto, any document incorporated by reference therein, any issuer free writing prospectus, any issuer information that the Company has filed or is required to file pursuant to Rule 433(d) of the Rules and Regulations, or any road show, or (ii) arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in conformity with written information furnished to the Company by you, or by such Underwriter through you, specifically for use in the preparation thereof (it being understood and agreed that the only information furnished by an Underwriter consists of the information described as such in Section 8(f)), and will reimburse the Company and the Selling Shareholders for any legal or other expenses reasonably incurred and documented by the Company and the Selling Shareholders in connection with investigating or defending against any such loss, claim, damage, liability or action as such expenses are incurred.

(d) *Notice and Procedures*. Promptly after receipt by an indemnified party under subsection (a), (b) or (c) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve the indemnifying party from any liability that it may have to any indemnified party except to the extent such indemnifying party has been materially prejudiced by such failure (through the forfeiture of substantive rights or defenses). In case any such action shall be brought against any indemnified party, and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate in, and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of the indemnifying party's election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation; *provided*, *however*, that if (i) the indemnified party has reasonably concluded (based on advice of counsel) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party or (ii) a conflict or potential conflict exists (based on advice of counsel to the indemnified party) between the indemnified party and the indemnifying party, the indemnified party shall have the right to employ a single counsel (in addition to local counsel) to represent all Underwriters who may be subject to liability arising from any claim in respect of which indemnity may be sought by the Underwriters under subsection (a) or (b) above, in which event the reasonable fees and expenses of such separate counsel shall be borne by the indemnifying party or parties and reimbursed to the Underwriters as incurred and the indemnifying party shall not have the right to direct the defense of such action on behalf of the indemnified party. An indemnifying party shall not be obligated under any settlement agreement relating to any action under this Section 8 to which it has not agreed in writing. In addition, no indemnifying party shall, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld or delayed) effect any settlement of any pending or threatened proceeding unless such settlement includes an unconditional release of such indemnified party for all liability on claims that are the subject matter of such proceeding and does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of an indemnified party.

(e) *Contribution; Limitations on Liability; Non-Exclusive Remedy*. If the indemnification provided for in this Section 8 is unavailable or insufficient to hold harmless an indemnified party under subsection (a), (b) or (c) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a), (b) or (c) above, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Shareholders on the one hand and the Underwriters on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Underwriters in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Shareholders on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company and the Selling Shareholders, as applicable, bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, the Selling Shareholders or the Underwriters and the parties' relevant intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company, the Selling Shareholders (in such capacity) and the Underwriters agree that it would not be just and equitable if contributions pursuant to this subsection (e) were to be determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the first sentence of this subsection (e). The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending against any action or claim which is the subject of this subsection (e). Notwithstanding the provisions of this subsection (e), no Underwriter shall be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter with respect to the Securities exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Notwithstanding anything to the contrary in this Agreement, the aggregate liability of each Selling Shareholder under such Selling Shareholder's representations and warranties contained in Section 3 hereof, under any certificate delivered pursuant to this Agreement, under the indemnity and contribution agreements contained in this Section 8, or otherwise pursuant to this Agreement shall not exceed the an amount equal to the aggregate gross proceeds after underwriting discounts and commissions, but before expenses, to such Selling Shareholder from the sale of Securities sold by such Selling Shareholder hereunder received by the Selling Shareholders. The Underwriters' obligations in this subsection (e) to contribute are several in proportion to their respective underwriting obligations and not joint. The remedies provided for in this Section 8 are not exclusive and shall not limit any rights or remedies that might otherwise be available to any indemnified party at law or in equity.

(f) *Information Provided by the Underwriters*. The Underwriters severally confirm and the Company and each Selling Shareholder acknowledge that the statements with respect to the public offering of the Securities by the Underwriters set forth under the caption "Underwriting – Commissions and Discounts", "Underwriting - Price Stabilization, Short Positions and Penalty Bids", "Underwriting - Other Relationships", "Underwriting - Selling Restrictions", and the estimate of the Underwriters' reasonable out-of-pocket accountable fees and disbursements in connection with the offering of the Securities in the Time of Sale Disclosure Package and in the Prospectus are correct and constitute the only information concerning the Underwriters furnished in writing to the Company by or on behalf of the Underwriters specifically for inclusion in the Registration Statement, any Preliminary Prospectus, the Time of Sale Disclosure Package, the Prospectus or any issuer free writing prospectus.

9. Representations and Agreements to Survive Delivery. All representations, warranties, and agreements of the Company and the Selling Shareholders herein or in certificates delivered pursuant hereto, and the agreements of the several Underwriters and the Company and the Selling Shareholders contained in Section 8 hereof, shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any Underwriter or any controlling person thereof, or the Company or any of its officers, directors, or controlling persons, or any Selling Shareholders or any controlling person thereof, and shall survive delivery of, and payment for, the Securities to and by the Underwriters hereunder and any termination of this Agreement.

10. Termination.

(a) *Right to Terminate*. You, as Representative of the several Underwriters, shall have the right to terminate this Agreement by giving notice as hereinafter specified at any time at or prior to the First Closing Date, and the option referred to in Section 4(b), if exercised, may be cancelled at any time prior to the Second Closing Date, if (i) there has been, since the time of execution of this Agreement or since the respective dates as of which information is given in the Registration Statement, the Time of Sale Disclosure Package or the Prospectus, any Material Adverse Change, (ii) any other condition of the Underwriters' obligations hereunder is not fulfilled, (iii) trading on The Nasdaq Stock Market or New York Stock Exchange shall have been wholly suspended, (iv) minimum or maximum prices for trading shall have been fixed, or maximum ranges for prices for securities shall have been required, on The Nasdaq Stock Market or New York Stock Exchange, by such Exchange or by order of the Commission or any other Governmental Authority, (v) a banking moratorium shall have been declared by federal or state authorities, or (vi) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis that, in your judgment, is material and adverse and makes it impractical or inadvisable to proceed with the completion of the sale of and payment for the Securities. Any such termination shall be without liability of any party to any other party except that the provisions of Section 5(g) and Section 8 hereof shall at all times be effective.

(b) *Notice of Termination*. If you elect to terminate this Agreement as provided in this Section, the Company and the Selling Shareholders shall be notified promptly by you by telephone, confirmed by letter.

11. Default by the Company.

(a) *Default by the Company*. If the Company shall fail at the First Closing Date to sell and deliver the Securities which it is obligated to sell hereunder, then this Agreement shall terminate without any liability on the part of any Underwriter or, except as provided in Section 5(g) and Section 8 hereof, any non-defaulting party.

(b) *No Relief from Liability*. No action taken pursuant to this Section shall relieve the Company and Selling Shareholders from liability, if any, in respect of any default hereunder.

12. Notices. Except as otherwise provided herein, all communications hereunder shall be in writing and, (i) if to the Underwriters, shall be mailed via overnight delivery service or hand delivered via courier, to the Representative c/o William Blair & Company, L.L.C., 222 West Adams Street, Suite 3300, Chicago, Illinois 60606, to the attention of Equity Capital Markets; (ii) if to the Company, shall be mailed or delivered to it at 100 Deerfield Lane, Suite 300, Malvern, Pennsylvania 19355, Attention: Stephen P. Herbert; (iii) if to the Selling Shareholders, at 550 High Street, 3rd Floor, Palo Alto, CA 94301, Attention: David Singer (with a copy, which shall not constitute notice, to Cooley LLP, 11951 Freedom Drive, Reston, VA 20190-5656, Attn: Darren DeStefano); or in each case to such other address as the person to be notified may have requested in writing. Any party to this Agreement may change such address for notices by sending to the parties to this Agreement written notice of a new address for such purpose.

13. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns and the controlling persons, officers and directors referred to in Section 8. Nothing in this Agreement is intended or shall be construed to give to any other person, firm or corporation any legal or equitable remedy or claim under or in respect of this Agreement or any provision herein contained. The term "successors and assigns" as herein used shall not include any purchaser, as such purchaser, of any of the Securities from any of the several Underwriters.

14. Absence of Fiduciary Relationship. The Company and each of the Selling Shareholders acknowledges and agrees that: (a) the Representative has been retained solely to act as underwriter in connection with the sale of the Securities and that no fiduciary, advisory or agency relationship between the Company or any Selling Shareholder and the Representative has been created in respect of any of the transactions contemplated by this Agreement, irrespective of whether the Representative has advised or is advising the Company or any Selling Shareholder on other matters; (b) the price and other terms of the Securities set forth in this Agreement were established by the Company and each of the Selling Shareholders following discussions and arms-length negotiations with the Representative and the Company and each of the Selling Shareholders is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement; (c) it has been advised that the Representative and its affiliates are engaged in a broad range of transactions which may involve interests that differ from those of the Company and each of the Selling Shareholders and that the Representative has no obligation to disclose such interest and transactions to the Company or any Selling Shareholder by virtue of any fiduciary, advisory or agency relationship; (d) it has been advised that the Representative is acting, in respect of the transactions contemplated by this Agreement, solely for the benefit of the Underwriters, and not on behalf of the Company or any Selling Shareholder; (e) it waives to the fullest extent permitted by law, any claims it may have against the Underwriters for breach of fiduciary duty or alleged breach of fiduciary duty in respect of any of the transactions contemplated by this Agreement and agrees that the Underwriters shall have no liability (whether direct or indirect) to the Company or any Selling Shareholder in respect of such a fiduciary duty claim on behalf of or in right of any Selling Shareholder or the Company, including stockholders, employees or creditors of the Company.

15. Governing Law; Waiver of Jury Trial. This Agreement shall be governed by and construed in accordance with the laws of the State of New York. The Company (on its behalf and, to the extent permitted by applicable law, on behalf of its stockholders and affiliates), each of the Selling Shareholders and each of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

16. Counterparts. This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original and all such counterparts shall together constitute one and the same instrument.

17. General Provisions. This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. This Agreement may not be amended or modified unless in writing by all of the parties hereto, and no condition herein (express or implied) may be waived unless waived in writing by each party whom the condition is meant to benefit. The Section headings herein are for the convenience of the parties only and shall not affect the construction or interpretation of this Agreement. The invalidity or unenforceability of any Section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other Section, paragraph or provision hereof. If any Section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

[Signature Page Follows]

Please sign and return to the Company the enclosed duplicates of this letter whereupon this letter will become a binding agreement between the Company, the Selling Shareholders and the several Underwriters in accordance with its terms.

Very truly yours,

USA TECHNOLOGIES, INC.

By: _____
Name: _____
Title: _____

[*Signature Page to Underwriting Agreement*]

Very truly yours,

THE SELLING SHAREHOLDERS NAMED IN SCHEDULE I HERETO

By: _____
Name: _____
Attorney-in-Fact

[*Signature Page to Underwriting Agreement*]

Confirmed as of the date first
above mentioned, on behalf of
themselves and the other several
Underwriters named in Schedule II hereto.

WILLIAM BLAIR & COMPANY, L.L.C.

By: _____
Name: _____
Title: _____

[*Signature Page to Underwriting Agreement*]

SCHEDULE I

Selling Shareholders

Selling Shareholder	Number of Firm Shares
Foundation Capital VI, L.P.	[_____]
Foundation Capital VI Principals Fund, LLC	[_____]
Total	[_____]

SCHEDULE II

Underwriters

Underwriter	**Number of Firm Shares(1)**
William Blair & Company, L.L.C.	[_____]
Craig-Hallum Capital Group LLC	[_____]
Northland Securities, Inc.	[_____]
Barrington Research Associates, Inc.	[_____]
Total	[_____]

(1) The Underwriters may purchase up to an additional [_____] Option Shares, to the extent the option described in Section 4(b) of the Agreement is exercised, in the proportions and in the manner described in the Agreement.

SCHEDULE III

List of Individuals and Entities Executing Lock-Up Agreements

Stephen P. Herbert
Priyanka Singh
Michael K. Lawlor
Steven D. Barnhart
Joel Brooks
Robert L. Metzger
Albin F. Moschner
William J. Reilly Jr.
William J. Schoch

SCHEDULE IV

Certain Permitted Free Writing Prospectuses

[None.]

SCHEDULE V

Pricing Information

Firm Shares to be Sold by the Company: [_____]

Option Shares to be sold by the Company: [_____]

Firm Shares to be Sold by the Selling Shareholder: [_____]

Price to the public: $[_____] per share

Price to the Underwriters: $[_____] per share

EXHIBIT A

Form of Lock-Up Agreement

_____, 2018

USA Technologies, Inc.
100 Deerfield Lane
Suite 300
Malvern, Pennsylvania 19355

William Blair & Company, L.L.C.
As representative of the several underwriters named
in Schedule II to the Underwriting Agreement
referred to below

c/o William Blair & Company, L.L.C.
222 West Adams Street, Suite 3300
Chicago, IL 60606

Re: USA Technologies, Inc. (the "Company")

Dear Sir or Madam:

This letter agreement is delivered to you pursuant to the Underwriting Agreement (the "Underwriting Agreement") to be entered into by the Company, as issuer, and William Blair & Company, L.L.C., as Representative (the "Representative") of the several underwriters named in Schedule II thereto (the "Underwriters"). Upon the terms and subject to the conditions of the Underwriting Agreement, the Underwriters intend to effect a public offering (the "Offering") of common stock, no par value per share (the "Common Stock"), of the Company (the "Shares") pursuant to a Registration Statement on Form S-1.

The undersigned recognizes that it is in the best financial interests of the undersigned, as an officer or director, that the Company completes the proposed Offering. For purposes of this letter agreement, the term "Company Securities" shall mean stock, options, warrants or other securities of the Company.

The undersigned further recognizes that the Company Securities held by the undersigned are, or may be, subject to certain restrictions on transferability, including those imposed by United States federal securities laws. Notwithstanding these restrictions, the undersigned has agreed to enter into this letter agreement to further assure the Underwriters that the Company Securities of the undersigned, now held or hereafter acquired, will not enter the public market at a time that might impair the Offering.

Therefore, as an inducement to the Underwriters to execute the Underwriting Agreement, the undersigned hereby acknowledges and agrees that the undersigned will not (i) offer, sell, contract to sell, announce the intention to sell, pledge, grant any option to purchase or otherwise dispose of (collectively, a "Disposition") any Company Securities, or any securities convertible into or exercisable or exchangeable for, or any rights to purchase or otherwise acquire, any Company Securities held by the undersigned or acquired by the undersigned after the date hereof, or that may be deemed to be beneficially owned by the undersigned (collectively, the "Lock-Up Shares"), pursuant to the Rules and Regulations promulgated under the Securities Act of 1933, as amended (the "Act"), and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), for a period commencing on the date hereof and ending 90 days after the date of the Company's final prospectus used to sell the Securities in the Offering pursuant to the Underwriting Agreement is first filed pursuant to Rule 424(b) under the Act, inclusive (the "Lock-Up Period"), without the prior written consent of the Representative; (ii) exercise or seek to exercise or effectuate in any manner any rights of any nature that the undersigned has or may have hereafter to require the Company to register under the Act the undersigned's sale, transfer or other disposition of any of the Lock-Up Shares or other securities of the Company held by the undersigned, or to otherwise participate as a selling securityholder in any manner in any registration effected by the Company under the Act during the Lock-Up Period; or (iii) publicly disclose the intention to do any of the foregoing. The foregoing restrictions are expressly agreed to preclude the undersigned from engaging in any hedging, collar (whether or not for any consideration), swap or other transaction that is designed to or reasonably expected to lead to or result in a Disposition of Lock-Up Shares during the Lock-Up Period, even if such Lock-Up Shares would be disposed of by someone other than such holder. Such prohibited hedging or other transactions would include any short sale or any purchase, sale or grant of any right (including any put or call option or reversal or cancellation thereof) with respect to any Lock-Up Shares or with respect to any security (other than a broad-based market basket or index) that includes, relates to or derives any significant part of its value from the Lock-Up Shares.

Notwithstanding the agreement not to make any Disposition during the Lock-Up Period, you have agreed that the foregoing restrictions shall not apply to:

(1) any grant to or exercise by the undersigned of any option or warrant to acquire any shares of Common Stock or options to purchase shares of Common Stock, pursuant to any stock option, stock bonus or other stock plan or arrangement;
(2) any transfer of Lock-Up Shares to the "immediate family" of the undersigned or to any trust for the direct or indirect benefit of the undersigned or the "immediate family" of the undersigned;
(3) any bona fide gift;
(4) any transfer of Lock-Up Shares by will or intestate succession;
(5) any distribution or other transfer by a partnership to its partners or former partners or by a limited liability company to its members or retired members or by a corporation to its stockholders or former stockholders or to any wholly-owned subsidiary of such corporation;
(6) any transfer to the undersigned's affiliates (as defined in Rule 405 promulgated under the Act) or to any investment fund or other entity controlled or managed by the undersigned;
(7) any transfer pursuant to a qualified domestic relations order or in connection with a divorce settlement; or
(8) any Company Securities acquired in open market transactions after completion of the Offering; provided that, no filing by any party under the Exchange Act or other public announcement shall be required or shall be voluntarily made in connection with such transfer;

provided that, in the case of any transfer, gift or other disposition pursuant to (2), (3), (4), (6) or (7), the transferee, trust, donee or other recipient agrees to be bound in writing by the terms of this letter agreement prior to such transfer and no filing by any party (donor, donee, transferor or transferee) under the Exchange Act shall be required or shall be voluntarily made in connection with such transfer (other than required filings under Section 16(a) and Section 13(d) or 13(g) of the Exchange Act and any filings made after the expiration of the Lock-Up Period). For purposes of this letter agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, nor more remote than first cousin.

Furthermore, no provision in this letter agreement shall be deemed to restrict or prohibit the transfer of Lock-Up Shares upon the completion of a bona fide third-party tender offer, merger, consolidation or other similar transaction made to all holders of the Company Securities involving a change of control of the Company, provided that (1) the per-share consideration for the Company Securities transferred as described above shall be greater than the public offering price per share in the Offering, (2) all Company Securities subject to this letter agreement that are not so transferred, sold, tendered or otherwise disposed of remain subject to this letter agreement, and (3) it shall be a condition of transfer, sale, tender or other disposition that if such tender offer or other transaction is not completed, any Company Securities subject to this letter agreement shall remain subject to the restrictions herein.

Notwithstanding anything herein to the contrary, nothing herein shall prevent the undersigned from establishing a 10b5-1 trading plan that complies with Rule 10b5-1 under the Exchange Act ("10b5-1 trading plan") or from amending an existing 10b5-1 trading plan, so long as there are no sales of Lock-Up Shares under such plans during the Lock-Up Period; and provided that, the establishment of a 10b5-1 trading plan or the amendment of a 10b5-1 trading plan shall only be permitted if (i) the establishment or amendment of such plan is not required to be reported in any public report or filing with the Securities Exchange Commission, or otherwise and (ii) the undersigned does not otherwise voluntarily effect any public filing or report regarding the establishment or amendment of such plan.

If the undersigned is an officer or director of the Company, the undersigned further agrees that the restrictions imposed by this letter agreement shall be equally applicable to any issuer-directed shares of Common Stock the undersigned may purchase in the Offering.

It is understood that this letter agreement shall automatically terminate, and the undersigned shall be released from its obligations hereunder, upon the earliest to occur, if any, of (i) prior to the execution of the Underwriting Agreement, the Company advises the Representative in writing that it has determined not to proceed with the Offering, (ii) the Underwriting Agreement (other than the provisions thereof that survive termination) is executed but is terminated prior to payment for and delivery of the Securities, or (iii) July 31, 2018, in the event that the Underwriting Agreement has not been executed by such date.

In furtherance of the foregoing, the Company and its transfer agent and registrar are hereby authorized to decline to make any transfer of Lock-Up Shares if such transfer would constitute a violation or breach of this letter agreement. This letter agreement shall be binding on the undersigned and the respective successors, heirs, personal representatives and assigns of the undersigned. Capitalized terms used but not defined herein have the respective meanings assigned to such terms in the Underwriting Agreement.

The undersigned understands that the Underwriters are entering into the Underwriting Agreement and proceeding with the Offering in reliance upon this letter agreement.

This letter agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

Very truly yours,

Printed Name of Holder

Signature

Printed Name and Title of Person Signing
(*if signing as custodian, trustee, or on behalf of an entity*)

Exhibit 5.1

LURIO & ASSOCIATES P.C.
ATTORNEYS AT LAW

Douglas M. Lurio **
Margaret Sherry Lurio *
Shaila Prabhakar *
Patrick Devine***

One Commerce Square
2005 Market Street
Suite 3120
Philadelphia, PA 19103-7015

*Member of Pennsylvania & New Jersey Bars
** Member of Pennsylvania & Florida Bars
*** Member of Pennsylvania, New York & New Jersey Bars

TEL: (215) 665-9300
FAX: (215) 665-8582
DLurio@LurioLaw.com

May 21, 2018

USA Technologies, Inc.
100 Deerfield Lane, Suite 300
Malvern, PA 19355

Ladies and Gentlemen:

This opinion is furnished to you in connection with a Registration Statement on Form S-1 (File No. 333-224804) (the "Registration Statement") filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), covering the registration of 5,370,213 shares of Common Stock, no par value (the "Common Stock"), of USA Technologies, Inc., a Pennsylvania corporation (the "Company"). The shares of Common Stock covered by the Registration Statement consist of 4,116,563 shares of Common Stock to be sold by the Company, 700,463 shares of Common Stock issuable upon exercise of an option granted by the Company to the underwriters to purchase additional shares of Common Stock, and 553,187 shares of Common Stock to be sold by the selling shareholders identified in the Registration Statement (the "Selling Shareholders").

The Common Stock is to be sold by the Company and the Selling Shareholders pursuant to an underwriting agreement (the "Underwriting Agreement") to be entered into by and among the Company, the Selling Shareholders and William Blair & Company, L.L.C., as representative of the several underwriters named in the Underwriting Agreement, the form of which has been filed as Exhibit 1.1 to the Registration Statement.

We are acting as counsel for the Company in connection with the issue and sale by the Company of the Common Stock. We have examined signed copies of the Registration Statement as filed with the Commission. We have also examined and relied upon the Underwriting Agreement, resolutions of the Board of Directors of the Company, the Articles of Incorporation and By-laws of the Company, each as restated or amended to date, and such other documents as we have deemed necessary for purposes of rendering the opinions hereinafter set forth.

In our examination of the foregoing documents, we have assumed, without independent investigation or verification: (i) the genuineness of all signatures on all agreements, instruments and other documents submitted to us; (ii) the legal capacity and authority of all persons or entities executing all agreements, instruments and other documents submitted to us; (iii) the authenticity and completeness of all agreements, instruments, corporate records, certificates, and other documents submitted to us as originals; (iv) that all agreements, instruments, corporate records, certificates, and other documents submitted to us as certified, electronic, facsimile, conformed, photostatic, or other copies conform to authentic originals thereof, and that such originals are authentic and complete; (v) the due authorization, execution, and delivery of all agreements, instruments, and other documents by all parties thereto; and (vi) that the statements contained in the certificates and comparable documents of public officials, officers, and representatives of the Company and other persons on which we have relied for the purposes of this opinion letter are true and correct. As to all matters of fact, we have relied (without independent investigation) upon the truthfulness and accuracy of the representations made in certificates or comparable documents of public officials and officers and representatives of the Company.

Based upon and in reliance on the foregoing, and subject to the assumptions, limitations, qualifications, and exceptions set forth herein, we are of the opinion that: (i) the shares of Common Stock to be sold by the Company have been duly authorized, and when the Registration Statement becomes effective under the Securities Act, the final Underwriting Agreement is duly executed and delivered by the parties thereto, and the Common Stock is registered by the Company's transfer agent and delivered against payment of the agreed consideration therefor, all in accordance with the final Underwriting Agreement, the shares of Common Stock will be validly issued, fully paid and non-assessable; and (ii) the shares of Common Stock to be sold by the Selling Shareholders have been duly authorized and are validly issued, fully paid and non-assessable.

We express no opinion with regard to the law of any jurisdiction other than the Commonwealth of Pennsylvania as in effect as of the date hereof. This opinion letter deals only with the specified legal issues expressly addressed herein, and you should not infer any opinion that is not explicitly addressed herein from any matter stated in this opinion letter.

We hereby consent to the filing of this opinion letter as Exhibit 5.1 to the Registration Statement and to the reference to our firm under the caption "Legal Matters" in the prospectus that is a part of the Registration Statement. In giving such consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act, or the rules or regulations of the Commission thereunder.

This opinion letter speaks as of the date hereof and we assume no obligation to advise you or any other person with regard to any change in the circumstances or the law that may bear on the matters set forth herein after the date hereof, even though the change may affect the legal analysis, a legal conclusion or other matters in this opinion letter.

Very truly yours,

/s/ Lurio & Associates, P.C.

Lurio & Associates, P.C.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in this Amendment No.1 to the Registration Statement (No. 333-224804) on Form S-1 of USA Technologies, Inc. of our reports dated August 22, 2017, relating to the consolidated financial statements, the financial statement schedule and the effectiveness of internal control over financial reporting of USA Technologies, Inc., appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to our firm under the heading “Experts” in such Prospectus.

/s/ RSM US LLP
Blue Bell, PA
May 21, 2018

Exhibit 23.2

Consent of Independent Auditors

We consent to the incorporation by reference in this Amendment No.1 to the Registration Statement on Form S-1 of USA Technologies, Inc. (No. 333-224804), of our report dated September 11, 2017, relating to the financial statements of Cantaloupe Systems, Inc., which report appears in the Current Report on Form 8-K/A of USA Technologies, Inc. (No. 001-33365). We also consent to the reference to our firm under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ Moss Adams LLP
Campbell, California
May 21, 2018