

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

FORM 10-Q

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

For the quarterly period ended March 31, 2025

OR

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

For the transition period from _____ to _____

Commission file number 001-33365



Cantaloupe, Inc.

(Exact name of registrant as specified in its charter)

Pennsylvania

(State or other jurisdiction of incorporation or organization)

23-2679963

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

101 Lindenwood Drive, Suite 405 Malvern, Pennsylvania

(Address of principal executive offices)

19355

(Zip Code)

(610) 989-0340

(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol	Name Of Each Exchange On Which Registered
Common Stock, no par value	CTLP	The NASDAQ Stock Market LLC

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

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

As of May 2, 2025, there were 73,058,462 outstanding shares of Common Stock, no par value.

Cantaloupe, Inc.

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Part I. Financial Information
Item 1. Condensed Consolidated Financial Statements
Cantaloupe, Inc.
Condensed Consolidated Balance Sheets

(\$ in thousands, except share data)	March 31, 2025 (Unaudited)	June 30, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 46,337	\$ 58,920
Accounts receivable, net	33,904	43,848
Finance receivables, net	5,820	6,391
Inventory, net	46,207	40,791
Prepaid expenses and other current assets	12,928	7,844
Total current assets	145,196	157,794
Non-current assets:		
Finance receivables, net	6,462	10,036
Property and equipment, net	36,437	34,029
Operating lease right-of-use assets	7,622	7,986
Intangibles, net	24,612	24,626
Goodwill	102,800	94,903
Deferred income taxes, net	41,618	—
Other assets	5,777	6,194
Total non-current assets	225,328	177,774
Total assets	\$ 370,524	\$ 335,568
Liabilities, convertible preferred stock, and shareholders' equity		
Current liabilities:		
Accounts payable	\$ 59,506	\$ 78,895
Accrued expenses	17,493	24,008
Current obligations under long-term debt	1,934	1,266
Deferred revenue	2,046	1,726
Total current liabilities	80,979	105,895
Long-term liabilities:		
Deferred income taxes, net	—	466
Long-term debt, less current portion	37,226	36,284
Other noncurrent liabilities	8,910	8,457
Total long-term liabilities	46,136	45,207
Total liabilities	127,115	151,102
Commitments and contingencies (Note 14)		
Convertible preferred stock:		
Series A convertible preferred stock, 900,000 shares authorized, 385,782 and 385,782 issued and outstanding, with liquidation preferences of \$23,301 and \$22,722 at March 31, 2025 and June 30, 2024, respectively	2,720	2,720
Shareholders' equity:		
Common stock, no par value, 640,000,000 shares authorized, 73,040,575 and 72,935,497 shares issued and outstanding at March 31, 2025 and June 30, 2024, respectively	—	—
Additional paid-in capital	484,488	482,329
Accumulated deficit	(242,757)	(300,459)
Accumulated other comprehensive loss	(1,042)	(124)
Total shareholders' equity	240,689	181,746
Total liabilities, convertible preferred stock, and shareholders' equity	\$ 370,524	\$ 335,568

See accompanying notes to condensed consolidated financial statements.

Cantaloupe, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

(\$ in thousands, except share and per share data)	Three months ended		Nine months ended	
	March 31,		March 31,	
	2025	2024	2025	2024
Revenues:				
Subscription and transaction fees	\$ 65,179	\$ 59,207	\$ 194,056	\$ 170,371
Equipment sales	10,248	8,690	25,929	25,568
Total revenues	<u>75,427</u>	<u>67,897</u>	<u>219,985</u>	<u>195,939</u>
Costs of sales (exclusive of certain depreciation and amortization):				
Cost of subscription and transaction fees	35,082	32,926	105,979	96,539
Cost of equipment sales	8,984	8,064	23,074	23,849
Total costs of sales	<u>44,066</u>	<u>40,990</u>	<u>129,053</u>	<u>120,388</u>
Operating expenses:				
Sales and marketing	5,830	5,747	16,663	14,256
Technology and product development	4,328	4,916	13,351	12,115
General and administrative	8,471	8,552	31,638	29,493
Integration and acquisition (benefits) expenses	(534)	907	(293)	1,078
Depreciation and amortization	6,367	2,493	12,405	7,976
Total operating expenses	<u>24,462</u>	<u>22,615</u>	<u>73,764</u>	<u>64,918</u>
Operating income	<u>6,899</u>	<u>4,292</u>	<u>17,168</u>	<u>10,633</u>
Other income (expense):				
Interest income	368	495	1,213	1,505
Interest (expense) income, net on debt and tax liabilities	(39)	162	(2,023)	(1,947)
Other income (expense), net	24	(209)	12	(158)
Total other income (expense), net	<u>353</u>	<u>448</u>	<u>(798)</u>	<u>(600)</u>
Income before income taxes	7,252	4,740	16,370	10,033
Benefit from (provision for) income taxes	<u>41,904</u>	<u>(84)</u>	<u>41,332</u>	<u>(246)</u>
Net income	49,156	4,656	57,702	9,787
Preferred dividends	(289)	(289)	(578)	(578)
Net income applicable to common shares	<u>\$ 48,867</u>	<u>\$ 4,367</u>	<u>\$ 57,124</u>	<u>\$ 9,209</u>
Net earnings per common share				
Basic	\$ 0.67	\$ 0.06	\$ 0.78	\$ 0.13
Diluted	\$ 0.65	\$ 0.06	\$ 0.77	\$ 0.12

See accompanying notes to condensed consolidated financial statements.

Cantaloupe, Inc.
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

(\$ in thousands)	Three months ended March 31,		Nine months ended March 31,	
	2025	2024	2025	2024
Net income	49,156	\$ 4,656	57,702	\$ 9,787
Other comprehensive income (loss):				
Foreign currency translation adjustments	711	17	(918)	(7)
Total other comprehensive income (loss)	711	17	(918)	(7)
Total comprehensive income	\$ 49,867	\$ 4,673	\$ 56,784	\$ 9,780

See accompanying notes to condensed consolidated financial statements.

Cantaloupe, Inc.
Condensed Consolidated Statements of Convertible Preferred Stock and Shareholders' Equity
(Unaudited)

Three Months Ended March 31, 2025

(\$ in thousands, except share data)	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Shares	Amount	Shares	Amount				
Balance, December 31, 2024	385,782	\$ 2,720	73,034,575	\$ —	\$ 483,806	\$ (291,913)	\$ (1,753)	\$ 190,140
Stock-based compensation	—	—	—	—	629	—	—	629
Vesting of restricted stock	—	—	187	—	—	—	—	—
Exercise of stock options	—	—	5,813	—	53	—	—	53
Other comprehensive loss	—	—	—	—	—	—	711	711
Net income	—	—	—	—	—	49,156	—	49,156
Balance, March 31, 2025	385,782	\$ 2,720	73,040,575	\$ —	\$ 484,488	\$ (242,757)	\$ (1,042)	\$ 240,689

Three Months Ended March 31, 2024

(\$ in thousands, except share data)	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Shares	Amount	Shares	Amount				
Balance, December 31, 2023	385,782	\$ 2,720	72,739,058	\$ —	\$ 480,441	\$ (307,321)	\$ (24)	\$ 173,096
Stock-based compensation	—	—	—	—	1,004	—	—	1,004
Vesting of restricted stock	—	—	55,208	—	—	—	—	—
Exercise of stock options	—	—	5,000	—	22	—	—	22
Other comprehensive income	—	—	—	—	—	—	17	17
Net income	—	—	—	—	—	4,656	—	4,656
Balance, March 31, 2024	385,782	\$ 2,720	72,799,266	\$ —	\$ 481,467	\$ (302,665)	\$ (7)	\$ 178,795

See accompanying notes to condensed consolidated financial statements.

Cantaloupe, Inc.
Condensed Consolidated Statements of Convertible Preferred Stock and Shareholders' Equity (Continued)
(Unaudited)
Nine Months Ended March 31, 2025

(\$ in thousands, except share data)	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Shares	Amount	Shares	Amount				
Balance, June 30, 2024	385,782	\$ 2,720	72,935,497	\$ —	\$ 482,329	\$ (300,459)	\$ (124)	\$ 181,746
Stock-based compensation	—	—	—	—	2,106	—	—	2,106
Vesting of restricted stock	—	—	99,265	—	—	—	—	—
Exercise of stock options	—	—	5,813	—	53	—	—	53
Other comprehensive loss	—	—	—	—	—	—	(918)	(918)
Net income	—	—	—	—	—	57,702	—	57,702
Balance, March 31, 2025	385,782	\$ 2,720	73,040,575	\$ —	\$ 484,488	\$ (242,757)	\$ (1,042)	\$ 240,689

Nine Months Ended March 31, 2024

(\$ in thousands, except share data)	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Shares	Amount	Shares	Amount				
Balance, June 30, 2023	385,782	\$ 2,720	72,664,464	\$ —	\$ 477,324	\$ (312,452)	\$ —	\$ 164,872
Stock-based compensation	—	—	119,802	—	4,047	—	—	4,047
Exercise of stock options	—	—	15,000	—	96	—	—	96
Other comprehensive income	—	—	—	—	—	—	(7)	(7)
Net income	—	—	—	—	—	9,787	—	9,787
Balance, March 31, 2024	385,782	\$ 2,720	72,799,266	\$ —	\$ 481,467	\$ (302,665)	\$ (7)	\$ 178,795

See accompanying notes to condensed consolidated financial statements.

Cantaloupe, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(\$ in thousands)	Nine months ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 57,702	\$ 9,787
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based compensation	2,459	4,047
Provision for expected losses	1,285	3,423
Depreciation and amortization	13,778	9,113
Non-cash lease expense	1,205	1,070
Deferred income taxes	(42,098)	134
Other non-cash items	42	712
Changes in operating assets and liabilities:		
Accounts receivable	9,509	(16,471)
Finance receivables	3,584	3,038
Inventory	(5,425)	(5,584)
Prepaid expenses and other assets	(4,386)	(3,762)
Accounts payable and accrued expenses	(25,999)	8,455
Operating lease liabilities	(1,032)	(655)
Deferred revenue	290	174
Net cash provided by operating activities	<u>10,914</u>	<u>13,481</u>
Cash flows from investing activities:		
Capital expenditures	(11,917)	(9,175)
Acquisition of businesses, net of cash acquired	(11,132)	(4,750)
Net cash used in investing activities	<u>(23,049)</u>	<u>(13,925)</u>
Cash flows from financing activities:		
Proceeds from long-term debt, net of issuance costs	38,995	—
Payments on long-term debt	(38,125)	(389)
Deferred consideration on the acquisition of a business	(673)	—
Other financing activities	(614)	96
Net cash used in financing activities	<u>(417)</u>	<u>(293)</u>
Effect of currency exchange rate changes on cash and cash equivalents	(31)	7
Net decrease in cash and cash equivalents	(12,583)	(730)
Cash and cash equivalents at beginning of year	58,920	50,927
Cash and cash equivalents at end of period	<u>\$ 46,337</u>	<u>\$ 50,197</u>
Supplemental disclosures of cash flow information:		
Interest paid in cash	\$ 1,944	\$ 2,628
Income taxes paid in cash	\$ 779	\$ 142

See accompanying notes to condensed consolidated financial statements.

Cantaloupe, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. BUSINESS

Cantaloupe, Inc., is organized under the laws of the Commonwealth of Pennsylvania. We are a digital payments and software services company that provides end-to-end technology solutions for self-service commerce. We offer a single platform for self-service commerce which includes integrated payments processing and software solutions that handle inventory management, pre-kitting, route logistics, warehouse and back-office management. Our enterprise-wide platform is designed to increase consumer engagement and sales revenue through digital payments, digital advertising and customer loyalty programs, while providing retailers with control and visibility over their operations and inventory. Our customers range from vending machine companies to operators of micro-markets and smart retail, laundromats, metered parking terminals, amusement and entertainment venues, IoT services and more.

Cantaloupe, Inc. and its consolidated subsidiaries are referred to herein collectively as "Cantaloupe," the "Company," "we," "our" or "us," unless the context requires otherwise.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Preparation

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

The condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements and therefore should be read in conjunction with the Company's June 30, 2024 Annual Report on Form 10-K.

The Company's legal entities are based in the United States, Mexico, Canada and the United Kingdom. The functional currencies of our foreign wholly-owned subsidiaries are the local currencies. We translate the financial statements of these subsidiaries into U.S. dollars each reporting period for purposes of consolidation.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates, assumptions and judgments that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. The Company evaluates these estimates on an ongoing basis.

Estimates, judgments, and assumptions in these condensed consolidated financial statements include, but are not limited to, those related to revenue recognition, capitalization of internal-use software and cloud computing arrangements, fair value of acquired assets and liabilities including goodwill through purchase accounting, income taxes and sales tax reserves. See the Company's Annual Report, *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, section Critical Accounting Estimates*.

Property and equipment, which primarily consists of computer equipment and software and leased equipment, are recorded at either cost or, in the instance of an acquisition, the estimated fair value on the date of the acquisition, and are depreciated on a straight-line basis over the estimated useful lives of the related assets. Capitalized internal-use software is amortized on the straight-line basis over the estimated useful lives of the software. Leasehold improvements are amortized on the straight-line basis over the lesser of the estimated useful life of the asset or the respective lease term. Depreciation expense on our property and equipment, excluding property and equipment used for rentals, is included in Depreciation and amortization in the Condensed Consolidated Statements of Operations. Depreciation expense on our property and equipment used for rentals is included in Cost of subscription and transaction fees in the Consolidated Statements of Operations.

During the quarter ended March 31, 2025, the Company determined that certain capitalized internal use software projects are no longer expected to provide future economic benefits as a result of changes in business strategy and evolving technology initiatives. As a result, the Company recognized additional charges of \$3.0 million during the quarter ended March 31, 2025, within Depreciation and amortization in the Condensed Consolidated Statements of Operations.

Recent Accounting Pronouncements

ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, which expands income tax disclosure requirements to include additional information related to the rate reconciliation of effective tax rates to statutory rates as well as additional disaggregation of taxes paid. The amendments in the ASU also remove disclosures related to certain unrecognized tax benefits and deferred taxes. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, which is the Company's fiscal year ended June 30, 2026. The amendments may be applied prospectively or retrospectively, and early adoption is permitted. We are currently assessing the impact of the requirements on our consolidated financial statements and disclosures.

ASU 2023-07 Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU 2023-07, which expands reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in the ASU require that a public entity disclose, on an annual and interim basis, significant segment expenses that are regularly provided to an entity's chief operating decision maker ("CODM"), a description of other segment items by reportable segment, and any additional measures of a segment's profit or loss used by the CODM when deciding how to allocate resources. Annual disclosures are required for fiscal years beginning after December 15, 2023, which is the Company's fiscal year ended June 30, 2025. Interim disclosures are required for periods within fiscal years beginning after December 15, 2024, which is the Company's fiscal year ended June 30, 2026. Retrospective application is required for all prior periods presented, and early adoption is permitted. We are currently assessing the impact of the requirements on our consolidated financial statements and disclosures.

ASU 2024-03 Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03, which requires disclosures about specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. The new guidance is effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. The requirements will be applied prospectively with the option for retrospective application. The Company is currently evaluating the impact that the adoption of this accounting standard will have on its financial disclosures.

No other new accounting pronouncements issued or effective during the period ended March 31, 2025, have had or are expected to have a significant impact on the Company's financial statements.

3. ACCOUNTS RECEIVABLE

Accounts receivable includes amounts due to the Company for sales of equipment and subscription fees, settlement receivables for amounts due from third-party payment processors, receivables from contract manufacturers and unbilled amounts due from customers, net of the allowance for credit losses. Accounts receivable, net of the allowance credit losses were \$33.9 million as of March 31, 2025 and \$43.8 million as of June 30, 2024. The change in accounts receivable, net of allowance for uncollectible accounts is primarily related to the timing of settlements associated with payment processors and overall cash collections.

Allowance for credit losses

The following table represents a rollforward of the allowance for credit losses for the nine months ended March 31, 2025 and 2024:

(\$ in thousands)	Nine months ended March 31,	
	2025	2024
Balance, June 30	\$ 13,442	\$ 10,815
Provision adjustments	558	958
Write-offs	(354)	(60)
Balance, September 30	13,646	11,713
Provision adjustments	1,064	1,266
Write-offs	(3,559)	(134)
Balance, December 31	11,151	12,845
Provision adjustments	930	1,085
Write-offs	(95)	(735)
Balance, March 31	\$ 11,986	\$ 13,195

4. FINANCE RECEIVABLES

The Company's finance receivables consist of devices under its financing program. Substantially all of the Company's finance receivables agreements are classified as non-cancellable sixty-month sales-type leases.

The Company collects lease payments from customers primarily as part of the flow of funds from our transaction processing services. Balances are considered past due if customers do not have sufficient transaction revenue to cover the monthly lease payment by the end of the monthly billing period.

At March 31, 2025, the gross lease receivable by current payment performance on a contractual basis and year of origination consisted of the following:

(\$ in thousands)	Leases by Origination						Total
	Up to 1 Year Ago	Between 1 and 2 Years Ago	Between 2 and 3 Years Ago	Between 3 and 4 Years Ago	Between 4 and 5 Years Ago	More than 5 Years Ago	
Current	\$ 1,845	\$ 1,665	\$ 4,504	\$ 2,386	\$ 366	\$ 54	\$ 10,820
30 days and under	32	36	107	106	40	9	330
31 - 60 days	13	17	57	86	38	22	233
61 - 90 days	11	13	73	32	46	21	196
Greater than 90 days	7	73	676	821	161	1,459	3,197
Total finance receivables	\$ 1,908	\$ 1,804	\$ 5,417	\$ 3,431	\$ 651	\$ 1,565	\$ 14,776

At June 30, 2024, the gross lease receivable by current payment performance on a contractual basis and year of origination consisted of the following:

(\$ in thousands)	Leases by Origination						Total
	Up to 1 Year Ago	Between 1 and 2 Years Ago	Between 2 and 3 Years Ago	Between 3 and 4 Years Ago	Between 4 and 5 Years Ago	More than 5 Years Ago	
Current	\$ 2,199	\$ 5,135	\$ 4,668	\$ 1,961	\$ 456	\$ 324	\$ 14,743
30 days and under	13	67	80	85	56	42	343
31 - 60 days	8	64	58	49	47	38	264
61 - 90 days	8	62	48	32	36	38	224
Greater than 90 days	35	387	625	208	297	1,235	2,787
Total finance receivables	\$ 2,263	\$ 5,715	\$ 5,479	\$ 2,335	\$ 892	\$ 1,677	\$ 18,361

The following table represents a rollforward of the allowance for finance receivables for the nine months ended March 31, 2025 and 2024:

(\$ in thousands)	Nine months ended March 31,	
	2025	2024
Balance, June 30	\$ 1,934	\$ 2,098
Provision for expected losses	391	51
Balance, Sept 30	2,325	2,149
Provision for expected losses	108	108
Balance, December 31	2,433	2,257
Provision for expected losses	61	(45)
Balance, March 31	2,494	2,212

There were no material write-offs of finance receivables for the nine months ended March 31, 2025 and 2024.

Cash to be collected on our performing finance receivables due for each of the fiscal years is as follows:

(\$ in thousands)	Amount
Remainder of fiscal year 2025	\$ 1,873
2026	6,042
2027	4,172
2028	2,188
2029	915
Thereafter	178
Total amounts to be collected	15,368
Less: interest	(592)
Less: allowance for credit losses	(2,494)
Total finance receivables	\$ 12,282

5. LEASES

Lessee Accounting

We have operating leases which are real estate leases used for corporate functions, product development, sales, and other purposes. The following table provides supplemental balance sheet information related to the Company's operating leases:

(\$ in thousands)	Balance Sheet Classification	March 31, 2025	June 30, 2024
Assets:			
Non-current	Operating lease right-of-use assets	\$ 7,622	\$ 7,986
Liabilities:			
Current	Accrued expenses	\$ 1,449	\$ 1,320
Long-term	Other noncurrent liabilities	8,261	8,457
Total lease liabilities		\$ 9,710	\$ 9,777

Supplemental cash flow information and non-cash activity related to our leases are as follows:

(\$ in thousands)	Nine months ended	
	2025	March 31, 2024
Supplemental cash flow information:		
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 1,652	\$ 1,827
Non-cash activity:		
Right-of-use assets obtained in exchange for new lease obligations	\$ 532	\$ 6,657

Maturities of lease liabilities by fiscal year for our leases as of March 31, 2025 are as follows:

(\$ in thousands)	Operating Leases
Remainder of fiscal year 2025	\$ 431
2026	2,413
2027	1,961
2028	1,455
2029	1,490
Thereafter	5,720
Total lease payments	13,470
Less: Imputed interest	(3,760)
Present value of lease liabilities	\$ 9,710

Lessor Accounting

Property and equipment used for the Cantaloupe One operating lease rental program consisted of the following:

(\$ in thousands)	March 31, 2025	June 30, 2024
Cost	\$ 33,127	\$ 32,513
Accumulated depreciation	(26,232)	(24,742)
Net	\$ 6,895	\$ 7,771

For the three months ended March 31, 2025 and 2024, the Company recognized \$2.3 million and \$2.1 million of revenue from its device rental program, respectively, which is included in the Subscription and Transaction fees on its Condensed Consolidated Statements of Operations.

For the nine months ended March 31, 2025 and 2024, the Company recognized \$6.8 million and \$6.1 million of revenue from its device rental program, respectively, which is included in the Subscription and Transaction fees on its Condensed Consolidated Statements of Operations.

The Company's net investment in sales-type leases (carrying value of lease receivables) and the future minimum amounts to be collected on these lease receivables as of March 31, 2025 are disclosed within *Note 4 - Finance Receivables*.

6. DEBT AND OTHER FINANCING ARRANGEMENTS

The Company's debt and other financing arrangements as of March 31, 2025 and June 30, 2024 consisted of the following:

(\$ in thousands)	As of March 31, 2025	As of June 30, 2024
2025 Credit Facility/2022 Amended Credit Facility	\$ 39,500	\$ 37,625
Less: unamortized issuance costs	(340)	(75)
Total	39,160	37,550
Less: debt and other financing arrangements, current	(1,934)	(1,266)
Debt and other financing arrangements, noncurrent	\$ 37,226	\$ 36,284

Details of interest (income) expense, net on debt and tax liabilities presented on the condensed consolidated statements of operations are as follows:

(\$ in thousands)	Three months ended		Nine months ended	
	March 31,		March 31,	
	2025	2024	2025	2024
2025 Credit Facility/JPMorgan Credit Facility	870	894	2,616	2,718
Other interest (income) expense on tax liabilities	(831)	(1,056)	(593)	(771)
Total interest expense (income), net on debt and tax liabilities	\$ 39	\$ (162)	\$ 2,023	\$ 1,947

2025 Credit Facility

On January 31, 2025 (the "Closing Date"), the Company entered into a second amended and restated credit agreement (the "2025 Credit Facility") among the Company, as the borrower, certain of its subsidiaries, as guarantors, and JPMorgan Chase Bank, N.A., as a lender and the administrative agent, and Capital One, National Association as a lender.

The 2025 Credit Facility provides for a \$40 million secured term loan facility (the "2025 Term Loan Facility"), a \$30 million secured revolving credit facility (the "2025 Revolving Facility") and a \$30 million secured delayed draw term loan facility (the "Delayed Draw Term Loan Facility"). Proceeds from the 2025 Term Loan Facility were used to repay borrowings under the Company's 2022 Amended JPMorgan Credit Facility (described below), which had total remaining net borrowings of \$37.3 million, inclusive of accrued interest on these facilities. The remaining proceeds from the 2025 Credit Facility were used to finance working capital needs and for general corporate purposes including permitted acquisitions and investments.

The 2025 Delayed Draw Facility is available for a period of up to 24 months following the Closing Date. The Company has not borrowed against the 2025 Revolving Facility or the Delayed Draw Term Loan Facility.

In accordance with ASC 470, the Company evaluated the 2025 Credit Facility on a lender-by-lender basis. The Company accounted for the 2025 Term Loan Facility and 2025 Revolving Facility as debt modifications. As such, previously unamortized debt issuance costs will be amortized over the term of the new credit agreement. The Company paid \$1.0 million in lender fees and legal expenses in connection with the execution of the 2025 Credit Facility.

Interest on the 2025 Credit Facility is based, at the Company's option, on a base rate or SOFR plus an applicable margin tied to the Company's total net leverage ratio and having ranges between 1.75% and 2.50% for base rate loans and between 2.75% to 3.50% for SOFR loans. The 2025 Revolving Facility also carries an unused commitment fee tied to the Company's total net leverage ratio between 0.25% to 0.40% per annum. In an event of default, the interest rate may be increased by 2.00%. As of March 31, 2025, the weighted average interest rate for the 2025 Credit Facility is approximately 7.24%.

The 2025 Term Loan Facility, the 2025 Revolving Facility and the Delayed Draw Term Loan Facility all mature on January 31, 2030. Principal in respect of the 2025 Term Loan Facility is payable quarterly with 5.0% due in year one and year two, 7.5% due in year three and year 4, 10% due in year 5, and the remainder payable upon maturity. To the extent funded, principal in respect of the Delayed Draw Term Loan Facility will be payable on the same terms as the 2025 Term Loan Facility. Principal on 2025 Revolving Facility is due at maturity.

The Company's obligations under the 2025 Credit Facility is unconditionally guaranteed, jointly and severally, by the Company's material direct and indirect wholly-owned domestic subsidiaries (the "Guarantors"). All obligations of the Company and the Guarantors under the 2025 Credit Facility are secured by first priority security interests in substantially all of the assets of the Company and the Guarantors.

The 2025 Credit Facility includes customary representations, warranties and covenants, and acceleration, indemnity and events of default provisions, including, among other things, two financial covenants. The first financial covenant requires the Company to maintain a total leverage ratio of not more than 3.50 to 1.00 on the last day of any fiscal quarter. However, if a material acquisition occurs, the Company is required to maintain a total leverage ratio not greater than 4.00 to 1.00 on the last day of the fiscal quarter for the next four fiscal quarters following the material acquisition. The second financial covenant does not permit the Company to have a fixed charge coverage ratio of less than 1.15 to 1.00 for four consecutive fiscal quarters. The Company was in compliance with its financial covenants for the 2025 Credit Facility as of March 31, 2025.

2022 Amended JPMorgan Credit Facility

On March 17, 2022, the Company entered into an amended and restated credit agreement with JPMorgan Chase Bank, N.A. which provides for a \$15 million secured revolving credit facility (the "2022 Amended Revolving Facility") and a \$15 million secured term facility (the "2022 Amended Secured Term Facility" and together with the 2022 Amended Revolving Facility, the "2022 Amended JPMorgan Credit Facility"), and fully replaced our previous 2021 credit facility with JPMorgan Chase Bank, N.A.

On December 1, 2022, the Company entered into an amendment to the 2022 Amended JPMorgan Credit Facility, dated as of March 17, 2022, which, among other things, amended the definition of the Company's EBITDA under the Credit Agreement. On December 1, 2022, the Company borrowed an additional \$25 million under the 2022 Amended JPMorgan Credit Facility, including \$15 million from the revolving credit facility and increased the term facility by \$10 million to a total of \$25 million.

As described above, proceeds from the 2025 Term Loan Facility were used to repay borrowings under the 2022 Amended Credit JPMorgan Facility, which had total remaining net borrowings of \$37.3 million, inclusive of accrued interest on the facility.

Interest on the 2022 Amended JPMorgan Credit Facility was based, at the Company's option, on a base rate or SOFR plus an applicable margin tied to the Company's total leverage ratio and having ranges of between 2.50% and 3.00% for base rate loans and between 3.50% and 4.00% for SOFR loans. Subject to the occurrence of a material acquisition and the Company's total leverage ratio exceeding 3.00 to 1.00, the interest rate on the loans may increase by 0.25%. In an event of default, the interest rate may be increased by 2.00%. The 2022 Amended JPMorgan Credit Facility also carried a commitment fee of 0.50% per annum on the unused portion.

The 2022 Amended JPMorgan Credit Facility includes customary representations, warranties and covenants, and acceleration, indemnity and events of default provisions, including, among other things, two financial covenants. One financial covenant requires the Company to maintain, at all times, a total leverage ratio of not more than 3.00 to 1.00 on the last day of any fiscal quarter. The other financial covenant is conditional on a material acquisition occurring: if a material acquisition occurs, the Company is required to maintain a total leverage ratio not greater than 4.00 to 1.00 for the next four fiscal quarters following the material acquisition. The Company was in compliance with its financial covenants for the 2022 Amended JPMorgan Credit Facility until the 2025 Credit Facility modification. See above for the new financial covenants.

Expected Maturities

The expected maturities for each fiscal year associated with the Company's outstanding debt and other financing arrangements as of March 31, 2025, were as follows:

(\$ in thousands)	Amount
Remainder of fiscal year 2025	\$ 500
2026	2,000
2027	2,500
2028	3,000
2029	3,500
Thereafter	28,000
Principal amounts payable	39,500
Unamortized issuance costs	(340)
Total outstanding debt	<u>\$ 39,160</u>

7. ACCRUED EXPENSES

Accrued expenses consisted of the following as of March 31, 2025 and June 30, 2024:

(\$ in thousands)	As of March 31, 2025	As of June 30, 2024
Sales tax	\$ 7,429	\$ 10,574
State income tax payable	1,520	1,496
Accrued compensation and related sales commissions	3,225	4,061
Operating lease liabilities - current	1,449	1,320
Accrued professional fees	2,349	4,336
Consideration withheld for acquisitions - current*	355	1,370
Accrued other	1,166	851
Total accrued expenses	<u>\$ 17,493</u>	<u>\$ 24,008</u>

* See Note 9 - *Acquisitions* for a description of the arrangements.

8. GOODWILL AND INTANGIBLES

Intangible asset balances and goodwill consisted of the following:

(\$ in thousands)	As of March 31, 2025			Weighted Average Remaining Useful Life (Years)
	Gross	Accumulated Amortization	Net	
Intangible assets:				
Brand and trade names	\$ 2,598	(2,150)	448	1.9
Developed technology	22,967	(15,348)	7,619	3.4
Customer relationships	28,245	(11,700)	16,545	8.0
Total intangible assets	\$ 53,810	\$ (29,198)	\$ 24,612	6.5
Goodwill	\$ 102,800	\$ —	\$ 102,800	Indefinite

(\$ in thousands)	As of June 30, 2024			Weighted Average Useful Life (Years)
	Gross	Accumulated Amortization	Net	
Intangible assets:				
Brand and trade names	\$ 2,361	\$ (1,852)	\$ 509	1.6
Developed technology	20,062	(13,304)	6,758	3.6
Customer relationships	27,024	(9,665)	17,359	8.8
Total intangible assets	\$ 49,447	\$ (24,821)	\$ 24,626	7.2
Goodwill	\$ 94,903	\$ —	\$ 94,903	Indefinite

During the three and nine months ended March 31, 2025, the Company recognized \$1.6 million and \$4.4 million, respectively, in amortization expense related to intangible assets.

During the three and nine months ended March 31, 2024, the Company recognized \$1.3 million and \$4.3 million, respectively, in amortization expense related to intangible assets.

The Company performs an annual goodwill impairment test during the fourth quarter and more frequently if events and circumstances indicate that the asset might be impaired. The Company has determined that there is one single reporting unit for purposes of testing goodwill for impairment. During the nine months ended March 31, 2025 and March 31, 2024, the Company did not recognize any impairment charges related to goodwill.

9. ACQUISITIONS

On September 5, 2024, the Company acquired all of the equity interests of SB Software Limited ("SB Software"), a United Kingdom private limited company. SB Software is in the business of vending and coffee machine management in the United Kingdom. The acquisition enhances Cantaloupe's operational capabilities and market reach in Europe.

On February 1, 2024, the Company acquired all of the equity interests of Cheq Lifestyle Technology, Inc. ("Cheq"). Cheq powers payments for numerous professional sports teams, entertainment venues and festival operators through its enterprise-grade payment devices and mobile ordering platform. The acquisition positions Cantaloupe for expansion into the large and rapidly growing sports, entertainment, and restaurant sectors with a comprehensive suite of self-service solutions.

Both acquisitions were accounted for as business combinations using the acquisition method of accounting. The purchase price of each acquired company was allocated between tangible and intangible assets acquired and liabilities assumed from the acquired businesses based on their estimated fair values using primarily Level 3 inputs under ASC Topic 820, "Fair Value Measurement", with the residual of the purchase price recorded as goodwill.

SB Software

For SB Software, the Company paid a purchase price of approximately \$11.4 million which includes cash paid of \$10.0 million and the estimated fair value of contingent consideration of \$1.4 million. The acquisition was funded by the Company's cash on hand.

The \$1.4 million fair value of the contingent consideration represented the present value of up to \$3.3 million in contingent consideration based on a Monte Carlo Simulation should SB Software achieve certain revenue growth targets as defined in the share purchase agreement. Should these targets be achieved, approximately \$1.3 million, \$1.0 million and \$1.0 million, denominated in British Pounds, will be payable in September 2025, September 2026 and September 2027, respectively. Should the targets be achieved, the Company may choose to pay this contingent consideration in either cash or common stock valued based on the average stock price for the 10 trading days preceding the release of these shares.

As of March 31, 2025, the Company recognized a \$0.6 million gain due to the decrease in the fair value of the contingent consideration which was included in Integration and acquisition expenses on the Condensed Consolidated Statement of Operations. As of March 31, 2025 the fair value current and noncurrent portions of the fair value of the contingent consideration of \$0.1 million and \$0.6 million are included in Accrued expenses and Other non-current liabilities on the Condensed Consolidated Balance Sheet, respectively.

The following table summarizes the estimated fair value assigned to the assets acquired and liabilities assumed:

(\$ in thousands)	Amount
Cash and cash equivalents	\$ 284
Accounts receivable	94
Inventory	42
Prepaid expenses	14
Property and equipment	67
Operating lease right-of-use assets	244
Intangible assets	3,303
Total identifiable assets acquired	4,048
Accounts payable	(71)
Accrued expenses	(152)
Operating lease liability	(244)
Total liabilities assumed	(467)
Total identifiable net assets	3,581
Goodwill	7,793
Fair value of total considerations transferred	\$ 11,374

The Company determined the estimated fair value of the identifiable intangible assets acquired with the assistance of third-party valuation consultants. Amounts allocated to identifiable intangible assets included \$3.0 million related to developed technology, \$0.2 million related to customer relationships, and \$0.1 million related to trade names. The estimated fair value of the acquired developed technology was determined using a multi-period excess earnings method. The estimated fair value of the acquired customer relationships was determined using the distributor method which estimates the value using the cash flow impact in a scenario where the customer relationships are not in place. The estimated fair value of the acquired trade names was determined using the relief from royalty method which estimates the value using the discounted value of the royalties that a company would pay to license the trade name. The recognized intangible assets will be amortized on a straight-line basis over the estimated useful lives of the respective assets. The estimated useful lives for developed technology, customer relationship and trade names were 5, 3 and 3 years, respectively.

Goodwill of \$7.8 million arising from the acquisition includes the expected synergies between SB Software and the Company. Goodwill, which is not deductible for income tax purposes, was assigned to the Company's only reporting unit.

The Company recognized \$0.3 million of integration and acquisition related costs that were expensed during the nine months ended March 31, 2025, which is offset with the previously described \$0.6 million gain related to the adjusted fair value of contingent consideration. These net impact of these items are recorded within Integration and acquisition expenses in the Condensed Consolidated Statements of Operations.

The allocation of the purchase price is currently provisional and is subject to change over the remainder of the measurement period as the Company continues to evaluate and analyze the estimates and assumptions used in the valuation. For the quarter ended March 31, 2025, certain immaterial adjustments were made to the allocation of the purchase price. Pro forma financial information of the acquisition and revenue and net income since acquisition are not presented due to the immaterial impact of the financial results of SB Software in the Company's Condensed Consolidated Financial Statements.

Cheq

The Company acquired Cheq for \$4.5 million, including \$1.1 million in accounts payable paid concurrently with the acquisition. The acquisition was funded by the Company's cash on hand. The original terms included \$0.9 million in deferred cash consideration for net working capital and other post-closing adjustments. During the quarter ended March 31, 2025, the Company paid \$0.7 million in deferred cash consideration, which was net of \$0.2 million in other liabilities recognized as a measurement period adjustment.

The following table summarizes the adjusted fair value assigned to the assets acquired and liabilities assumed:

(\$ in thousands)	Amount
Cash and cash equivalents	\$ 84
Property and equipment	1,136
Intangible assets	1,750
Other assets	486
Total identifiable assets acquired	3,456
Accounts payable	(691)
Other liabilities	(307)
Total liabilities assumed	(998)
Total identifiable net assets	2,458
Goodwill	2,000
Fair value of total considerations transferred	\$ 4,458

The Company determined the fair value of the identifiable intangible assets acquired with the assistance of third-party valuation consultants. Amounts allocated to identifiable intangible assets included \$1.4 million related to developed technology, \$0.2 million related to customer relationships, and \$0.2 million related to trade names. The fair value of the acquired developed technology was determined using a multi-period excess earnings method. The fair value of the acquired customer relationships was determined using the distributor method which estimates the value using the cash flow impact in a scenario where the customer relationships are not in place. The fair value of the acquired trade names was determined using the relief from royalty method which estimates the value using the discounted value of the royalties that a company would pay to license the trade name. The recognized intangible assets will be amortized on a straight-line basis over the estimated useful lives of the respective assets. The estimated useful lives for developed technology, customer relationships, trade names were 5, 3 and 3 years, respectively.

Goodwill of \$2.0 million arising from the acquisition includes the expected synergies between Cheq and the Company. Goodwill, which is not deductible for income tax purposes, was assigned to the Company's only reporting unit.

The above table represents the final allocation of the purchase price. For the quarter ended March 31, 2025, there were no measurement period adjustments other than other liabilities described above. Pro forma financial information of the acquisition and revenue and net income since acquisition are not presented due to the immaterial impact of the financial results of Cheq in the Company's Condensed Consolidated Financial Statements.

10. REVENUES

Based on similar operational characteristics, the Company's revenues are disaggregated as follows:

(\$ in thousands)	Three months ended March 31,		Nine months ended March 31,	
	2025	2024	2025	2024
Transaction fees	\$ 44,028	\$ 40,034	\$ 132,022	\$ 114,956
Subscription fees	21,151	19,173	62,034	55,415
Subscription and transaction fees	65,179	59,207	194,056	170,371
Equipment sales	10,248	8,690	25,929	25,568
Total revenues	\$ 75,427	\$ 67,897	\$ 219,985	\$ 195,939

A portion of the Company's revenues relate to rental lease arrangements. The Company leases equipment to customers under the Cantaloupe One program which is accounted for as operating leases in accordance with ASC 842. Lease revenue is recognized on a straight-line basis over the term of the lease and is included in Subscription and transaction fees in the Consolidated Statement of Operations and Subscription fees in the table above. As described in *Note 4 - Finance Receivables*, the Company leases equipment under sales-type finance leases in accordance with ASC 842.

The Company's revenues earned under ASC Topic 842 are as follows:

(\$ in thousands)	Three months ended March 31,		Nine months ended March 31,	
	2025	2024	2025	2024
Operating leases	\$ 2,262	\$ 2,056	\$ 6,769	\$ 6,081
Sales-type leases	237	884	1,172	1,995
Total lease revenues	\$ 2,499	\$ 2,940	\$ 7,941	\$ 8,076

Operating leases are included in Subscription and transaction fees in the Consolidated Statement of Operations and Subscription fees in the disaggregated revenue table above. Sales-type finance leases are included in Equipment sales in the Consolidated Statement of Operations and in the disaggregated revenue table above.

Contract Assets

Contract assets represent revenues earned from customers that are not yet billable to customers, generally due to the timing of when equipment and services are delivered to customers on bundled contracts, or as a result of contract costs as described below. Contract assets that will be billed within the next 12 months are included in Prepaid expenses and other current assets and all others are included in Other assets on the Condensed Consolidated Balance Sheets. Contract assets were \$2.2 million and \$2.6 million, as of March 31, 2025 and June 30, 2024.

Contract Liabilities

The change in the contract liability balances, presented as Deferred revenue on the Condensed Consolidated Balance Sheets, is primarily the result of timing difference between the Company's satisfaction of a performance obligation and payment from the customer.

The Company's contract liability (i.e., deferred revenue) balances are as follows:

(\$ in thousands)	Three months ended March 31,	
	2025	2024
Deferred revenue, beginning of the period	\$ 1,356	\$ 1,788
Revenue recognized in the period from amounts included in deferred revenue at the beginning of the period	(123)	(268)
Additions (reversals)	813	373
Deferred revenue, end of the period	\$ 2,046	\$ 1,893

(\$ in thousands)	Nine months ended March 31,	
	2025	2024
Deferred revenue, beginning of the period	\$ 1,726	\$ 1,666
Revenue recognized in the period from amounts included in deferred revenue at the beginning of the period	(659)	(475)
Additions	979	702
Deferred revenue, end of the period	\$ 2,046	\$ 1,893

Lessor Operating Lease Payment Receipts

The Company will recognize revenue in future periods related to remaining performance obligations for certain open contracts. Generally, these contracts have terms of one year or less. The amount of revenue related to unsatisfied performance obligations in which the original duration of the contract is greater than one year are primarily associated with the Company's Cantaloupe ONE rental program which has a contractual term of 36 months. The following table reflects the estimated fees to be recognized in the future related to performance obligations that are unsatisfied as of March 31, 2025:

(\$ in thousands)	As of March 31, 2025
Remainder of fiscal year 2025	\$ 1,506
2026	4,254
2027	1,627
2028	290
Total	\$ 7,677

Contract Costs

The Company had net capitalized costs to obtain contracts of \$1.0 million and \$0.9 million included in Prepaid expenses and other current assets and \$2.6 million and \$2.4 million included in Other noncurrent assets on the Condensed Consolidated Balance Sheets as of March 31, 2025 and June 30, 2024, respectively. None of these capitalized contract costs were impaired.

During the three and nine months ended March 31, 2025, amortization of capitalized contract costs was \$0.2 million and \$0.7 million, respectively. During the three and nine months ended March 31, 2024, amortization of capitalized contract costs was \$0.2 million and \$0.7 million, respectively. Amortization of costs to obtain a contract are included within Sales and marketing expenses within the Condensed Consolidated Statement of Operations.

11. STOCK-BASED COMPENSATION

Stock Options

The Company estimates the grant date fair value of the stock options with service conditions (i.e., a condition that requires an employee to render services to the Company for a stated period of time to vest) using a Black-Scholes valuation model. The Company's assumption for expected volatility is based on its historical volatility data related to market trading of its own common stock. The Company uses the simplified method to determine expected term, as the Company does not have adequate historical exercise and forfeiture behavior on which to base the expected life assumption. The dividend yield assumption is based on dividends expected to be paid over the expected life of the stock option. The risk-free interest rate assumption is determined by using the U.S. Treasury rates of the same period as the expected option term of each stock option.

The fair value of options granted during the nine months ended March 31, 2025 and 2024 were determined using the following assumptions and includes only options with an established grant date under ASC 718:

	Nine months ended March 31,	
	2025	2024
Expected volatility (percent)	49.5% - 50.5%	52.6% - 69.7%
Weighted average expected life (years)	4.5	4.2 - 4.5
Dividend yield (percent)	0.0 %	0.0 %
Risk-free interest rate (percent)	3.4% - 3.5%	4.1% - 4.3%
Number of options granted	30,000	175,000
Weighted average exercise price	\$ 6.86	\$ 6.92
Weighted average grant date fair value	\$ 3.10	\$ 4.01

Stock-based compensation related to stock options with an established grant date for the three months ended March 31, 2025 and 2024 was \$0.2 million and \$0.6 million, respectively. Stock-based compensation related to stock options with an established grant date for the nine months ended March 31, 2025 and 2024 was \$0.9 million and \$2.4 million, respectively.

Restricted Stock Awards

The Company has granted service based restricted stock awards to employees. The Company determines expense related to restricted stock awards using the closing stock price on the grant date and these awards are expensed under the accelerated attribution method over the vesting period which is typically a three-year service period. The total expense recognized for restricted stock awards for the three months ended March 31, 2025 and 2024 was \$0.4 million and \$0.5 million, respectively. The total expense recognized for restricted stock awards for both the nine months ended March 31, 2025 and 2024 was \$1.5 million and \$1.6 million.

The Company has awarded performance stock awards to certain executives which vest each year over a three-year period. These stock awards are also subject to the achievement of performance goals established by the Company's Board of Directors each fiscal year. During the three and nine months ended March 31, 2025, total expense recognized by the Company for these awards was \$0.1 million and \$0.2 million. The total expense recognized for the three months ended March 31, 2024 was immaterial on performance stock awards. The total expense recognized on performance stock awards for the nine months ended was \$0.1 million.

12. INCOME TAXES

The Company computes its interim period income tax provision using a forecasted estimated annual effective tax rate and adjusts for any discrete items arising during the interim period. The effective tax rate was negative for both the three and nine months ended March 31, 2025, due to the release of the valuation allowance described below. Excluding the impact of the valuation allowance release, the effective tax rate was 4.5% and 5.5% for the three and nine months ended March 31, 2025, respectively, and was based primarily on minimum state tax obligations.

The Company assesses the realizability of deferred tax assets by considering both positive and negative evidence including forecasts of future taxable income. As of March 31, 2025, the Company concluded that it is more likely than not a portion of its deferred tax assets, primarily related to federal and state net operating loss carryforwards, will be realized. The Company therefore released \$42.2 million of its valuation allowance associated with U.S. federal and certain state deferred tax assets. These U.S. federal and state deferred tax assets were created primarily as a result of net operating loss carryforwards from historical business operations. Key factors supporting the conclusion to release a portion of the valuation allowance in the third quarter included current fiscal year to date profitability, sustained cumulative profitability over the last three years and reasonable expectations of future period profitability both in the near and long term. These factors, amongst others, provided adequate positive evidence in the third quarter to support the conclusion that sufficient taxable income will be generated in the future and a portion of the valuation allowance is no longer warranted. The Company continues to maintain a valuation allowance associated with certain state net operating loss carryforwards due to state specific net operating loss utilization limitation rules.

For the three and nine months ended March 31, 2025, the Company recorded an income tax benefit of \$41.9 million and \$41.3 million, respectively. The income tax benefit for the three and nine months ended March 31, 2025, relates to the \$42.2 million valuation allowance release, offset by state income and deferred taxes related to goodwill amortization for tax purposes.

For the three and nine months ended March 31, 2024, the Company recorded an income tax provision of \$0.1 million and \$0.2 million, respectively. The provisions for three and nine months ended March 31, 2024 primarily relates to state income and deferred taxes related to goodwill amortization for tax purposes. The provision was based upon actual income before income taxes for the nine months ended March 31, 2024, as this provided a more reliable estimate of the income tax provision than an estimated annual effective income tax rate.

The Company had a total unrecognized income tax benefit of \$0.7 million and \$0.7 million as of March 31, 2025 and 2024, respectively.

13. EARNINGS PER SHARE CALCULATION

Basic earnings per share is computed by dividing net earnings by the weighted average number of common shares outstanding during the period. Diluted earnings per share, applicable only to years ended with reported income is computed by dividing net income by the weighted average number of common shares outstanding during the period plus the dilutive effect of outstanding stock options and restricted stock-based awards using the treasury stock method. The calculation of basic and diluted earnings per share is presented below:

(\$ in thousands, except per share data)	Three months ended March 31,	
	2025	2024
Numerator for basic and diluted earnings per share		
Net income	\$ 49,156	4,656
Preferred dividends	(289)	(289)
Net income applicable to common shareholders	\$ 48,867	\$ 4,367
Denominator for basic earnings per share - Weighted average shares outstanding		
	73,169,131	72,851,498
Effect of dilutive potential common shares	1,585,287	1,216,939
Denominator for diluted earnings per share - Adjusted weighted average shares outstanding	74,754,418	74,068,437
Basic earnings per share	\$ 0.67	\$ 0.06
Diluted earnings per share	\$ 0.65	\$ 0.06

(\$ in thousands, except per share data)	Nine months ended March 31,	
	2025	2024
Numerator for basic and diluted earnings per share		
Net income	\$ 57,702	9,787
Preferred dividends	(578)	(578)
Net income applicable to common shareholders	\$ 57,124	\$ 9,209
Denominator for basic earnings per share - Weighted average shares outstanding		
	73,117,081	72,770,582
Effect of dilutive potential common shares	1,402,870	1,284,238
Denominator for diluted earnings per share - Adjusted weighted average shares outstanding	74,519,951	74,054,820
Basic earnings per share	\$ 0.78	\$ 0.13
Diluted earnings per share	\$ 0.77	\$ 0.12

Potentially anti-dilutive shares excluded from the calculation of diluted earnings per share were approximately 0.8 million and 1.0 million for the nine months ended March 31, 2025 and 2024, respectively.

14. COMMITMENTS AND CONTINGENCIES

Litigation

From time to time, we may be a party to litigation and other proceedings that arise in the ordinary course of our business. These types of matters could result in fines, penalties, compensatory or treble damages or non-monetary sanctions or relief. In accordance with the accounting guidance for contingencies, we reserve for litigation claims and assessments asserted or threatened against us when a loss is probable and the amount of the loss can be reasonably estimated. We cannot predict the outcome of legal or other proceedings with certainty. We do not expect any claims with a reasonably possible adverse outcome to have a material impact on us, and, accordingly, have not accrued for any material claims.

15. RELATED PARTY TRANSACTIONS

A member of our Board of Directors serves as a strategic advisor to a consulting firm that we utilize for payments analytics and advisory services. These services are utilized by the Company to reduce the cost of our interchange and other processing fees charged by payment processors and credit card networks. As consideration for the services, we pay the consulting firm a success fee based on the savings realized by the Company, and a recurring monthly subscription fee for the analytical services. The total expense recognized within General and administrative operating expenses for these arrangements was \$0.1 million and \$0.2 million for the three and nine months ended March 31, 2025 and 2024.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the condensed consolidated financial statements and related notes included in this Quarterly Report on Form 10-Q.

Forward-Looking Statements

This Form 10-Q contains certain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, regarding, among other things, the anticipated financial and operating results of Cantaloupe, Inc. 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, including inflation, elevated interest rates, supply chain disruptions, financial institution disruptions, geopolitical conflicts, public health emergencies, and declines in consumer confidence and discretionary spending;
- our ability to compete with our competitors and increase market share;
- failure to comply with the financial covenants in our debt facilities;
- our ability to maintain compliance with rules and regulations applicable to our business operations and industry;
- disruptions in other card payment processors, software and manufacturing partners upon whom we rely;
- whether our customers continue to utilize our transaction processing and related services, as our customer agreements are generally cancellable by the customer with thirty days' notice;
- our ability to acquire and develop relevant technology offerings for current, new and potential customers and partners;
- risks and uncertainties associated with our expansion into and our operations in Europe, Mexico and other foreign markets, including general economic conditions, policy changes affecting international trade (including the imposition of new tariffs by the presidential administration, or changes and adjustments to existing tariffs), political instability, inflation rates, recessions, sanctions, foreign currency exchange rates and controls, foreign investment and repatriation restrictions, legal and regulatory constraints, civil unrest, armed conflict, war, and other economic and political factors;
- our ability to satisfy our trade obligations included in accounts payable and accrued expenses;
- our ability to attract, develop and retain key personnel, or our loss of the services of our key executives;
- the incurrence by us of any unanticipated or unusual non-operating expenses, which may require us to divert our cash resources from achieving our business plan;
- our ability to predict or estimate our future quarterly or annual revenue and expenses given the developing and unpredictable market for our products;
- our ability to successfully integrate acquired companies into our current products and services structure;
- our ability to add new customers and retain key existing customers from whom a significant portion of our revenue 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;
- whether any patents issued to us will provide any competitive advantages or adequate protection for our products, or would be challenged, invalidated or circumvented by others;
- the ability of our products and services to avoid disruptions to our systems or unauthorized hacking or credit card fraud;
- risks associated with cyber-attacks and data breaches; and
- our ability to maintain effective internal controls and to timely file periodic and current reports with the Securities and Exchange Commission ("SEC").

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, or those discussed under Part I, Item 1A. "Risk Factors" of our Annual Report for the fiscal year ended June 30, 2024. 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 Quarterly Report speaks only as of the date of this Quarterly Report. 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 Quarterly Report or to reflect the occurrence of unanticipated events.

OVERVIEW OF THE COMPANY

Cantaloupe, Inc. (Nasdaq: CTLP) is organized under the laws of the Commonwealth of Pennsylvania. We are a global technology leader powering self-service commerce. Cantaloupe offers a comprehensive suite of solutions including micro-payment processing, self-checkout kiosks, mobile ordering, connected point-of-sale ("POS") systems, and enterprise cloud software. Handling more than a billion transactions annually, our solutions enhance operational efficiency and consumer engagement across sectors like food & beverage markets, smart automated retail, hospitality, entertainment venues, laundromats and more. Committed to innovation, we aim to drive advancements in digital payments and business optimization, serving customers in the United States, United Kingdom, Mexico, European Union countries, Australia, and Canada.

Our revenue streams consist of subscription, transaction processing and equipment sales. During the three and nine months ended March 31, 2025, we derived approximately 86% and 88%, respectively, from subscription and transaction fees, and 14% and 12%, respectively, from equipment sales. Our revenue streams consist of subscription, transaction processing and equipment sales. During the three and nine months ended March 31, 2024, we derived approximately 87% and 87%, respectively, from subscription and transaction fees, and 13% and 13%, respectively, from equipment sales.

Active Devices (as defined below) operating on the Company's platform and using our services include those resulting from the sale or lease of our point of sale ("POS") electronic payment devices, telemetry devices or certified payment software or the servicing of similar third-party installed POS terminals or telemetry devices. Customers can obtain POS electronic payment devices from us in the following ways:

- Purchasing hardware directly from the Company or one of its authorized resellers;
- Financing hardware under the Company's financing program, which are non-cancellable 60-month sales-type leases; and
- Renting devices under the Company's Cantaloupe One program, which are typically 36-months duration agreements.

Key Developments during the Quarter

Highlights of the Company for the fiscal quarter ended March 31, 2025 are below:

- In January 2025, we amended our outstanding credit facilities and entered into the 2025 Credit Facility. The 2025 Credit Facility provides for a \$40 million secured term loan facility, a \$30 million secured revolving credit, and a \$30 million secured delayed draw term loan facility, taking our total borrowing capacity to \$100 million.
- In January 2025, we launched Engage Pulse card readers for the arcade and amusement industry, which are designed to maximize revenue potential through a ladder pricing interface that allows players to pay once and then enjoy multiple plays. This feature enables the Engage Pulse to deliver a seamless consumer payment experience while increasing revenue for arcade and amusement operators.
- In February 2025, we collaborated with Fundbox to launch Cantaloupe Capital, which provides small businesses with streamlined access to capital for expansion through equipment investments and flexible access to cash flow.
- As of March 31, 2025, we have 375 full-time employees in the United States, United Kingdom, and Mexico and offices in Malvern, Pennsylvania; Atlanta, Georgia; River Falls, Wisconsin; Seattle, Washington; Birmingham and Sheffield, United Kingdom; and Mexico City, Mexico.

QUARTERLY RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the condensed consolidated financial statements and related notes included in this Quarterly Report.

Key Metrics

We use certain operating metrics (Active Devices, Active Customers, Total Number of Transactions and Total Dollar Volume of Transactions, and Average Revenue Per Unit, Gross Profit, and Gross Margin) and certain non-GAAP financial measures (Adjusted Gross Profit, Adjusted Gross Margin, and Adjusted EBITDA) which are defined below to evaluate our business and operations, measure our performance, identify trends affecting our business, project our future performance, and make strategic decisions. Additionally, refer to the non-GAAP Financial Measures section below for additional information and their reconciliation to the most comparable GAAP measures.

Active Devices

Active Devices are devices that have communicated with us or have had a transaction in the last twelve months. Included in the number of Active Devices are devices that communicate through other devices that communicate or transact with us. For example, a self-service retail location that utilizes an ePort cashless payment device as well as Seed management services constitutes only one device.

Active Customers

The Company defines Active Customers as all customers with at least one active device.

Total Number of Transactions and Total Dollar Volume of Transactions

Transactions are defined as electronic payment transactions that are processed by our technology-enabled solutions. Management uses Total Number and Dollar Volume of transactions to evaluate the effectiveness of our customer acquisition strategies and our ability to leverage existing customers and partners.

Average Revenue Per Unit

The Company defines average revenue per unit ("ARPU") as our total subscription and transaction fees for the trailing 12 months divided by average total active devices for the trailing 12 months.

The following tables represent our selected operating metrics for the periods indicated:

	As of and for the three months ended				
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Devices:					
Active Devices (thousands)	1,261	1,269	1,230	1,223	1,217
Customers:					
Active Customers	34,115	32,909	32,338	31,466	30,670
Volumes:					
Total Number of Transactions (millions)	296.1	299.8	293.7	290.4	283.3
Total Dollar Volume of Transactions (millions)	\$ 852.4	\$ 843.1	\$ 826.7	\$ 815.7	\$ 767.4
Subscription and transaction fees - Trailing 12 months (thousands)	\$ 255,181	\$ 249,210	\$ 240,153	\$ 231,497	\$ 223,342
Average revenue per unit (ARPU)	\$ 205.92	\$ 202.20	\$ 198.31	\$ 193.64	\$ 186.00

Three Months Ended March 31, 2025 Compared to Three Months Ended March 31, 2024

(\$ in thousands)	Three Months Ended March 31,		Change	Percent Change 2025 v. 2024
	2025	2024		
Transaction fees	\$ 44,028	\$ 40,034	\$ 3,994	10.0 %
Cost of transaction fees	33,119	30,926	2,193	7.1 %
Gross profit, transaction ⁽¹⁾	\$ 10,909	\$ 9,108	1,801	19.8 %
Gross margin, transaction	24.8 %	22.8 %	2.0 %	
Subscription fees	\$ 21,151	\$ 19,173	1,978	10.3 %
Cost of subscription fees	1,963	2,000	(37)	(1.9)%
Amortization ⁽²⁾	5,357	1,541	3,816	247.6 %
Gross profit, subscription fees	\$ 13,831	\$ 15,632	(1,801)	(11.5)%
Gross margin, subscription	65.4 %	81.5 %	(16.1)%	
Equipment sales	\$ 10,248	\$ 8,690	1,558	17.9 %
Cost of equipment sales	8,984	8,064	920	11.4 %
Gross profit, equipment ⁽¹⁾	\$ 1,264	\$ 626	638	101.9 %
Gross margin, equipment	12.3 %	7.2 %	5.1 %	
Total gross profit	\$ 26,004	\$ 25,366	638	2.5 %
Total gross margin	34.5 %	37.4 %	(2.9)%	

⁽¹⁾ The Company's internal-use software assets and developed technology assets are not associated with transaction fees and equipment revenue.

⁽²⁾ Amortization of internal-use software assets and developed technology assets. In March 2025, the Company recognized additional charges of \$3.0 million, due to certain capitalized internal use software is no longer expected to provide future economic benefits as a result of changes in business strategy and evolving technology initiatives.

Highlights for the quarter ended March 31, 2025 include:

- Revenues of \$75.4 million, an increase of 11.1% quarter over same quarter prior year. Transaction fees, subscription fees and equipment sales all increased this quarter;
- 1.26 million Active Devices compared to the same quarter last year of 1.22 million, an increase of approximately 44 thousand Active Devices, or 3.6%;
- 34,115 Active Customers compared to the same quarter last year of 30,670, an increase of 3,445 Active Customers, or 11.2%; and
- \$852.4 million in Total Dollar Volume of Transactions for the quarter ended March 31, 2025 compared to \$767.4 million for the quarter ended March 31, 2024, an increase of \$85.0 million, or 11.1%. See "Revenues and Gross Margin" in Management's Discussion and Analysis of Financial Condition and Results of Operations below for additional information.

Revenues. Total revenues increased by \$7.5 million for the three months ended March 31, 2025 compared to the same period in 2024. The increase in revenues is attributed to a \$4.0 million increase in transaction fees, a \$2.0 million increase in subscription fees and a \$1.5 million increase in equipment sales.

The increase in transaction fees was primarily driven by increased average ticket items sold, increased average ticket price, increased processing volumes, and the acquisition Cheq, resulting in a 11.1% increase in total dollar volumes of transactions for the current fiscal year quarter relative to the same quarter in the prior year. There was also an increase in the total number of active devices relative to the same quarter in the prior year.

Our subscription fees have increased 10.3% for the three months ended March 31, 2025 compared to the same period in 2024 which is attributed to a continued focus of management to grow our recurring subscription services to our customer base, an increase in our active devices compared to last year, and the acquisition of SB Software.

Equipment revenue increased to \$10.2 million for the three months ended March 31, 2025, compared to \$8.7 million for the same period in 2024, primarily due to increased sales of our Smart Stores product (which we launched in December 2024) in the current fiscal year quarter.

Costs of sales. Costs of sales increased \$3.1 million for the three months ended March 31, 2025 compared to the prior year period. The increase in costs of sales was primarily due to a \$2.2 million increase in transaction costs as a result of increased processing volumes. Equipment cost of sales increased by \$0.9 million as a result of increased equipment sales.

Amortization. Amortization of internal-use software assets and developed technology assets increased \$3.8 million for the three months ended March 31, 2025 compared to the prior year period primarily as a result of certain capitalized internal use software is no longer expected to provide future economic benefits as a result of changes in business strategy and evolving technology initiatives and our acquisitions of Cheq and SB Software.

Gross margin. Total U.S. GAAP gross margin decreased to 34.5% for the three months ended March 31, 2025 from 37.4% for the three months ended March 31, 2024. The decrease was primarily a result of the additional amortization expense described above.

Operating Expenses

Category (\$ in thousands)	Three months ended March 31,		Change	
	2025	2024	Amount	Percentage
Sales and marketing	\$ 5,830	\$ 5,747	\$ 83	1.4 %
Technology and product development	4,328	4,916	(588)	(12.0)%
General and administrative expenses	8,471	8,552	(81)	(0.9)%
Integration and acquisition expenses	(534)	907	(1,441)	(158.9)%
Depreciation and amortization	6,367	2,493	3,874	155.4 %
Total operating expenses	\$ 24,462	\$ 22,615	\$ 1,847	8.2 %

Total operating expenses. Operating expenses increased 8.2% for the three months ended March 31, 2025 compared to the same period in 2024. This was primarily driven by increased depreciation and amortization related expenses. Total operating expense also increased as a result of the acquisitions of Cheq and SB Software. See further details on individual categories below.

Sales and marketing. Sales and marketing expenses increased approximately \$0.1 million for the three months ended March 31, 2025 compared to the same period in 2024. This was due to a \$0.4 million increase in advertising costs, offset by a \$0.2 million decrease in compensation costs and a decrease in various sales and marketing expense reductions of approximately \$0.1 million.

Technology and product development. Technology and product development expenses decreased by \$0.6 million for the three months ended March 31, 2025 compared to the same period in 2024. The decrease was driven by a \$0.4 million decrease in compensation and benefits and a \$0.2 million decrease in subscriptions and cloud hosting fees.

General and administrative expenses. General and administrative expenses decreased by \$0.1 million for the three months ended March 31, 2025 compared to the same period in 2024. General and administrative expenses increased due to a \$1.2 million decrease in the release in sales and use taxes reserves this quarter compared the same quarter last year. This is offset by a decrease of \$1.3 million in non-recurring project work related to remediation of material weaknesses in internal controls over financial reporting, which was recorded in the same quarter last year.

Integration and acquisition expenses. For the three months ended March 31, 2025, as described in *Note 9 - Acquisitions*, the Company recognized a \$0.6 million gain due to the decrease in the fair value of the contingent consideration associated with our SB Software acquisition, offset by \$0.1 million in integration expenses. For the three months ended March 31, 2024, the Company incurred integration and acquisition expenses of \$0.9 million primarily due to professional services from accounting and legal advisors, as well as consulting services related to the Cheq acquisition.

Depreciation and amortization. Depreciation and amortization expenses increased \$3.9 million for the three months ended March 31, 2025 compared to the same period in 2024 due to certain capitalized internal use software is no longer expected to provide future economic benefits as a result of changes in business strategy and evolving technology initiatives and our acquisitions of Cheq and SB Software.

Other Expense, Net

(\$ in thousands)	Three months ended March 31,		Change	
	2025	2024	Amount	Percentage
Other income (expense):				
Interest income	\$ 368	\$ 495	\$ (127)	(25.7)%
Interest (expense) income, net on debt and tax liabilities	(39)	162	(201)	124.1 %
Other (expense) income, net	24	(209)	233	111.5 %
Total other income (expense), net	\$ 353	\$ 448	\$ (95)	21.2 %

Other expense, net. Other expense, net decreased \$0.1 million for the three months ended March 31, 2025 as compared to the same period in 2024. The \$0.1 million decrease in interest income is primarily due to lower outstanding balances for our finance receivables. Our interest expense from debt and tax liabilities decreased by \$0.2 million for three months ended March 31, 2025 as compared to the same period in 2024 primarily due to the reduction in interest component of sales tax liability. Other (expense) income, net increased by \$0.2 million primarily due to foreign currency transactions.

Benefit from (provision for) income taxes

(\$ in thousands)	Three months ended March 31,		Change	
	2025	2024	Amount	Percentage
Benefit from (provision for) income taxes	\$ 41,904	\$ (84)	\$ 41,988	NM

NM The percentage change is not meaningful due to the valuation allowance release described below.

The income tax benefit for the three months ended March 31, 2025, relates to the \$42.2 million valuation allowance release, offset by state income and deferred taxes related to goodwill amortization for tax purposes. The income tax expense for the three months ended March 31, 2024 were the result of state income and deferred taxes related to goodwill amortization for tax purposes.

Nine Months Ended March 31, 2025 Compared to Nine Months Ended March 31, 2024

(\$ in thousands)	Nine Months Ended March 31,		Change	Percent Change
	2025	2024		
Transaction fees	\$ 132,022	\$ 114,956	\$ 17,066	14.8 %
Cost of transaction fees	99,434	90,736	8,698	9.6 %
Gross profit, transaction ⁽¹⁾	\$ 32,588	\$ 24,220	8,368	34.5 %
Gross margin, transaction	24.7 %	21.1 %	3.6 %	
Subscription fees	\$ 62,034	\$ 55,415	6,619	11.9 %
Cost of subscription fees	6,544	5,803	741	12.8 %
Amortization ⁽²⁾	9,352	5,157	4,195	81.3 %
Gross profit, subscription	\$ 46,138	\$ 44,455	1,683	3.8 %
Gross margin, subscription	74.4 %	80.2 %	(5.8)%	
Equipment sales	\$ 25,929	\$ 25,568	361	1.4 %
Cost of equipment sales	23,074	23,849	(775)	(3.2)%
Gross profit, equipment ⁽¹⁾	\$ 2,855	\$ 1,719	1,136	66.1 %
Gross margin, equipment	11.0 %	6.7 %	4.3 %	
Total gross profit	\$ 81,581	\$ 70,394	11,187	15.9 %
Total gross margin	37.1 %	35.9 %	1.2 %	

⁽¹⁾ The Company's internal-use software assets and developed technology assets are not associated with transaction fees and equipment revenue.

⁽²⁾ Amortization of internal-use software assets and developed technology assets. In March 2025, the Company recognized additional charges of \$3.0 million, due to certain capitalized internal use software is no longer expected to provide future economic benefits as a result of changes in business strategy and evolving technology initiatives.

Revenues. Total revenues increased by \$24.0 million for the nine months ended March 31, 2025 compared to the same period in 2024. The increase in revenues is attributed to a \$17.1 million increase in transaction fees, a \$6.6 million increase in subscription fees and a \$0.4 million increase in equipment sales.

The increase in transaction fees was primarily driven by increased average ticket items sold, increased average ticket price, increased processing volumes, and the acquisition Cheq, resulting in a 13.5% increase in total dollar volumes of transactions for the nine months ended March 31, 2025 relative to the prior year period.

Our subscription fees have increased 11.9% for the nine months ended March 31, 2025 compared to the same period in 2024 which is attributed to a continued focus of management to grow our recurring subscription services to our customer base and an increase in our active devices compared to last year as well as the acquisition of SB Software and Cheq.

Equipment revenue increased slightly to \$25.9 million for the nine months ended March 31, 2025, compared to \$25.6 million for the prior year period.

Costs of sales. Costs of sales increased \$8.7 million for the nine months ended March 31, 2025 compared to the prior year period. The increase in costs of sales was primarily due to a \$8.7 million increase in transaction costs as a direct result of increased transaction processing fees corresponding with an increase in processing volumes, a \$0.7 million increase in subscription costs, offset by the decrease in cost of equipment of \$0.8 million.

Amortization. Amortization of internal-use software assets and developed technology assets increased \$4.2 million for the nine months ended March 31, 2025 compared to the prior year period, primarily as a result of certain capitalized internal use software which is no longer expected to provide future economic benefits as a result of changes in business strategy and evolving technology initiatives and amortization of intangibles from the acquisitions of Cheq and SB Software.

Gross margin. Total U.S. GAAP gross margin increased to 37.1% for the nine months ended March 31, 2025 from 35.9% for the nine months ended March 31, 2024. The increase was primarily a result of an increased transaction and equipment margins.

Operating Expenses

Category (\$ in thousands)	Nine Months Ended March 31,		Change	
	2025	2024	Amount	Percentage
Sales and marketing	\$ 16,663	\$ 14,256	\$ 2,407	16.9 %
Technology and product development	13,351	12,115	1,236	10.2 %
General and administrative expenses	31,638	29,493	2,145	7.3 %
Integration and acquisition expenses	(293)	1,078	(1,371)	(127.2)%
Depreciation and amortization	12,405	7,976	4,429	55.5 %
Total operating expenses	\$ 73,764	\$ 64,918	\$ 8,846	13.6 %

Total operating expenses. Operating expenses increased 13.6% for the nine months ended March 31, 2025 compared to the same period in 2024. This is driven by increases in all categories other than integration and acquisition expenses. Total operating expense also increased as a result of the acquisitions of Cheq and SB Software. See further details on individual categories below.

Sales and marketing. Sales and marketing expenses increased approximately \$2.4 million for the nine months ended March 31, 2025 compared to the same period in 2024. Sales and marketing expenses increased \$1.7 million due to advertising and trade show expenses, \$0.3 million increase due to travel expenses, \$0.1 million related to compensation expenses and \$0.3 million in various other marketing expenses. Overall, these increases are due to investments being made to drive revenue both domestically and internationally.

Technology and product development. Technology and product development expenses increased by \$1.2 million for the nine months ended March 31, 2025, due to \$0.7 million increase in subscriptions and cloud hosting fees, a \$0.6 million increase in compensation and benefits and a \$0.1 million increase in travel expenses, offset by a \$0.2 million decrease in other technology and product development expenses.

General and administrative expenses. General and administrative expenses increased by \$2.1 million for the nine months ended March 31, 2025 compared to the same period in 2024. This is due to a \$1.3 million smaller release in sales and use taxes reserves compared to the same period last year, \$1.0 million due to compensation and benefits and \$0.1 million in other general and administrative expenses. This is offset by a \$0.3 million decrease in rent expense.

Integration and acquisition expenses. For the nine months ended March 31, 2025, the Company incurred integration and acquisition expenses associated with our acquisition of SB Software, however, these were offset by a \$0.6 million decrease in the fair value of the contingent consideration. Integration and acquisition expenses for the nine months ended March 31, 2024 related to the acquisitions of 32M and Cheq.

Depreciation and amortization. Depreciation and amortization expenses were increased \$4.4 million for the nine months ended March 31, 2025 compared to the prior year period, as a result of certain capitalized internal use software which is no longer expected to provide future economic benefits as a result of changes in business strategy and evolving technology initiatives. Depreciation and amortization expenses also increased due to the amortization of intangibles from the acquisitions of Cheq and SB Software.

Other Expense, Net

(\$ in thousands)	Nine Months Ended March 31,		Change	
	2025	2024	Amount	Percentage
Other income (expense):				
Interest income	\$ 1,213	\$ 1,505	\$ (292)	(19.4)%
Interest (expense) income, net on debt and tax liabilities	(2,023)	(1,947)	(76)	(3.9)%
Other (expense) income, net	12	(158)	170	107.6 %
Total other income (expense), net	\$ (798)	\$ (600)	\$ (198)	(33.0)%

Other expense, net. Other expense increased \$0.2 million for the nine months ended March 31, 2025 as compared to the same period in 2024. The decrease in interest income of \$0.3 million is primarily due to lower outstanding balances for our finance receivables. Our interest expense from debt and tax liabilities decreased \$0.1 million primarily due to the reduction of the interest component of our sales tax liability. Other income (expense), net increased \$0.2 million primarily due to foreign currency transactions.

Benefit from (provision for) income taxes

(\$ in thousands)	Nine Months Ended March 31,		Change	
	2025	2024	Amount	Percentage
Benefit from (provision for) income taxes	\$ 41,332	\$ (246)	\$ 41,578	NM

NM The percentage change is not meaningful due to the valuation allowance release described below.

The income tax benefit for the nine months ended March 31, 2025, relates to the \$42.2 million valuation allowance release, offset by state income and deferred taxes related to goodwill amortization for tax purposes. The income tax expense for the nine months ended March 31, 2024 were the result of state income and deferred taxes related to goodwill amortization for tax purposes.

Non-GAAP Financial Measures

We use non-GAAP financial measures for financial and operational decision-making purposes and as a means to evaluate period-to-period comparisons. We believe that these non-GAAP financial measures provide useful information about our operating results, enhance the overall understanding of past financial performance and future prospects and allow for greater transparency with respect to metrics used by our management in their financial and operational decision making. The presentation of these financial measures is not intended to be considered in isolation or as a substitute for the financial measures prepared and presented in accordance with GAAP. Management recognizes that non-GAAP financial measures have limitations in that they do not reflect all of the items associated with our net income as determined in accordance with GAAP, and are not a substitute for or a measure of our profitability or net earnings.

Adjusted Gross Profit and Margin (non-GAAP)

We define Adjusted Gross Profit (non-GAAP) as revenue less cost of sales, exclusive of depreciation of internally-developed software and amortization of intangible assets related to technologies obtained through acquisitions. We believe this non-GAAP measure is useful to view the resulting figures excluding the aforementioned non-cash charges because the amount of such expenses in any specific period may not directly correlate to the underlying performance of our business operations and such amounts vary substantially from company to company depending on their financing and capital structures and the method by which their assets were acquired. We define Adjusted Gross Margin as Adjusted Gross Profit divided by revenue.

We have provided below a reconciliation of U.S. GAAP gross profit to Adjusted Gross Profit and Adjusted Gross Margin for the three and nine months ended March 31, 2025 and 2024:

(\$ in thousands)	Three Months Ended March 31,		Change	Percent Change
	2025	2024		
Gross profit, transaction (GAAP)	\$ 10,909	\$ 9,108	\$ 1,801	19.8 %
Gross margin, transaction (GAAP)	24.8 %	22.8 %	2.0 %	
Gross profit, subscription (GAAP)	13,831	15,632	(1,801)	(11.5)%
Amortization ⁽¹⁾	5,357	1,541	3,816	247.6 %
Adjusted Gross Profit, subscription (non-GAAP)	\$ 19,188	\$ 17,173	2,015	11.7 %
Adjusted Gross Margin, subscription (non-GAAP)	90.7 %	89.6 %	1.1 %	
Gross profit, equipment (GAAP)	\$ 1,264	\$ 626	638	101.9 %
Gross margin, equipment (GAAP)	12.3 %	7.2 %	5.1 %	
Total Adjusted Gross Profit (non-GAAP)	\$ 31,361	\$ 26,907	4,454	16.6 %
Total Adjusted Gross Margin (non-GAAP)	41.6 %	39.6 %	2.0 %	

⁽¹⁾ Amortization of internal-use software assets and developed technology assets. In March 2025, the Company recognized additional charges of \$3.0 million, due to certain capitalized internal use software is no longer expected to provide future economic benefits as a result of changes in business strategy and evolving technology initiatives.

Total Adjusted Gross Margin (non-GAAP) was 41.6% for the three months ended March 31, 2025, from 39.6% for the three months ended March 31, 2024. The increase in Adjusted Gross Margin was driven by an increase in our subscription and transaction fee revenue due to increased transaction volumes.

(\$ in thousands)	Nine Months Ended March 31,		Change	Percent Change
	2025	2024		
Gross profit, transaction (GAAP)	\$ 32,588	\$ 24,220	8,368	34.5 %
Gross margin, transaction (GAAP)	24.7 %	21.1 %	3.6 %	
Gross profit, subscription (GAAP)	46,138	44,455	1,683	3.8 %
Amortization ⁽¹⁾	9,352	5,157	4,195	81.3 %
Adjusted Gross Profit, subscription (non-GAAP)	\$ 55,490	\$ 49,612	5,878	11.8 %
Adjusted Gross Margin, subscription (non-GAAP)	89.5 %	89.5 %	— %	
Gross profit, equipment (GAAP)	\$ 2,855	\$ 1,719	1,136	66.1 %
Gross margin, equipment (GAAP)	11.0 %	6.7 %	4.3 %	
Total Adjusted Gross Profit (non-GAAP)	\$ 90,933	\$ 75,551	15,382	20.4 %
Total Adjusted Gross Margin (non-GAAP)	41.3 %	38.6 %	2.7 %	

⁽¹⁾ Amortization of internal-use software assets and developed technology assets. In March 2025, the Company recognized additional charges of \$3.0 million, due to certain capitalized internal use software is no longer expected to provide future economic benefits as a result of changes in business strategy and evolving technology initiatives.

Total Adjusted Gross Margin (non-GAAP) was 41.3% for the nine months ended March 31, 2025, from 38.6% for the nine months ended March 31, 2024. The increase in Adjusted Gross Margin was driven by an increase in our transaction fee revenue due to increased transaction volumes and increased in equipment sales.

Adjusted EBITDA (non-GAAP)

The Company defines Adjusted EBITDA (non-GAAP) as U.S. GAAP net income before (i) interest income, (ii) interest expense, (iii) income tax provision, (iv) depreciation, (v) amortization, (vi) stock-based compensation expense, and (vii) certain

other significant infrequent or unusual losses and gains that are not indicative of our core operations such as integration and acquisition expenses and costs as a result of auditor transitions.

We believe Adjusted EBITDA is useful for investors in comparing our financial performance to other companies and from period to period. Adjusted EBITDA is widely used by investors and securities analysts to measure a company's operating performance without regard to items such as depreciation and amortization, interest expense, and interest income, which can vary substantially from company to company depending on their financing and capital structures and the method by which their assets were acquired. In addition, Adjusted EBITDA eliminates the impact of certain items that may obscure trends in the underlying performance of our business. Additionally, we utilize Adjusted EBITDA as a metric in our executive officer and management incentive compensation plans.

Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. For example, although depreciation expense is a non-cash charge, the assets being depreciated may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new asset acquisitions. In addition, Adjusted EBITDA excludes stock-based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy. Adjusted EBITDA also does not reflect changes in, or cash requirements for, our working capital needs; interest expense, or the cash requirements necessary to service interest or principal payments on our debt, which reduces the cash available to us; or tax payments that may represent a reduction in cash available to us. The expenses and other items which are excluded from the calculation of Adjusted EBITDA may differ from the expenses and other items that other companies may exclude from Adjusted EBITDA when they report their financial results.

Below is a reconciliation of U.S. GAAP net income to Adjusted EBITDA for the three and nine months ended March 31, 2025 and 2024:

(\$ in thousands)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Net income	\$ 49,156	\$ 4,656	\$ 57,702	\$ 9,787
Less: interest income	(368)	(495)	(1,213)	(1,505)
Plus: interest expense (benefit)	39	(162)	2,023	1,947
Plus: income tax (benefit) provision	(41,904)	84	(41,332)	246
Plus: depreciation expense included in cost of sales for rentals	533	415	1,412	1,137
Plus: depreciation and amortization expense in operating expenses	6,367	2,493	12,405	7,976
EBITDA	13,823	6,991	30,997	19,588
Plus: stock-based compensation ^(a)	629	1,004	2,459	4,047
Plus: integration and acquisition (benefits) expenses ^(b)	(534)	907	(293)	1,078
Plus: auditor transition costs ^(c)	—	—	375	—
Plus: remediation expenses ^(d)	—	1,258	—	1,755
Plus: severance expenses ^(e)	—	26	—	26
Adjustments to EBITDA	95	3,195	2,541	6,906
Adjusted EBITDA	\$ 13,918	\$ 10,186	\$ 33,538	\$ 26,494

^(a) We have excluded stock-based compensation, as it does not reflect our cash-based operations.

^(b) We have excluded benefits and expenses incurred in connection with business acquisitions as they do not represent recurring costs or charges related to our core operations.

^(c) Costs incurred as a result of former auditor consent procedures. See *Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure* of the Company's Annual Report.

^(d) Consists of one-time project expenses incurred in connection with remediation of previously identified material weaknesses in our internal control over financial reporting which were remediated during fiscal year ended June 30, 2024. See *Item 9A Section e - Remediation of Prior Material Weaknesses* of the Company's Annual Report.

^(e) Consists of expenses incurred in connection with non-recurring severance charges related to work force reduction.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Funds

Historically, we have financed our operations primarily through cash from operating activities, debt financings, and equity issuances. The Company's primary sources of capital available are cash and cash equivalents on hand of \$46.3 million as of March 31, 2025 and the cash that we expect to be provided by operating activities by the Company.

Uses of Cash

The Company believes that its current financial resources will be sufficient to fund its current twelve-month operating budget from the date of issuance of these condensed consolidated financial statements. Our primary focus as part of our core operations to increase cash flow from operating activities is to prioritize collection efforts to reduce outstanding accounts receivable, utilize existing inventory to support equipment sales over the next year, focus on various operational efficiencies to improve overall profitability of the business and continue to grow our business both domestically and internationally.

Net cash used in operating activities

For the nine months ended March 31, 2025, net cash provided by operating activities was \$10.9 million which is the result of our net income of \$57.7 million, offset by non-cash operating adjustments of \$23.3 million and \$23.5 million of cash utilized by working capital accounts. The change in working capital was primarily driven by an increase in cash utilized by accounts payable and accrued expenses of \$26.0 million, offset by a \$9.5 million decrease in accounts receivable primarily due to cash collections. Increases in cash utilized by accounts payable and accrued expenses and as well as the collection of accounts receivable were primarily the result of the timing of payments made for transaction processing as March 31, 2025.

For the nine months ended March 31, 2024, net cash provided by operating activities was \$13.5 million which reflects our net income of \$9.8 million and non-cash operating charges of \$18.5 million, partially offset by \$14.8 million of cash utilized by working capital accounts. The change in working capital accounts was primarily driven by a \$16.5 million increase in accounts receivable and a increase in accounts payable and accrued expenses of \$8.5 million in the period. The increase in the accounts receivable balance as of March 31, 2024 was a result of increased sales during the nine months ended March 31, 2024 and the timing of the cash receipts compared to the prior year period.

Non-cash operating adjustments primarily consisted of the release of our income tax valuation allowance as described in *Note 12, Income Taxes*, offset by depreciation of property and equipment, amortization of our intangible assets, provisions for expected losses and stock-based compensation for the nine months ended March 31, 2025.

Net cash used in investing activities

Net cash used in investing activities was \$23.0 million for the nine months ended March 31, 2025. We invested \$11.9 million in property and equipment as the Company continued to focus on investing in innovative technologies and products, and increasing rental devices enrolled in the Company's Cantaloupe One program. Additionally, the Company invested \$11.1 million through acquisitions.

Net cash used in investing activities was \$13.9 million for the nine months ended March 31, 2024. We invested \$9.2 million in property and equipment. Additionally, the Company invested \$4.8 million through its CHEQ acquisition.

Net cash provided by financing activities

Net cash used in financing activities was \$0.4 million and for the nine months ended March 31, 2025 which was primarily due to the amended and restated credit agreement, partially offset by debt repayments on the 2022 Amended JPMorgan Credit Facility and deferred cash consideration for the acquisition of Cheq, as described in *Note 6 - Debt and Other Financing Arrangements*. Net cash used in financing activities for the nine months ended March 31, 2024 was \$0.3 million, which is primarily driven by debt repayments on the 2022 Amended JPMorgan Credit Facility.

CONTRACTUAL OBLIGATIONS

During the nine months ended March 31, 2025, there were no significant changes to our contractual obligations from those disclosed in the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report for the fiscal year ended June 30, 2024, other than the amendment to our debt agreement noted below.

As described in *Note 6 - Debt and Other Financing Arrangements*, in January 2025 we amended our debt agreement to defer the maturity date until January 2030 and increase our borrowing capacity.

CRITICAL ACCOUNTING ESTIMATES

There have been no material changes to our critical accounting estimates from those disclosed in our Annual Report on for the fiscal year ended June 30, 2024.

Recent Accounting Pronouncements

See *Note 2 - Summary of Significant Accounting Policies* to the condensed consolidated financial statements for a description of recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

As of March 31, 2025, we are exposed to market risk related to changes in interest rates on our outstanding borrowings described in *Note 6 - Debt and Other Financing Arrangements*. As of March 31, 2025, we have \$39.5 million total outstanding borrowings, an increase of 100 basis points in SOFR Rate would result in a change in interest expense of \$0.4 million per year.

We are also exposed to market risk related to changes in interest rates on our cash investments and foreign currency exchange rates. We invest our excess cash in money market funds that we believe are highly liquid and marketable in the short term. These investments earn a floating rate of interest and are not held for trading or other speculative purposes. Consequently, our exposure to market risks for interest rate changes related to our money market funds is not material. Market risks related to fluctuations of foreign currencies are not material and we have no freestanding derivative instruments as of March 31, 2025.

We are exposed to credit risks on accounts receivable and equipment leases where the Company acts as the lessor. Exposure to market and credit risk is materially consistent with our presentation in Part II, Item 7A of our Annual Report for the year ended June 30, 2024.

Item 4. Controls and Procedures

(a) Disclosure Controls and Procedures

We maintain disclosure controls and procedures to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, to allow timely decisions regarding required disclosure.

Our management, with the participation of our chief executive officer and chief financial officer, has evaluated the effectiveness as of the end of the period covered by this Form 10-Q of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Exchange Act. Based on this evaluation, our management, including our chief executive officer and chief financial officer, has concluded that our disclosure controls and procedures were effective as of March 31, 2025.

(b) Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting that occurred during the fiscal quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

The information required by this Item is incorporated herein by reference to the Notes to condensed consolidated financial statements, *Note 14 – Commitments and Contingencies* in Part I, Item 1, of this Quarterly Report.

Item 1A. Risk Factors

For a discussion of the Company's risk factors, see the information under disclosed in Item 1A in the Company's Annual Report on for the fiscal year ended June 30, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

N/A

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

N/A

Item 5. Other Information

Rule 10b5-1 Trading Plans

During the fiscal quarter ended March 31, 2025, none of the Company's director or executive officers adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Item 6. Exhibits

Exhibit Number	Description
3.1	Amended and Restated Articles of Incorporation (incorporated by reference to Exhibit 3.1 to Form 10-Q filed on February 4, 2022).
3.2	Second Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to Form 8-K filed on August 10, 2021)
10.1	Second Amended and Restated Credit Agreement, by and among the Company, certain of its subsidiaries, and JPMorgan Chase Bank, N.A. and Capital One, National Association, dated January 31, 2025 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on February 5, 2025).
31.1*	Certifications of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2*	Certifications of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32.1**	Certification of the Chief Executive Officer pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of the Chief Financial Officer pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial information from our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, filed with the SEC on May 8, 2025, is formatted in Inline Extensible Business Reporting Language (“iXBRL”): (1) the Condensed Consolidated Balance Sheets as of March 31, 2025 and June 30, 2024, (2) the Condensed Consolidated Statements of Operations for the three-month and nine-month periods ended March 31, 2025 and 2024, (3) the Condensed Consolidated Statements of Other Comprehensive Income for the three-month and nine-month periods ended March 31, 2025 and 2024, (4) the Condensed Consolidated Statements of Convertible Preferred Stock and Shareholders’ Equity for the three-month and nine-month periods ended March 31, 2025 and 2024, (5) the Condensed Consolidated Statements of Cash Flows for the nine-month periods ended March 31, 2025 and 2024, and (6) the Notes to Condensed Consolidated Financial Statements.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase
104	The cover page from our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, filed with the SEC on May 8, 2025, is formatted as Inline XBRL and contained in Exhibit 101.

* Filed herewith.

** Furnished herewith.

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

Cantaloupe, Inc.

Date: May 8, 2025

/s/ Ravi Venkatesan

Ravi Venkatesan
Chief Executive Officer

Date: May 8, 2025

/s/ Scott Stewart

Scott Stewart
Chief Financial Officer

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ravi Venkatesan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cantaloupe, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based upon such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the issuer's most recent fiscal quarter (the issuer's fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting to the auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: May 8, 2025

/s/ Ravi Venkatesan

Ravi Venkatesan
Chief Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Scott Stewart, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cantaloupe, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based upon such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the issuer's most recent fiscal quarter (the issuer's fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting to the auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: May 8, 2025

/s/ Scott Stewart

Scott Stewart
Chief Financial Officer

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the accompanying Quarterly Report of Cantaloupe, Inc., (the "Company") on Form 10-Q for the period ended March 31, 2025 (the "Report"), I, Ravi Venkatesan, Chief Executive Officer of the Company, hereby certify that to my knowledge:

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

Date: May 8, 2025

/s/ Ravi Venkatesan

Ravi Venkatesan
Chief Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the accompanying Quarterly Report of Cantaloupe, Inc., (the “Company”) on Form 10-Q for the period ended March 31, 2025 (the “Report”), I, Scott Stewart, Chief Financial Officer of the Company, hereby certify that to my knowledge:

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

Date: May 8, 2025

/s/ Scott Stewart

Scott Stewart
Chief Financial Officer